

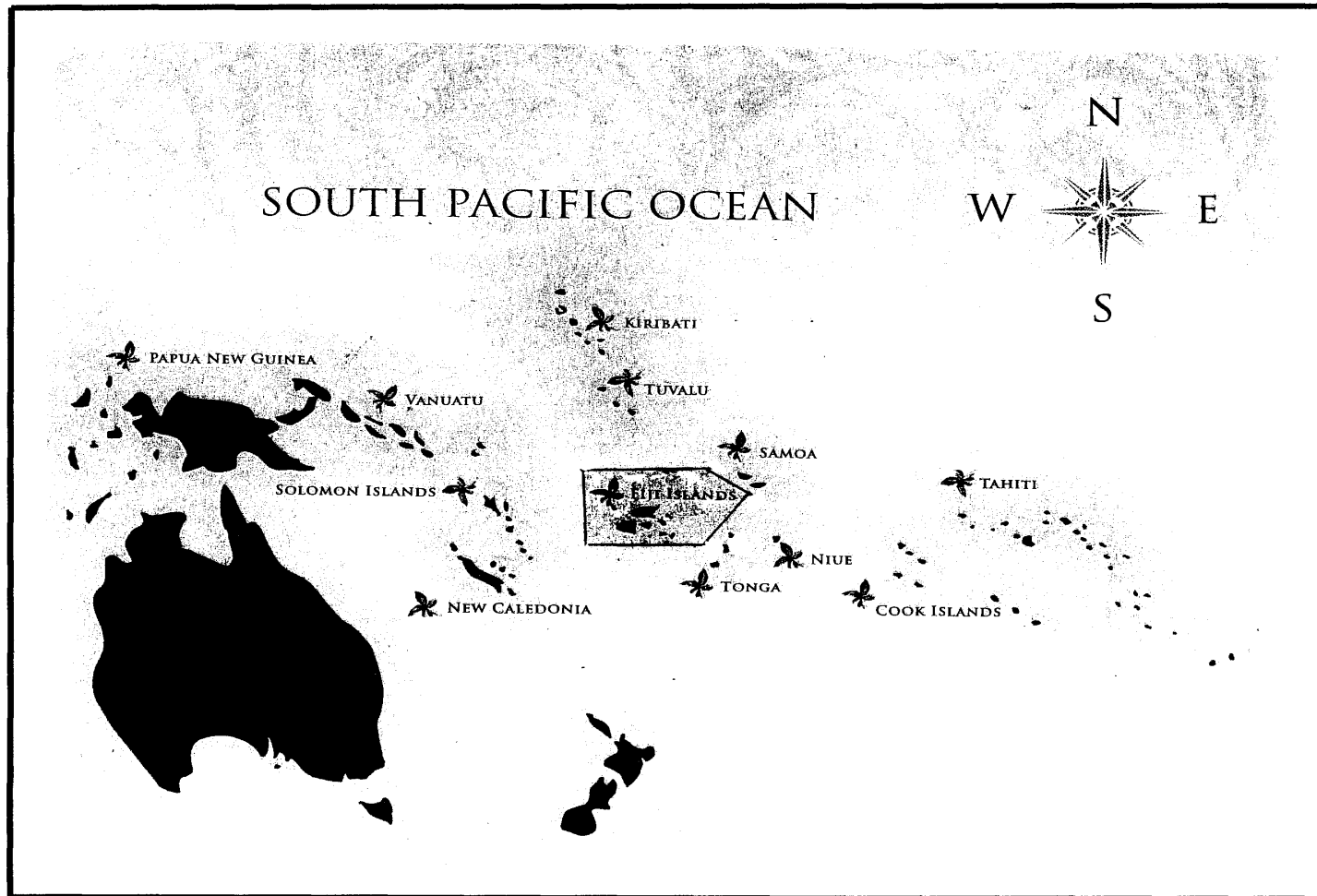
**CULTURE AND ENTREPRENEURSHIP IN FIJI'S SMALL TOURISM
BUSINESS SECTOR**

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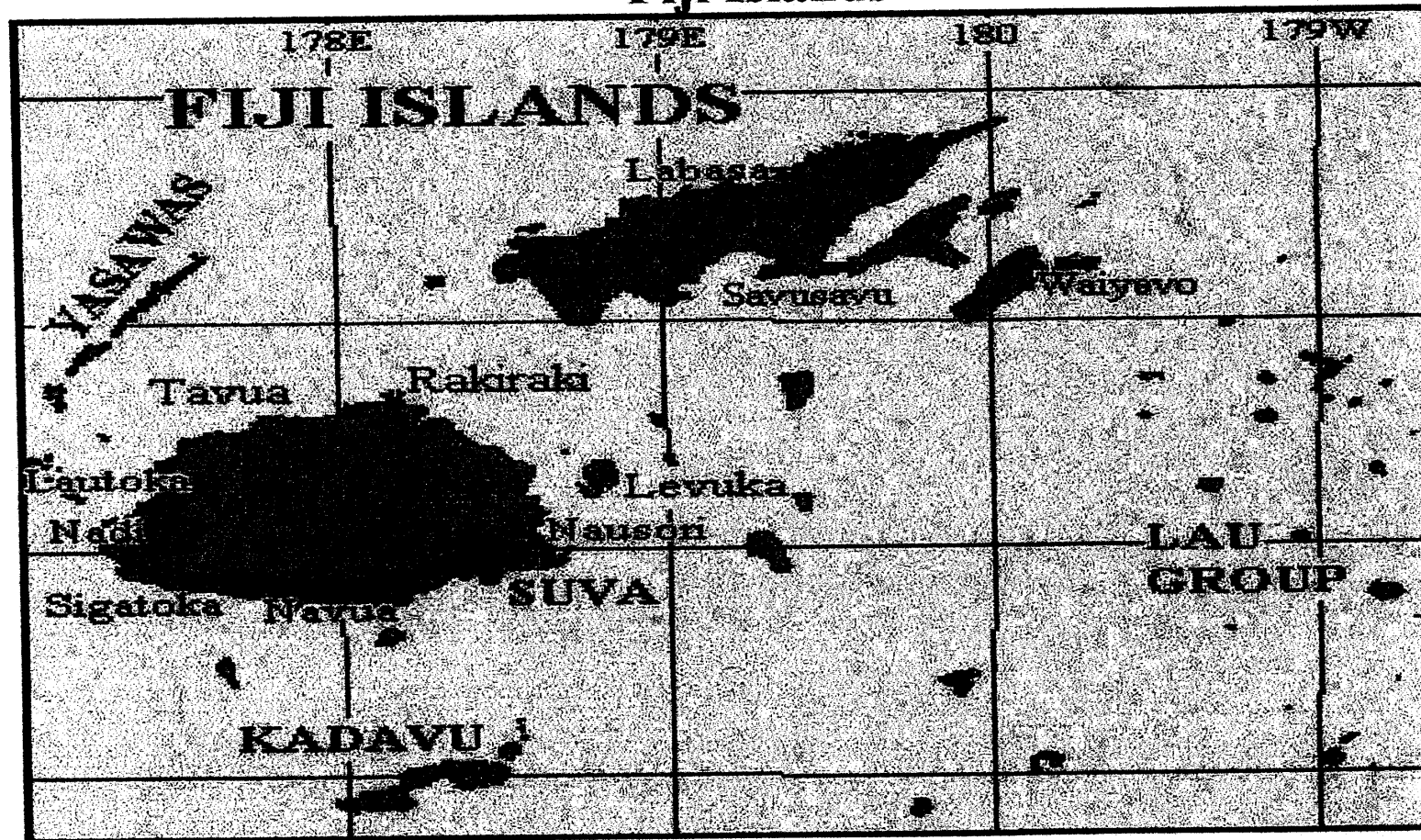
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Fiji Islands



Map of Fiji
[Shaded area indicates the region from where data was collected]

DEDICATION

To Cecilia, Neil and Aman with love

STATEMENT OF AUTHORSHIP

I, Dorasammy R. Rao, declare that I am the sole author of this dissertation and that no other person's work has been used without acknowledgement, nor has any of the material been submitted wholly or partly for another academic award in any other tertiary or educational institution.

I confirm that this thesis does not exceed 100,000 words (excluding the bibliography).

Dorasammy R. Rao

Date.....15 th August 2004.....

ABSTRACT

The roles of culture and entrepreneurial disposition in entrepreneurship have been widely researched. Some researchers have concluded that an individualist culture fosters entrepreneurial disposition and entrepreneurship while a collectivist culture retards them. Others have argued that collectivism does not have much bearing on these two factors. The present research explored entrepreneurship in Fiji's small tourism business sector by focusing on the roles of cultural values and entrepreneurial disposition displayed by the three ethnic groupings. The question of whether successful Fijian entrepreneurship could develop by a fusion of collectivism and entrepreneurial principles was also explored. Ninety-nine respondents from the private, public and semi-public organisations participated in the qualitative survey and a further sixty-two people participated in the quantitative survey. One hundred and twenty-three students took part in the quantitative component of the research. The results of the qualitative data showed that individualism contributed to the entrepreneurial disposition of entrepreneurs belonging to the Indo-Fijian and Others categories, but the quantitative data produced mixed results. Other significant factors that have influenced entrepreneurship amongst these groups include exposure to good educational facilities, risk-taking skills, hard work and perseverance, sound financial management, ability to raise capital, values of materialism and capitalism, prudent business planning, skills of savings and investment, good management skills, and building investment capital. It was found that Fijian entrepreneurship was considerably impeded by collectivism and associated behaviour, and they showed more success in collective capitalism. Other factors that have stifled Fijian entrepreneurship include poor education, lack of hard work and commitment, poor financial management, absence of material culture, inability to raise venture capital, short term planning perspective, and a lack of ability to save funds for future investment. Students from the three ethnic groupings were found to exhibit different degrees of entrepreneurial disposition, but generally displayed similar values of individualism and collectivism. Based on these findings, a reconceptualised model of entrepreneurship was proposed, which shows the interaction of various specifiable contextual variables which influence entrepreneurship.

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Although a number of individuals provided assistance and guidance, this researcher takes personal responsibility for any errors of interpretations or conclusions.

PREFACE

Fiji has been in the world news since May 1987 when the military overthrew the newly elected coalition government headed by an indigenous Prime Minister. Because the majority of members in the government were of Indo-Fijian origin (19 Indo-Fijians, seven Fijians and two Others), political opponents began to unfairly brand this government as being dominated by Indo-Fijians. Under the 1970 Constitution Fiji's Parliament could only have twenty-two Fijians, twenty-two Indo-Fijians and eight General Electors (people who did not fit into the other two categories), though they may belong to different political parties. In this sense, any threat of domination of the Parliament by Indo-Fijians was not true. In any case, the new government immediately confronted extreme forms of indigenous nationalism. For example, Mr. Apisai Tora, the Fijian nationalist leader advocated civil disobedience campaigns and changes to the 1970 Fiji Constitution to ensure chiefly leadership (Lal, 1990). Tora fulminated against Indo-Fijians:

They ... have tried to blackmail us with economic power. It is becoming Fiji for Fijians now. We took in the Indians which Britain brought us, let them live in peace and harmony and let them make money from our generosity. There has been no single act of reciprocity. They won't learn our language, our customs, join our political parties. It is time for them to pack up and go (quoted in Lal, 1990, p. 188).

In May 2000 when things seemed to be stabilising a 'civilian coup' was staged, which led to another military intervention. Since then Fiji has been struggling to achieve constitutional propriety and economic and social stability.

Fiji in 1987 fitted J. S. Furnivall's meaning of a plural society as 'comprising two or more elements or social orders which live side by side, yet without mingling, in one political unit' (quoted in Lal, 1990, p. 1). However, since 1987 there has been greater narrowing of social distance between 'elements' in this plural society.

A major cause of Fiji's instability has been inequality of development between the country's three distinct ethnic groupings. The entrepreneurial achievements of the

immigrant Indo-Fijian community over the past hundred years seem to have bred resentment and jealousy within the Fijian community, even though only 10% of the Indo-Fijians may be classified as rich (Niranjan, personal interview, May 2001). Though Fijians collectively own 87.9% of the total landmass (Daily Post, 7 September 2002), Fijian entrepreneurship is at an 'infant' stage of development. Of the 11,000 registered businesses in Fiji, only 100 are owned by Fijians (Daily Post, 18 December 2001). The economic disparity between Fijians and non-Fijians appeared to be a major contributing factor in the toppling of the two civilian governments.

Indians were brought to Fiji in 1879 to meet labour shortages. Upon completion of 'girit', many 'coolies' stayed in Fiji, worked hard, acquired property, educated their families and, albeit to varying degrees, prospered. The Fijian chiefs and the colonial authorities viewed the future of Fijians as being best served in a traditional environment. This was incompatible with the development of individual entrepreneurship.

Many researchers attribute the low incidence of Fijian entrepreneurship to their collectivist culture. Opposing this view, other research has suggested that collectivism is not a major barrier to economic achievement and has pointed to economically successful collectivist societies as Japan and China. Admittedly, the Japanese and the Chinese have passed through centuries of commercial orientation, while the Fijian foray into entrepreneurship began only after independence.

The prevailing political and social forces dictate that the Fijians should intensify their engagement with entrepreneurial activities and that affirmative action policies may facilitate in the achievement of this objective. This is however unlikely unless drastic and urgent attitudinal changes occur. Fijian social and economic development will be dependent on the extent to which culture and modernity can be aligned.

Although this study is based on Fiji's three major ethnic groupings there will be greater discussion on the indigenous Fijians because their share of entrepreneurship is disproportionately low. This needs considerable explanation.

This thesis is divided into eight chapters. Chapter One introduces the research problem and traces the evolution of tourism in Fiji. Chapter Two provides background information on the research problem. Chapters Three and Four provide a review of the literature on entrepreneurship and the development of entrepreneurship in Fiji, as well as the influence of culture on entrepreneurship. Chapter Five is devoted to the methodology. Data analysis is carried out in Chapter Six. Chapter Seven is devoted to the interpretation and discussion of the results, and limitations of the survey. The final chapter is a conclusion and shows directions to future researchers.

All spellings in this dissertation are consistent with British English, except in passages quoted from the works of researchers and writers who have used the American versions.

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GLOSSARY

Bumiputera	Affirmative action policies in favour of indigenous Malays.
Blueprint	Affirmative action policies targeted at Fijians.
Brahmins	The highest caste in India.
Bubuti	(in Kiribati) request or borrow something from another person.
Buli	A salaried Fijian official who worked for the Fijian Administration at the district level.
Coolie	Lowest grade of worker; a dog. Used pejoratively to describe Indo-Fijians.
Dinau	Debt. It can be debt in the form of money or any other form. Also, refers to borrowing with an intention to return tomorrow, which seldom happens. Generally, refers to borrowing of money.
Dou veilomani	Be kind to each other; love one another; be at peace with one another.
Fua Kavenga	Obligatory contributions to meet traditional requirements. Similar to kerekere.
Girmit	Contract under which descendants of Indo-Fijians were recruited from India to work in sugar cane plantations in Fiji in the nineteenth and twentieth centuries.
Grog	See kava and yaqona. Kava is the national drink of Fiji. When taken in excess, body becomes slightly numb and may cause laziness.
Gujerati	Also spelt as Gujarati. A distinct sub-group amongst Indo-Fijians. According to Gillion (1962), the first Gujarati arrived in Fiji in 1906. Large numbers followed as free migrants following the abolition of 'girmit' in January 1920. Gujaratis dominate entrepreneurship in Fiji.
Kai Dia	The Fijian term to describe Indo-Fijians.

Kava	Also known as yaqona. <i>Piper methysticum</i> ; plant and drink used for ceremonial and social purposes in the Pacific.
Kerekere	To incur indebtedness and is predicated on notions of reciprocity.
Koro	A collection of houses, a village.
Lome Convention	A group made up of the seventy-one African, Caribbean and the Pacific countries that are signatories to the special trade and aid agreement with the European Union (EU) referred to as the EU-ACP Lome Convention. It was succeeded by the Cotonou Convention in 2000.
Mamagi	Thrifty
Mana	Supernatural powers
Matai	Chiefly social structure in Western Samoa
Mataqali	Sometimes spelt as mataquali. A clan.
Meke	Fijian dance
Yaqona	See Kava.
Qoliqoli	Traditional fishing rights
Reguregu	Formal presentation of cash, kava, etc.
Roko Tui	Head of the Provincial administration
Rotumans	People of Polynesian extraction originating from the island of Rotuma, which is located in Fiji.
Soli	To give (during fundraising)
Soli ni vanua	Raise capital for the community
Sulu	A skirt worn by male Fijians.
Tabua ni burua	Tabua is whale's tooth. The tabua is presented to the people at the burial ceremony to tell them that slaughtered cattle and pigs are to be distributed in the form of a feast. The meat is uncooked
Talatala	Ordained Christian Church minister
Taukei	Reference to the indigenous Fijian.

Tera bhar	Racist stereotyping implying abiding mental and behavioural traits that characterise people with curly/fuzzy hair.
Thakurs	A social class in India.
Third World	Used interchangeably with ‘undeveloped’ and ‘less developing’ countries.
Tokotoka	A further division of mataqali (clan).
Tu na galala	An independent farmer (in the Fijian language).
Turaga ni Koro	Representative of the Fijian Affairs Board in the village.
Vanua	A reference to basis of life on earth. It also means the connection between people and a place. It also refers to one’s piece of land for gardening.
Vulagis	Visitors. Sometimes Fijians describe Indo-Fijians as vulagis.
Wantok	A clan, basically meaning someone who speaks the same language.
Yaqona	Also known as kava and grog. Plant and drink used for ceremonial and social purposes in the Pacific.
Yasana	A province
Vakataraisulu	The end of the mourning period after the death of a relative

ABBREVIATIONS

FAB	Fijian Affairs Board
FDB	Fiji Development Bank
FHC	Fijian Holdings Company
FIT	Fiji Institute of Technology
FNTC	Fiji National Training Council
FVB	Fiji Visitors Bureau
GCC	Great Council of Chiefs
GDP	Gross Domestic Product
Germany (D. R.)	Democratic Republic of Germany
Germany (F. R.)	Federal Republic of Germany
IBRD	International Bank for Reconstruction and Development
LDCs	Less developed countries
MDCs	More developed countries
MRA	Multiple Response Analysis
NLTB	Native Land Trust Board
OECD	Organisation for Economic Co-operation and Development
OPEC	Organisation of Petroleum Exporting Countries
PATA	Pacific Asia Travel Association
PERS.COMM	Personal communication
PPS	Proactive Personality Scale
PRC	People's Republic of China
SDS	Self-Directed Search
SPARTECA	South Pacific Regional Trade and Economic Cooperation Agreement
SPTO	South Pacific Tourism Organisation
TCSP	Formerly, Tourism Council of the South Pacific; currently known as the South Pacific Tourist Organisation (SPTO)

UAE	United Arab Emirates
UAR	United Arab Republic
UNDP	United Nations Development Programme
USP	University of the South Pacific

DEFINITION OF IMPORTANT VARIABLES

Although these definitions appear in the relevant chapters, they are restated here for ease of reference.

Collectivism. The behaviour and habits of a society to conform to group goals rather than focusing on individual achievements.

Culture. Pattern of values, traits, or behaviours shared by the people within a region (Herbig and Dunphy, 1998).

Entrepreneurism. ‘Entrepreneurism is an ideology based on the individual’s need to create and/or innovate, and transform creativity and innovative desire into wealth creation and value adding undertakings for the individual’s benefit and common good’. [Kao, R. W. Y. (1997). *An Entrepreneurial Approach to Corporate Management*. Singapore: Prentice Hall. Quoted in the inside front cover of the *Journal of Enterprising Culture*, March 2003, 11 (1)]

Enterprising culture. Enterprising culture is ‘a commitment of the individual to the continuing pursuit of opportunities and developing an entrepreneurial endeavour to its growth potentials for the purpose of creating wealth for the individual and adding value to society’. [Kao, R. W. W, 1993, Singapore. Quoted in the inside front cover of the *Journal of Enterprising Culture*, March 2003, 11 (1)]

Entrepreneurial disposition. State of creativity and mental readiness (psychological) to experiment with entrepreneurship. Without entrepreneurial disposition there cannot be any entrepreneurship (Tiessen, 1997).

Entrepreneur. A person who shows practical creativity, combining resources and opportunities to benefit the individual, the family, and the community in general.

Entrepreneurship. Possession of skills and creativity to combine resources and opportunities in a competitive environment for the benefit of the individual, the family, and the community in general.

Individualism. Social pattern of loosely linked individuals who view themselves as independent, primarily motivated by their own preferences, needs, rights and who prioritise personal goals over the goals of others.

Modernity. Signifies departure from tradition and religion towards individualism, rational or scientific organisation of society, and egalitarianism. A society in a state of modernity is called a modern society.

Modernisation. The process of a society becoming a modern society is called modernisation.

Small tourism business. A new venture offering a new tourist service and product, or an existing business offering a new or an existing tourist service and product; has less than 100 employees and is managed by an individual or a family.

Tourism business. Entities involved in satisfying the needs of visitors travelling for either business or pleasure and who spend less than 24 hours and less than a year at a destination.

To avoid repetition, the words ‘entrepreneurism’, ‘entrepreneurial disposition’ and ‘entrepreneurship’ will be used interchangeably. There are however some differences between these words and a distinction will be made wherever required.

CHAPTER ONE

The research problem

... there is no easy way to business success; it requires patience, hard work and a willingness to learn. We must be prepared to modify some of our cultural attitudes to learn from other groups – a little may be necessary – but it must only be a little. Because business, after all, is about self-reliance, standing on your own. It's about accepting responsibility also for your own success or failure. Fijians who fail in business can only blame themselves. There is no point in blaming others.

Source: Apisai Tora, Fijian nationalist leader, quoted in Lal (1988, p. 17)

1.1 THE RESEARCH PROBLEM

There is considerable social and economic disparity in Fiji between indigenous Fijians and non-Fijians. This study explores this disparity with particular reference to participation in the small tourism business sector. Tourism businesses are defined as those entities involved in satisfying the needs of visitors travelling for either business or pleasure and who spend more than twenty-four hours and less than a year at a destination. Those who spend less than twenty-four hours are called 'excursionists' (Bull, 1995).

After profiling tourism since the early 1960s, this chapter highlights the ethnic economic inequality which exists within Fiji's small tourism business sector. It shows how non-Fijians have taken advantage of the opportunities made possible by the growth of tourism whereas Fijians have done so to a much lesser extent. An examination is made of the 'segregation' policies pursued by the colonial government, leading to the isolation of Fijians from the world of business and commerce. The impact of the Fijian 'cultural mindset' on entrepreneurship is also assessed.

In many South Pacific countries, including Fiji, the non-indigenous population plays an important role in the economy. Fiji's population is made up of three major ethnic groupings: Indo-Fijians (nationals of Indian descent), Fijians (indigenous or native people), and nationals who have not been classified into either of the other categories). These classifications are based on electoral considerations. The 1970 constitution divided the people of Fiji into Fijians, Indo-Fijians and General Electors. The 1990 constitution, apart from retaining the 'Fijian' and 'Indo-Fijian' classifications, added two new categories of nationals – the General Voters (that included the Europeans, Chinese and Pacific Islanders) and the Rotumans. The 1999 constitution has basically retained the previous classifications, except that Pacific Islanders have been grouped with Fijians thus leaving the European and Chinese population as General Voters. For the purpose of this research, Fiji citizens who do

not belong either to the Fijian or to the Indo-Fijian category shall be referred to as 'Others'.

In Fiji, 'politics is race and race is politics' (Lal, 1990, p. 1) and any racial classification is likely to create tremendous confusion because of the difficulty in formulating criteria to identify unique racial groups. In this sense, neither the Fijians nor the Indo-Fijians are a homogeneous ethnic grouping that could be said to constitute a distinct race. The difficulty of classifying people into distinct ethnic groupings or races has been analysed by Naidu (1975) and Wah¹ (1997). With reference to the work of Morris (1968) Naidu explained the difference between social *groups* and *categories*. A group, according to Naidu, is based on 'clear principles', 'institutionalised rules and characteristic, informal behaviour' (pp. 132-133). The group is based on the principle of 'cohesion and persistence' and members must identify with the group. Naidu argued that Indo-Fijians are an 'ethnic category' divided into smaller groups. It is erroneous to regard Indo-Fijians as a 'single group', because of the existence of divisions within the Indian community. The Lauans and the Kadavu people living on Viti Levu, according to Naidu, are 'only categories, like Welshmen and Scotsmen living in England'. Similarly, Wah (1997) highlighted the divisions within the existing ethnic groupings:

None of these groups are homogenous. The forces of inclusion and exclusion are at play between groups and within each group. The Indo-Fijians are an exclusivist group (none of the other ethnic groups belong to them), however, within their rank, divisions occur along the North and South Indian divide and continue across the village and family levels, with the religious divides compounding the number of spaces that are constructed. Similarly, the *tauvei* [Fijians] are an exclusivist group. The divisions start at the confederacy level and continue all the way down to the village level. These divisions are being further confused by Christian denominational differences. (Wah, 1997, p. 153)

What these observations show are that the concept of race has a subjective dimension, advanced by politicians in a plural society to gain hegemony over other ethnic groupings or as Hogue (1999) puts it, to 'justify conquest, colonialism, slavery and

¹ Wah is a descendant of Chinese and Fijian parents.

racially exclusive immigration policies like the White Australia Policy'. The virulent forms of such racial philosophy are found in Nazism, South African apartheid, and Ku Klux Klanism. The classification of Fiji nationals in the constitutional documents of 1970, 1990 and 1999 is arbitrary and lack rationality. At best, it may be described as 'state imposed ethnic groupings'. It is in this context that information given in Tables 1.1 and 1.2 should be understood.

As shown in Tables 1.1 and 1.2, Indo-Fijians comprise an estimated 42% - 44% of the population. They appear to exert substantial influence over the economy.

Table 1.1: Fiji's changing population by ethnicity

[Ethnic Group]	1986	1989	1994	1999*	2004*	2009*
% Fijians	46	49	51	53	55	57
% Indo-Fijians	48	47	44	42	40	38
% Others	6	5	5	5	5	6
Percentage	100	100[sic]	100	100	100	100
Total (000)	715	726	777	828	878	926

Source: Narsey (Fiji Times, 27 April 1994, p.7).

*Estimated

The influence of colonialism lingers in the South Pacific, including Fiji, even though the country has enjoyed independence for over 30 years. The other example within the South Pacific is French Polynesia, where nationals of French origin are over-represented in the business sector. Such examples of continuing domination – either directly or indirectly – by representatives of the former colonial master creates tension, particularly within indigenous communities, though Indo-Fijians cannot be said to represent the former colonial master. These tensions surfaced in French Polynesia during testing of nuclear devices at Muraroa Atoll (Danielsson and Danielsson, 1986). In 1987, political tension also boiled over in Fiji when the

Table 1.2 : Population of Fiji in 1996 by ethnic group

Ethnic Group	1996 Number	%	% Change 1986-1996	% Change 1976-1986
Fijians	393,575	50.8	19.5	26.7
Indo-Fijians	338,818	43.7	-2.8	19.1
Chinese	4,939	0.6	3.2	2.8
Europeans	3,103	0.4	-26.0	-14.9
Part Europeans	11,685	1.5	13.5	0.2
Rotumans	9,727	1.2	12.4	18.7
Other Pacific Islanders	10,463	1.3	21.3	26.5
Others	2,767	0.4	241.6	-36.2
TOTAL	775,077	100.0	8.3	21.6

Source: Secretariat of the Pacific Community (1999, p. 65)

predominantly Fijian army overthrew the newly elected so-called Indo-Fijian dominated government. The avowed motivation of the military action was to prevent the passage of political power into Indo-Fijian hands. This action was made possible because there was a widely held view amongst Fiji's armed forces that Indo-Fijians (sometimes described as *vulagis* or visitors) exercised excessively dominant economic influence (Dean and Ritova, 1988). Members of the armed forces feared that further erosion of political power would relegate Fijians to the status of second class citizens. This prospect was viewed as unacceptable in light of their claim to exercise paramount rights. The latter is predicated on their status as indigenous people owning substantial landmass. The scale of indigenous land ownership is outlined in Table 1.3.

Table 1.3 : Classification of land ownership

Types of land	Acreage	Percentage*
Fijian customary owned Land	3,714,990	82.60
Rotuman customary owned Land	11,000	0.24
Freehold Land (other than state freehold)	368,390	8.15
European and Part European	246,242	5.50
Indians [Indo-Fijians]	75,830	1.70
Chinese	5,081	0.10
Kioa Islanders	4,600	0.10
Rabi Islanders	16,950	0.40
Fijians	7,532	0.20
Other races	2,688	0.06
State freehold Lands*	161,690	3.57
Schedule A Lands*	149,500	3.31
Provisional schedule A Lands	40,910	0.90
Schedule B Lands	75,320	1.67
Total	4,521,800	100.00

Source: Adapted from Kamikamica (1997, p. 263).

[*Some of which are also held by Fijians]

After the coup of 2000 Crown Schedule A and B land has reverted to Fijians thereby increasing their ownership of total landmass to 87.9% (Daily Post, 7 September, 2002). A number of Fijians have purchased freehold land since the military coup of 1987, for which reliable statistics are not available. On this basis the current ownership of freehold land held by Fijians would be somewhat higher than that shown in Table 1.3. Obviously, these developments have alarmed non-Fijians particularly the Indo-Fijians. In 1995, Indo-Fijians owned less than 2% of the available freehold land. Currently, the Indo-Fijian ownership of freehold land would be less due to sales particularly arising out of migration. On the other hand, the Indo-Fijians are the major tenant community on Fijian customary owned land and state freehold land. As Table 1.4 shows, Indo-Fijians occupy 53.5% of the native land leases for agricultural and 61.2% for residential purposes. A number of these leases have expired or will expire in the near future. Four thousand six hundred and fifty-nine leases with an area of 34,889 hectares will expire between 1997 to 2024 (Fiji

Times, 2002, 27 July, p. 2). A small number of these leases, however, have been renewed, but those tenants whose leases have not been renewed or are about to expire, face a bleak future. The non-renewal of leases is associated more with ethnic politics rather than the desire of Fijians to impede the social and economic development of the Indo-Fijian community.

Table 1.4: Native leases by use and ethnicity

Use	Fijians Ha	Indo-Fijians Ha	Others Ha	Total Ha
Agriculture	68,327	107,126	25,291	200,744
Residential	344	1,021	302	1,667
Commercial	10	124	353	487
Reserve	54,953	103	18,689	73,745
Other	1,292	305	514,779	516,376
Total	124,926	108,679	559,414	793,019

Source: Kamikamica (1997, p. 264).

After independence in 1970, and accelerating after the military disturbances of 1987 and 2000, successive governments have made strenuous efforts to stimulate Fijian participation in the economy. Government support, including financial assistance, was extended to any Fijian who indicated an interest in entrepreneurship. The results have not lived up to expectations. Despite a healthy take-up rate and some notable successes, the Fiji Government has remained concerned about the ‘high failure rate of indigenous business enterprises’ (Government of Fiji Press Releases, 8 June, 1999). Although Governments have injected millions of dollars into Fijian projects it has been claimed that ‘the necessary training and management support and guidance’ has not been undertaken (Government of Fiji Press Releases, 8 June, 1999).

What constitutes a reasonable level of indigenous participation in business? The answer can be found in part by examining where the indigenous population sit within

the wider process of economic development. According to Rostow's² (1960) 'stages of growth' model of development, societies pass through five stages during their transition from underdevelopment to development. These include the traditional society, the pre-conditions for take-off into self-sustaining growth, the take-off, drive to maturity, and high mass consumption (Todaro, 1997). Following Todaro's theory, Boniface and Cooper (1994) divided the world into five regions as shown in Table 1.5. By way of clarification some regions not shown in the table could also be classified as being at the traditional stage of economic development. These include the countries of the Pacific and Middle East. Fiji is not a clear-cut case. Different cultural and ethnic groupings may be located at different stages of economic development. Whereas Fijians appear to be bound substantially by tradition and culture, other communities have adopted a 'looser' approach to cultural compliance. Using Rostow's framework the Fijian may be described as straddling the 'traditional' and 'pre-condition for take-off' stages. In such societies, it seems likely that

² Rostow's model has been criticised as being unilinear and ethnocentric. For example, Barke and O'Hare (1992, p. 45) wrote: 'Although the Western industrial countries may all have moved through these developmental stages over different time scales (indeed, the model is Eurocentric and based on the historical experience of the MDCs), it is unlikely that the same path can be easily or faithfully undertaken by the vast majority of the LDCs). Evidence has shown that capital investment alone is not sufficient to promote 'take-off' as described by Rostow. Despite large injections of capital into the economies of certain LDCs over the last two to three decades, most LDCs, especially in Africa and Asia, are still at the traditional stage. Very few have reached the preconditions for take-off (perhaps Mexico, Brazil, India, Columbia), and fewer still have achieved take-off itself (perhaps some NICs, e.g. Hong Kong, Taiwan, Singapore, South Korea). There are two main reasons for this. Firstly, it seems likely that there need to be fundamental structural changes in society before increasing productive investment can take place. This would include, for example, conditions which encourage people to save and invest and lead to the development of an entrepreneurial or business class. A second fundamental point is that the whole international economic situation confronting the LDCs today is very different from that which faced the MDCs when they were undergoing economic 'take-off'. The passage from a traditional agricultural to an advanced industrial economy may be, in global terms, a once and for all process. Those countries which industrialized and developed first (the MDCs) did so because they could make use of virtually the whole world as a source of raw materials and a market for their processed goods. Under existing international conditions, the MDCs may have effectively 'closed the door' on the LDCs. Thus social and political as well as economic conditions appear to be pertinent to the process of economic growth and development.

Table 1.5: Stages of economic development

Economic stage	Some characteristics	Examples
Traditional society Long-established land-owning aristocracy, traditional customs, majority employed in agriculture. Very low output per capita, impossible to improve without changing system. Poor health levels, high poverty level	The undeveloped world Economic and social conditions deny most forms of tourism except perhaps domestic VFR	Much of Africa, parts of southern Asia
Pre-conditions for take-off Innovation of ideas from outside the system. Leaders recognize the desirability of change	The developing world From the take-off stage, economic and social conditions allow increasing amounts of domestic tourism (mainly visiting friends and relatives). International tourism is also possible in the drive to maturity. Inbound tourism is also possible in the drive to maturity. Inbound tourism is often encouraged as a foreign exchange earner	South and Central America(a); parts of the Middle East(a), Asia and Africa
Take-off Leaders in favour of change gain power and alter production methods and economic structure. Manufacturing and services expand		
Drive to maturity(b) Industrialization continues in all economic sectors with a switch from heavy manufacturing to sophisticated and diversified product		Mexico; parts of South America, Taiwan, Korea
High mass consumption Economy now at full potential, producing large numbers of consumer goods and services. New emphasis on satisfying cultural needs	The developed world Major generators of international and domestic tourism	North America; Western Europe; Japan; Australia; New Zealand

(a) Countries which are members of the Organization of Petroleum Exporting Countries (OPEC) are a notable exception in these regions; examples include Algeria, Libya, Nigeria, Kuwait, Saudi Arabia, Ecuador and Venezuela.

Centrally planned economies merit a special classification, although most are at the drive to maturity stage; examples include China, Mongolia, North Korea and Vietnam. Adapted from Chubb and Chubb (1981), Cleverdon (1979), and Rowstow [*sic*] (1959).

Source: Boniface and Cooper (1994, p. 11)

culture³ and tradition will exert a strong influence over entrepreneurship. Qalo (1997) applied this point as follows:

Management in Western or Eastern cultures emphasises and thereby values precision, punctuality, efficiency, documentation and so on, in methods that have evolved in those societies over centuries. It presupposes a culture, which is unfamiliar to the Fijian because of its sophistication and precision in various fields and sciences. (Qalo, 1997, p. 128)

Acknowledging that Fijians were prevented by the Colonial authorities from engaging in entrepreneurship during the pre-independence days, Fijians could still have considerably increased their share of entrepreneurship during the post independence phase. Generally speaking, their failure to exploit maximum economic opportunities has meant achieving a lower share of entrepreneurship. Indo-Fijians and others who have optimised economic opportunities have moved beyond the first stage of Rostow's model. It is not unreasonable to expect societies that have gained political independence after the 1960's to move at least to the second stage of Rostow's economic development. Unfortunately, many countries and societies including those in Africa and the Pacific still appear to be at the 'traditional' stage of economic development, where the focus seems to be more on cultural preservation rather than entrepreneurial experimentation.

Small businesses play an important role in the economic development of many South Pacific countries, particularly amongst indigenous communities (Singh, 1992; Fairbairn, 1988a; Hailey, 1987; Kokkranikal and Morrison, 2002.) and provide substantial psychological benefits. They channel benefits directly to the host communities (Kokkranikal and Morrison, 2002). The indigenous population is well

³ Culture has been discussed in great detail in Chapter Four. It is not the intention of this researcher to explain this word in depth, which another inquiry in sociology or psychology may warrant, depending upon the research topic. Throughout this thesis the word culture has been used loosely, to mean possession by a distinct group of people or a society of an 'unusual' type of personality and behaviour that determines their way of life and skills in making sound decisions. Researchers like Hofstede (1980b) wrote that in the context of organisational behaviour and entrepreneurship, all cultures may be broadly classified into 'individualism' and 'collectivism'. It is on this basis that the presence or absence of entrepreneurship within the three ethnic groupings in Fiji is examined.

placed to showcase its 'communal affluence' to visitors through cultural manifestations such as song, dance, art and dress because of the strength of communal identity and indigenous self-identification⁴. The display of such attractions for tourists requires neither complex organisation nor significant start-up capital. However, the extent to which such performances may be considered as entrepreneurial ventures will be discussed in the course of the present research.

Indigenous entrepreneurship offers a number of benefits to society as a whole. It provides an opportunity to close 'the gaps that exist in commerce and industry and other important fields of activities, between the two major races' (Qarase, 10 March 2000a, pp. 6-7). It may lead to a more balanced development and consequently lead to social and political stability. In the context of a multiethnic and multicultural country such as Fiji prevalence of indigenously-owned small business enterprises may provide a more favourable distribution of economic power. Hailey (1992) observed that 'indigenous entrepreneurship is an integral part of balanced development, and that the participation of the indigenous population in the local business community is a prerequisite for promoting economic growth and [for] maintaining social and political stability' (p. 4). The widespread Fijian view that if the indigenous community was

⁴ Critics have stated that this type of cultural tourism is a devious display of "professional primitives". In this regard, Dann (1996, pp. 73-74) wrote – though not in the context of Fiji but his description may apply to this country as well: 'Locals as entertainers stand more at the periphery of the tourist's world since they are customarily brought into the hotel compound. Indeed, ... maintain that the closest most tourists wish to get to people representing different cultures is sitting at a good table at a resort hotel floorshow featuring native dancers. Apart from dancers, often connected in the brochures with oriental destinations, there were of course other entertainers, ranging from troubadours to fire-eaters. Sometimes they were assembled collectively in the form of a cultural show, as for example in the Rose Gardens near Bangkok. That there was greater social distance involved than in the case of hotel staff could be gauged from the expressions on their faces. More often than not they did not even look at the tourist but gazed instead either at each other or else at some distant object outside the picture.

A typical commentary from St Lucia, West Indies, underlined the outsider role of entertainers: 'Entertainment at La Toc includes frequent visits from calypso groups, solo artists and steel bands, and there are also local floor shows with limbo dancers and fire-eaters'....That such entertainment is purported to represent indigenous culture is stereotypical in itself. However, it becomes even more explicit when supposed national characteristics are linked to entertainment, as in the case of the following excerpt featuring Tbilisi: 'The Georgians are renowned as an artistic and flamboyant race (sic) and perhaps these qualities, together with their fierce pride, are most eloquently expressed through their world famous folk dances'....

marginalised and unable to exercise substantial economic leverage, social and economic instability was likely reinforced by the staging of the military coups in 1987 and 2000⁵. The experience of marginalisation is common to many multiethnic communities such as Uganda, Zimbabwe, Kenya and South Africa where the immigrant community(ties) control a substantial share of entrepreneurship, leaving most indigenous citizens poor and politically and economically powerless.

One school of thought argues that the intensity of entrepreneurial activity among ethnic groupings in a multiethnic and multicultural society is the result of mixing the existing cultural paradigm and entrepreneurial disposition (Ravuvu, 1988). Others have argued that an entrepreneurial personality and/or success is neither the product of culture nor an inheritance of enterprise skills, but due to a number of economic factors (Yusuf, 1995). A third school of thought has blamed the low economic development particularly in the Third World (undeveloped countries or less developed countries) on colonialism⁶. History tells us that most of the former colonial countries came under the control of European powers between the sixteenth to twentieth centuries. Barke and O'Hare (1992) have described the impact of colonialism on these countries in these words:

⁵ Various writers have analysed the reasons for the toppling of the Labour/NFP government in 1987 and the Labour Coalition government in 2000. The nature of this research does not justify a fuller explanation. Robertson and Tamanisau (1988) wrote: 'If Fijians were marginalised, then they were marginalised during Fijian rule. Further, the Indian population was not economically homogenous. Some among them formed a wealthy commercial elite, but the vast majority were working class or cane farmers with incomes roughly equal to their Fijian counterparts' (p. 1). Some good books on the 1987 coup worth reading are Robertson and Tamanisau (1988), Scarr (1988), Norton (1990), Lal (1990), and Howard (1991). The 2002 'civilian' coup was succeeded by a military take over. It has been alleged that the backers of the coup-executors were businessmen who were not happy at the policies of the new government. Prominent among these businessmen/conspirators were people of Indo-Fijian background. The Fijians chiefs were also not happy at seeing power falling from their grip, as the chiefly-sponsored party was eliminated in the election. They seem to have enthusiastically supported the fall of the labour government. Defeated candidates in the previous election also lent support to the coup. So the success of the 'civilian/military' coup was due to an interplay of economic, social, political and ethnic factors.

⁶ Subjugation and political control over an alien people by a sovereign power. The Concise English Dictionary (Hayward and Spatks, 1986, p.222) defines colonialism as 'alleged exploitation of the colonies'.

The impact of colonialism in the Third World [undeveloped countries] has had wide-ranging social, political and economic effects. Several consequences may even be regarded as beneficial: such as the establishment of law and order and the suppression of civil war, the building of communication networks (e.g. the railways system built by the British in India) and the construction of irrigation schemes (e.g. by the British in the Punjab). The overall impact of colonialism has been deeply dysfunctional, however. On a social level Third World populations have been disrupted and redistributed With regard to land holding, private ownership was encouraged wherever possible at the expense of native communal forms of ownership, as with cocoa and oil palm holdings in West Africa. At times land came under direct foreign ownership as with the establishment of banana plantations in the Caribbean owned by US companies. Politically, nations were carved up for use by the MDCs. Boundaries were imposed with such haste that scant regard was paid to the existing distribution of ethnic and cultural groups One not surprising legacy of such boundary imposition is the tendency for ethnic and cultural conflict within and between countries...Colonialism also severely disrupted Third World economic systems. (Barke and O'Hare, 1992, p. 63)

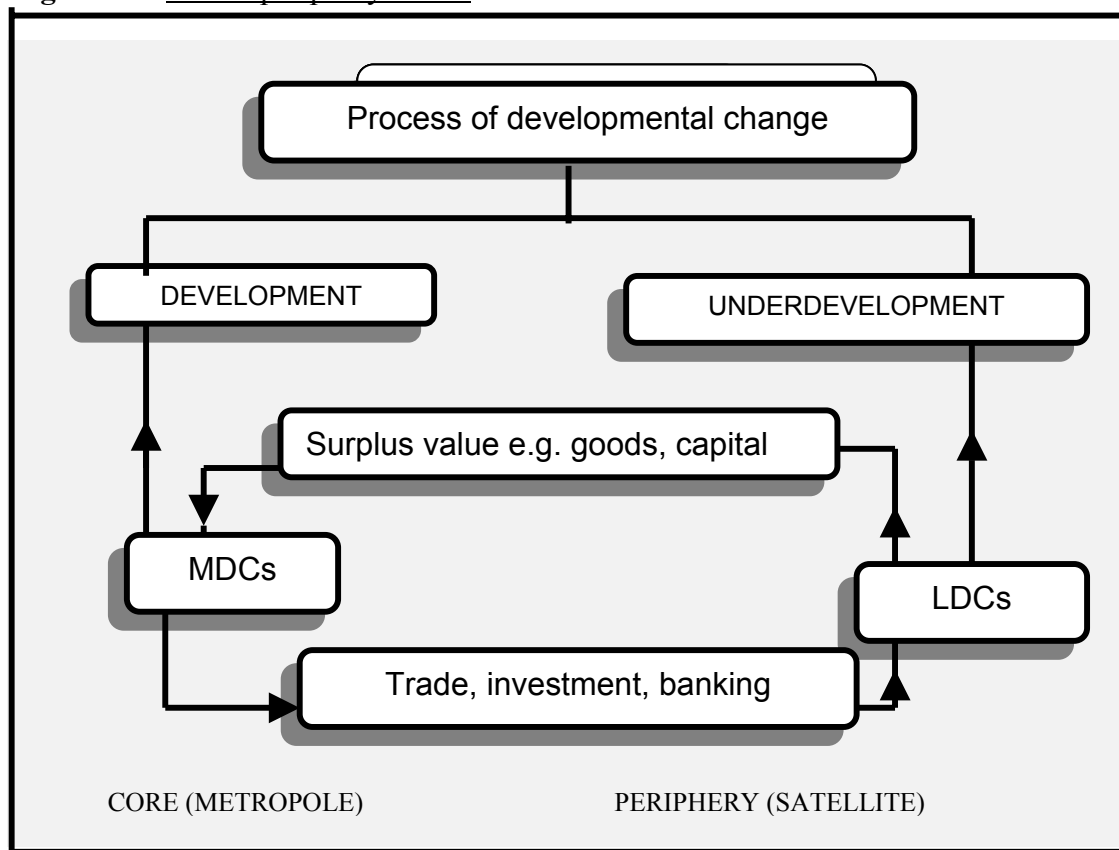
Barke and O'Hare (1992) have further explained the negative economic impact of colonialism using the core-periphery model (shown in Figure 1.1).

As depicted in this model, the colonial powers exported to the homeland agricultural raw materials and minerals from territories under their control, and kept the colonies a ready market for manufactured and processed goods. This process was facilitated by the existence of trade, investment and banking services in the peripheral country which were generally controlled by nationals of the colonial country. According to Barke and O'Hare (1992), goods and profits worth more than one billion pounds were acquired by Western Europe from its overseas colonies between 1500 and 1750. This occurred at a time when the annual GNP of Western Europe was only several hundred million pounds. Furthermore, 'between 1760 and 1780 profits from the West Indies and India probably doubled the amount of capital available for investment in the Industrial revolution in the UK' (Barke and O'Hare, p. 64).

Britton (1980, 1982, 1983) has applied the core-periphery model to tourism using the 'structural dependency' paradigm, a concept popularised by Roxborough (1979). According to the 'dependency' theory, metropolitan companies, institutions and former colonial governments continue to dominate the economy of their former colonies by organising special trading relationships often in association with local

elite, who operate from the periphery and benefit most out of this relationship. Britton envisaged a three-tiered hierarchy with the tourist and tourist operators based in metropolitan companies. These operators are connected to intermediate local companies and the bottom tier has small-scale local operators who do not benefit much from the industry.

Figure 1.1. Core – periphery model



Source: Barke and O'Hare (1992, p. 64)

The three schools of thought on entrepreneurship that have been discussed will be explored in detail later in this thesis. Colonialism will be discussed in the context of the impact of the Native Policy on Fijians.

1.2 THE ECONOMIC IMPACT OF TOURISM IN FIJI

It is important to provide an understanding of tourism and its wide impact on Fiji before the scale and the nature of participation in small tourism is explained.

Since 1989 tourism has consistently surpassed sugar as the primary source of foreign exchange earnings in Fiji (Berno and King, 2001). The industry has emerged as an attractive development option with the capacity to generate significant foreign exchange earnings and incomes for the local population. It creates employment, provides revenue for government by way of direct and indirect taxes, improves infrastructure and encourages entrepreneurial activities. It also stimulates economic development through the so-called multiplier effect (Nair, 1996). A study by the Tourism Council of the South Pacific (TCSP, 1992) showed that \$1,000 of tourism expenditure in Fiji generated an output of \$3,541 in the overall economy and a total of \$336 in public sector revenue i.e. 33.6%. This figure is on par with manufacturing and ahead of agriculture (32%) and mining (19%).

Like Fiji, a number of other countries across the region depend heavily on tourism as a vehicle for national development. As discussed previously, the colonial legacy has established an interlocking economic relationship between the economically powerful metropolitan (or 'core') countries and island peripheries. Such unequal power relationship has produced trade imbalances favouring the dominant partner. Tuvalu's total exports in 1989 for example amounted to \$AUS312, 000 but the import bill was \$AUS5.2 million (Pacific Islands Monthly, December, 1993). To compensate for such acute trade imbalances, many South Pacific countries receive economic assistance from trading partners, such as Australia and New Zealand, thereby exacerbating the problem of dependency. Against this background, the role of tourism in the economic development of Fiji is critical. Tourism has overtaken sugar as the leading sector in terms of export earnings and economic development as is outlined in Table 1.6, despite the fact that leakage of tourism dollars is high.

Table 1.6: Foreign exchange earnings in Fiji: tourism and sugar: 1992-2003 (in Fiji dollars)

Year	Tourism (in millions)	% of GDP	Sugar (in millions)	% of GDP
1992	328.0	16.3	221.3	10.5
1993	364.6	16.6	230.7	10.4
1994	393.0	16.8	252.2	11.3
1995	405.0	16.7	276.1	11.5
1996	415.0	14.0	301.7	10.2
1997	447.0	14.7	213.4	7.0
1998	483.0	14.8	244.2	7.5
1999	559.0	15.3	263.2	7.2
2000	414.0	11.3	237.5	6.5
2001	342.1	10.4*	222.0	6.7*
2002	395.1	12.2*	235.0	6.8*
2003	424.1	N/A**	230.7	N/A**

Source: Reserve Bank of Fiji Quarterly Review (March 2004, pp. A 32, A33, A 50)

* Approximately

** Not Available

Studies by the Tourism Council of the South Pacific (1990) and the Central Planning Office (1996) have found that Fiji lost 56% of the tourist dollar through import leakage at the direct, indirect and induced levels of impact. However, if only direct and indirect effects were considered, then the import leakage was only 24% of the total earnings. However, by 1998 the leakage of tourism dollars had reduced to 45% of the total earnings (Daily Post, 3 April, 1998). Another study (Rao, 2002) showed that seventy cents in a tourist dollar leak out of the Fiji economy every year. Reducing the leakage of tourism dollars is one of the most intractable problems faced by Fiji tourism authorities.

Over the period 1992-2000, tourism's contribution to Gross Domestic Product (GDP) had ranged between 11.3% and 16.8%, while sugar ranged between 6.5% and 11.5%. As is shown in Table 1.7, tourism is now Fiji's premier export industry. It is however notable that in 1999 the garment industry exceeded tourism in terms of foreign exchange earnings stimulated by the preferential treatment received under the South

Table 1.7: Major export earnings from Fiji (in Fiji dollars): 1992-2003

Year	Tourism	Sugar	Garment	Gold	Timber	Fish
1992	328.0	221.3	116.8	60.7	30.2	41.0
1993	364.0	230.7	128.8	66.7	36.4	48.3
1994	393.0	252.2	141.0	62.6	37.8	63.8
1995	405.0	276.1	185.0	58.6	53.1	69.8
1996	415.0	301.7	189.9	81.6	45.6	60.4
1997	447.0	213.4	200.1	74.0	34.0	50.4
1998	483.0	244.2	302.8	70.5	54.8	49.4
1999	559.0	263.2	322.1	76.4	35.6	57.5
2000	414.0	237.5	332.9	75.7	44.9	88.8
2001	348.0	222.0	313.9	85.4	41.3	98.4
2002	397.1	235.0	245.4	78.1	41.5	89.9
2003	430.1	230.7	252.7	76.5	33.2	85.0

Source: Reserve Bank of Fiji Quarterly Review (March 2004, p. 50)

Table 1.8: Tourist arrivals to Fiji: 1992-2003

Year	Average Length of stay	Visitor arrivals
1992	8.65	278,534
1993	8.49	287,462
1994	8.52	318,874
1995	8.48	318,495
1996	8.25	339,560
1997	8.09	359,441
1998	8.52	371,342
1999	8.40	409,955
2000	8.50	294,070
2001	8.59	348,014
2002	8.60	397,859
2003	8.63	430,800

Sources: Berno and King (2001); Ministry of Tourism (2002); Reserve Bank of Fiji Quarterly Review (March 2004, p. A33); Akolo, L. A. (2004).

Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA) and the Lome Convention (succeeded by Cotonou Convention since 2000). SPARTECA is a trade agreement under which almost all the developing countries of the South Pacific can export products duty free and at concessional rates to Australia and New Zealand. Under the Lome Convention, seventy-one African, Caribbean and Pacific countries receive special trade and aid benefits from the European Union.

Between 1968 and 2003, tourism grew by an average annual rate of approximately 8%. Over the period it overcame setbacks including the oil crises of 1974 and 1983, the military coups of 1987 and 2000, and the Gulf War in 1991 and 2003. As shown in Table 1.8, visitor arrivals from 1992 to 2003 increased by 54% which is indicative of the critical role tourism plays in the economy of the country. It also provides evidence that tourism generally has been Fiji's growth industry.

1.3 THE EVOLUTION OF PARTICIPATION IN THE TOURISM SECTOR

Although tourism existed in Fiji prior to the 1960s, it was the Checchi Report (1961), funded jointly by the Pacific Area (now Asia) Travel Association (PATA) and the US Department of Commerce, which laid the foundations for tourism development. The Checchi Report examined the potential for tourism in the South Pacific and made ambitious recommendations about tourism strategy for each country. The Government's response to the Checchi Report was one of benign neglect, reflective of dissension within the government over the desirable pace and scale of development. The strongest proponent of rapid tourism growth was the business community, which was also the major potential beneficiary (Rao, 1992). By way of contrast, the indigenous leadership adopted a 'wait and see' approach, fearful of the 'socially disastrous changes it would impose on the Fijian way of life' (Young, 1973, p. 144). Despite this apparent stalemate, tourism did at least become a topic of serious discussion at the official level. The Government noted the risks of being over-

dependent on sugar (Young, 1973), since this sector was predominantly under the control of the Indo-Fijian community. This view about over-dependence on a single commodity may have been reinforced by the strike of the sugar cane farmers in 1960. In contrast to the prevarication of the Fiji Government, tourist organisations in Australia and New Zealand treated the Checchi Report as a clarion call for development and adopted a number of its recommendations thereby prompting an increase in visitor arrivals to Fiji from these countries. The Fiji Government took note of the growth of international tourism and its associated potential for foreign exchange earnings somewhat belatedly. Two pieces of legislation were indicative of a shift of policy towards tourism. Liberalised duty free shopping was introduced in 1962 and the passage of the Hotel Aid Ordinance in 1964 encouraged hotel development. Collectively, these two measures boosted investment and enhanced the image of Fiji amongst both consumers and investors, particularly in Australia and New Zealand.

Native landowners had been generally absent from tourism until the 1960s, but ultimately were unable to resist the emerging opportunities. Increasing numbers of leases were issued on *mataqali* (communal) land, primarily for the purposes of hotel development. Other types of tourist project followed in due course. Many lease agreements required leaseholders to employ workers from neighbouring *koros* (villages) thereby heralding 'native tourism' on native land. Prompted by such requirements, significant numbers of Fijians secured employment for the first time in tourism, albeit largely in subordinate roles. A few participated in support services such as tour operations and transfers. By May 1990 there were 65 native leases accounting for a total income of FJ\$907,156.00. By 1996 the number had risen to 87 leases and income of FJ\$1.58 million, accounting for 10% of all native land rental (Bulanauca, 1996). Although the growth rate was rapid, these figures suggest a low economic return for landowners, an observation shared by Britton (1980):

Of the income accruing to Fijians from the lease of their land to hotels, most went to rural villagers. But this income, in 1977, totalled only \$68,815 from 256 ha, leased by 21 hotels. This amounted to no more than \$268 per hectare per annum. Rural dwellers, therefore, get little gain

from this source, especially if the distribution of this income is considered. Of the total rent monies, 25 percent went to the Native Land Trust Board to meet administrative costs, 30 percent (\$16,995) went to approximately 14 individuals holding privileged titled positions in those Fijian communities owning the land in question, and the remaining 45 percent went to the 525 respective commoners (an average sum of \$48.60 each). Since very little of these rent monies are spent on a communal basis, the small per capita sums received by commoners do not represent a significant source of income for rural dwellers. (Britton, 1980, p. 162)

The legislation of 1962 and 1964 was beneficial for existing entrepreneurs, particularly Indo-Fijian and Others (mainly Europeans). According to Britton (1983), the 'early 1960s saw the consolidation of local European and Australian firms in the importing, wholesaling, distribution and retailing of a large number of electrical, jewellery and photographic product lines' (p.29). In this competitive market, a number of Indo-Fijian enterprises switched from the sale of locally produced tourist products to high quality duty-free goods. These retailers obtained exclusive rights to sell premium international brands.

While Indo-Fijians and Europeans were consolidating and expanding their commercial positions, Fijian employment and involvement in tourism remained marginal – in low paying jobs, or in the sale of souvenirs from small outlets. Samy (1980) observed that:

Local participation in hotel employment is not only minimal and of a menial nature, but it is also based on racial and ethnic criteria. Expatriate and local Europeans occupy top-paid managerial and executive positions involving far greater economic and social benefits. This racial pattern of job distribution in the hotel is institutionalised and is based largely on prejudice and stereotypes. (Samy, 1980, p. 6)

The ethnic distribution of jobs in the tourist industry in 1972 is outlined in Table 1.9. Approximately 60% of employees were of Fijian origin, concentrated in roles such as front office, reception, tour desks, musicians, switchboard operators, portering, security, dining room attendants, and housekeeping. Few had any administrative or accounting responsibilities, a pattern of employment amongst Fijians which remains largely unchanged.

Table 1.9: Ethnic distribution of employees in Fiji's tourism industry in 1972

	Fijians	Indians [Indo- Fijians]	Europeans	Part- Europeans	Chinese	Others	Total
Numbers	235	131	16	12	2	-	396
% of total	59.3	33.1	4.0	3.0	0.6	-	100

Source: Samy (1980, p. 68)

Those who occupy administrative and accounting responsibilities in organisations have an in-built advantage when they branch out into entrepreneurship. As shown in Table 1.10, in 1972 80% of those occupying accounting jobs were Indo-Fijians and 10% were Fijians. Although there were ten Fijians in management and no Indo-Fijians, this situation was subsequently reversed. It is clear that a concentration in roles which do not provide an appropriate context for acquiring business knowledge and experience may have handicapped Fijian entrepreneurship. Coupled with the prevailing cultural and related practices, this factor may have held back entry by Fijians into the world of entrepreneurship. Non-Fijians occupy a relatively larger share of middle class jobs in all sectors of the economy, thereby gaining greater exposure to the technical skills that are decisive factors in determining future entrepreneurial success.

A large proportion of the jobs occupied by Fijians involve interaction with visitors. Like the indigenous Hawaiians, who have a 'traditional sense of hospitality' (Farrell, 1982, p. 233) and for whom the welcoming and entertaining of strangers is a way of life (Farrell, 1982), Fijians are born and bred into a culture of hospitality. This in part accounts for their recruitment into 'jobs with direct personal contact to fulfil the tourists' expectations' (Samy, 1980, p. 81). In such roles, they must perform according to pre-determined specifications. Samy (1980) describes the process of social engineering as follows:

Table 1.10: Relationship between employment and ethnicity (percentage of total in each department) - 1972

Ethnic groups	Administration (11)	Accounts (10)	Reservations (3)	Reception/Front Office (12)	Tour Desk (3)	Stores (10)	Band (5)	Laundry (12)	Maintenance/Industrial (34)	Switchboard (5)	Porter/Security (20)	Dining Room (69)	Bars (19)	Gardens (53)	Kitchen (58)	House (72)	Total (369)
Fijians	9	10	-	67	100	50	80	50	18	80	100	94	100	19	36	86	59
Indo-Fijians	-	80	33	-	-	30	20	50	76	-	-	6	-	77	59	10	33
Europeans	73	10	67	17	-	-	-	-	-	-	-	-	-	-	3	1	4
Part-Europeans	18	-	-	16	-	-	-	-	6	20	-	-	-	4	2	3	3
Others	-	-	-	-	-	20	-	-	-	-	-	-	-	-	-	-	1
Total	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Source: Samy (1980, p. 71)

Note: Numbers by ethnicity represent percentages. The number per job role indicates employee numbers

These expectations are largely predetermined by the image that the promoter advertises abroad to attract the tourists. The hotel management continuously reminded Fijians how to behave “like natives.” Fijian workers were extremely conscious that as Fijians, they were expected to be smiling all the time, regardless of their feelings. This was an integral part of their daily, routine work and some even carried a poem on “The Value of a Smile” to remind themselves of this. (Samy, 1980, p. 81)

By placing Fijians with stereotypical jobs and encouraging the associated imagery, hoteliers, tour operators and travel agents may have alienated them from the tourist industry. Feelings of hopelessness and marginalisation are evident in the comments made by Vunibobo ⁷ (1994) at the Fiji Tourism Convention:

... paid employment in the hotel industry stood at just over 6,100 in September 1993. As indigenous Fijians are well represented in this total, employment in hotels is viewed as perhaps the major benefit of the industry to the Fijian community.

... the overall numbers disguise the skewed nature of Fijian employment in the industry with Fijians clearly under-presented [*sic*] in areas of special skills and senior management. Before anyone points to this particular resort as an example to prove me wrong, I suggest that you look more broadly across the industry. It is a case of the exception proving the rule.

... lingering area of concern is the under-representation of Fijians at the top end of the employment market. The industry has had plenty of time to address this concern and I must say that I am surprised that more progress hasn't been made.

The industry cannot afford to continue to portray an image that Fijians clean the rooms, serve at the bars and restaurants, and provide the entertainment, while the other races and expatriates run the show. (Vunibobo, 1994, pp. 5-6)

While recognising the benefit of leasing Fijian land for tourism purposes, Vunibobo cautioned that:

Rents are usually based on turnover and this gives the community some share in the fruits of development. But figures from the Native Land Trust Board show that the annual income from the roughly 1,000 hectares leased for tourism/recreation developments amounts to around \$1.4 million [Fiji dollars]. This to me does not support an argument that land rental provide the main basis for Fijian participation in the industry. (Vunibobo, 1994, p.6)

⁷ Former diplomat and Minister of Finance in the Government of Fiji

Approximately 43% of Fiji's guest rooms are located on native land. According to the Native Land Trust Board, the importance of native land to the tourist industry will increase as the availability of freehold land declines (King, 1997).

After decades of tourism growth, the benefits to the Fijians have not been commensurate with their visible and invisible contribution. A widening entrepreneurial gap may prompt inter-ethnic conflict and even destabilisation of the tourism industry. A dynamic small tourism business sector offers the prospect of narrowing the prevailing economic gap between Fijians and non-Fijians and averting the ethnic conflicts that have recently become emblematic of many multiethnic communities.

1.4 RESEARCH AIMS

The following research questions have been formulated in order to identify the key reasons for the different levels of entrepreneurial development among Fiji's three major ethnic groupings. They have been prompted by studies undertaken by Hailey (1985, 1987, 1988, 1992) and Qalo (1997).

The specific aims of the study are:

1. To understand the inter-play between cultural values and entrepreneurial behaviour through the development and examination of an appropriate model;
2. To examine the extent to which Fijian cultural and management practices are obstacles to entrepreneurship in Fiji's small tourism business sector;
3. To compare the entrepreneurial disposition of Fijians with non-Fijians who are engaged in Fiji's small tourism business sector.

4. To assess whether business and tourism students studying at tertiary level exhibit similar entrepreneurial dispositions on the basis of ethnicity (Indo-Fijian, Fijian, and Others); and
5. To explore whether tertiary students exhibit similar degrees of individualism and collectivism on the basis of ethnicity (Indo-Fijian, Fijian and Others).

1.5 NULL AND ALTERNATIVE HYPOTHESES

Based on the aims of the study, and for reasons that will be explained while presenting a model of entrepreneurship in Chapter Five, the following null and alternative hypotheses were formulated for the present research:

H₀: Because of the individualism that they exhibit, Indo-Fijians and Others involved in Fiji's small tourism business sector display a more pronounced entrepreneurial disposition than Fijians;

H₁: Because of the individualism that they exhibit, Indo-Fijians and Others involved in Fiji's small tourism business sector do not display a more pronounced entrepreneurial disposition than Fijians;

H₀: Collectivism causes Fijians to display less entrepreneurial disposition than Indo-Fijians and Others engaged in Fiji's small tourism business sector;

H₂: Collectivism does not cause Fijians to display less entrepreneurial disposition than Indo-Fijians and Others engaged in Fiji's small tourism business sector;

H₀: An accommodation between modern business practices and Fijian cultural practices is evident in cases where successful Fijian entrepreneurship has developed in the small tourism business sector;

H₃: An accommodation between modern business practices and Fijian cultural practices is not evident in cases where successful Fijian entrepreneurship has developed in the small tourism business sector;

H₀: Indo-Fijians, Fijians and students from the Others category who are enrolled at tertiary institutions are expected to display similar degrees of entrepreneurial disposition;

H₄: Indo-Fijians, Fijians and students from the Others category who are enrolled at tertiary institutions are not expected to display similar degrees of entrepreneurial disposition; and

H₀: Indo-Fijians, Fijians and students from the Others category who are enrolled at tertiary institutions are expected to display similar degrees of individualism and collectivism;

H₅: Indo-Fijians, Fijians and students from the Others category who are enrolled at tertiary institutions are not expected to display similar degrees of individualism and collectivism.

1.6 RESEARCH PURPOSE

Three of the most common reasons cited for undertaking social science research are exploration, description, and explanation. Exploratory research aims to explore a new topic and is a common approach for researchers interested in a new field. In the descriptive approach, the researcher first observes and then describes these observations. Explanatory research aims to explain a phenomenon. In practice, most research involves a combination of exploration, description and explanation. In this context, Blaikie (2000) noted that the boundary between exploratory and descriptive research is blurred, with the descriptive research showing greater rigour and narrower

focus. He added that both should be guided by ‘clearly stated research questions’ and concepts structured around theoretical assumptions.

The present research is an explanatory study that will be built into a well-developed conceptual model. The general purpose is to gain an understanding of the factors that distinguish successful and less successful entrepreneurs. The specific aim of the study is to understand the role of culture generally and personality traits in particular in entrepreneurial development. The study will examine the extent to which the entrepreneurial dispositions of Fiji’s three major ethnic groupings are influenced by their respective cultural values and personality characteristics. Previous research into entrepreneurship has shown that enterprising skills are moulded by personality traits. Other researchers have disputed the personality-theory approach and have attributed greater importance to the influence of cultural factors (El-Namaki, 1988; Petersen, 1988).

This study aims to fill the gap that currently exists in the literature on the link between culture and entrepreneurship generally with particular application to Fiji’s small business tourism sector. Although a number of researchers have studied the nexus between entrepreneurship and culture, none have focussed on Fiji. The present research will investigate the extent to which culture influences or stifles entrepreneurial disposition and entrepreneurship on the part of Fiji’s three major ethnic groupings. Answers to such questions have implications for communal capitalism, affirmative action plans and management development programmes.

1.7 SIGNIFICANCE

The only comprehensive study of entrepreneurship in Fiji was undertaken by Hailey in 1987. A follow up study is timely since a number of significant economic, social and political developments have subsequently occurred. Though the present research focuses exclusively on small tourism businesses and not on small businesses as a

whole, it is hoped that the findings will have applicability beyond the tourism sector. As well as contributing to knowledge about the influence of culture and entrepreneurship on small tourism businesses, the findings may benefit planners and educationalists in Fiji and overseas. Since no previous study has examined the entrepreneurial traits of the three major ethnic groupings involved in the country's small business sector, it is unique and should be of interest to the research community beyond Fiji.

Given the current political situation in Fiji, the study is timely. Currently, an intense and aggressive debate is taking place within Fiji on the cogency of enhancing Fijian participation and ownership of the national economy with a view to avoiding future political and economic instability. Whilst many Fijians are convinced that they are economically handicapped they tend to dissociate themselves from 'cultural hang-ups'.

The fact that the military coups of 1987 were followed by a civilian, and later a military coup in 2000, indicates that the so-called 'Fijian problem' is unlikely to be solved exclusively by constitutional means. Though discriminatory, a more aggressive affirmative action policy in favour of Fijians is an attractive option for many. The Interim Government constituted after the civilian coup of May 2000 was mandated by the military regime to institute a pro-active policy for Fijians with immediate effect.

In response to the military directive, the Interim Government issued a detailed range of affirmative action initiatives designed to kick-start entry by Fijians into the world of entrepreneurship. Such initiatives, however, are likely to succeed only if Fijians decide consciously to make drastic modifications to their attitudes and lifestyle. To succeed in entrepreneurship whilst still carrying their 'cultural baggage', Fijians may have difficulty coping with future entrepreneurial challenges.

1.8 CHAPTER SUMMARY

The population of Fiji is made up of Fijians (55%), Indo-Fijians (40%) and General Electors (5%). There is considerable social and economic disparity amongst Fijians and non-Fijians, despite the fact Fijians own approximately 88% of the nation's land mass and virtually own all the natural resources. This study examines the reasons for this disparity with reference to Fiji's small tourism business sector.

After Fiji gained independence in 1970 successive governments introduced various initiatives to increase Fijian participation and share of the economy. These experiments have failed to achieve their objectives. One explanation is that Fijians particularly are still located at the traditional stage of economic development. Traditional societies in many parts of the world are considerably influenced by collectivism. A number of researchers have argued that collectivism retards entrepreneurship. Some societies, however, have achieved miraculous economic growth under collectivism. In order to increase their share of entrepreneurship Fijians need to align at a faster rate their rigid collectivism with the demands of modern business.

Although tourism has shown considerable growth since it was officially promoted in the early 1960s, Fijian participation is not as extensive as it should be. This has created inter-ethnic conflict and tension and may have led to the 1987 and 2000 military coups. A fair distribution of entrepreneurial opportunities and development offers the prospect of eliminating ethnic conflict and leading to balanced economic development benefiting all the ethnic communities

This chapter showed five null and alternative hypotheses which are targeted at current entrepreneurs and potential entrepreneurs (students).

CHAPTER TWO

Background to the research problem

'Participation levels of the different ethnic groups in the economy are known to vary markedly across sectors, though very few data are available on this important issue. Manufacturing, distribution, commercial farming, and service activities are dominated by Indo-Fijians, together with smaller inputs by other non-Fijian groups and foreign-owned firms. In these activities ethnic Fijians play very little part as either owners or entrepreneurs, though large numbers are employed as labour (unskilled, semi-skilled, and artisan) in the modern urban sector, and significant contributions are also made to cane farming and cash-cropping. Tourism is dominated by foreign firms, with a periphery of locally-owned operators. Here again, the role of indigenous Fijians is almost entirely that of supplying labour, the number of enterprises initiated by this group being tiny.... A majority of indigenous Fijians remain rural dwellers, and agriculture, including subsistence agriculture, comprise their main economic activity.'

*Source: Forsyth * (1997, pp.178-179)*

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2.1 BACKGROUND TO THE RESEARCH PROBLEM

This section provides a background to the economic inequality that exists between ethnic groupings in Fiji and explains the consequences arising from the associated economic inequality. The conduct of cross-cultural studies is relatively challenging in a plural society such as Fiji. On the other hand, it is easier to conduct a similar research in a homogeneous society, although the existence of this type of society is rare as discussed in Chapter One. Since the research problem to be investigated in this thesis is deeply embedded within the country's history, politics, economics, and sociology, an examination of the historical context offers the prospect of clarifying the problem statement.

Many developing countries continue to be influenced by the earlier activities of colonial administrations which often 'failed to take due and sufficient account of traditional practices and values' (Sofield, 1993, p. 729). Against the background of the May 2000 'civilian coup' and the arguments that arose subsequently about indigenous rights and paramountcy, Callick (Australian Financial Review, 6 June 2000) reported that colonisation 'largely froze patterns of authority and tribal relationships. Since independence, such issues have come back into play with a vengeance' (p. 70). According to Finin and Wesley-Smith (2000), the major challenges facing Pacific societies are the 'legacies of colonial rule, the lingering effects of cold-war politics, and the powerful forces of globalisation, as well as policies pursued in recent decades by Pacific Island governments themselves have all contributed to the challenges confronting island societies today' (p. 6). The perennial inter-ethnic rivalry over land and politics, particularly between Fijians and Indo-Fijians, is a festering issue that could, if not resolved, destroy the social fabric of Fiji society.

Despite the introduction of a number of affirmative action programmes and receipt of considerable foreign aid, indigenous societies in the Pacific region have found the journey to modernisation difficult. They seem to lack the cultural flexibility to adapt from a traditionalist society to the 'pressures and demands of the modern, industrialized, urban-centered world' (Sofield, 1990, p. 50). However, there are some exceptions. For example, the Lauans⁸ (Fiji), Malaitans⁹ (Solomon Islands) and the Tolais¹⁰ and Gorokan (Papua New Guinea) have succeeded in entrepreneurship within the ambit of traditionalism. Nedd (1989) and Nedd and Marsh (1980) explained that traditional societies generally oppose change because traditionalists believe that conformity to past activities is sacred and vital (Williams and Narendran, 1999). In contrast communities or societies which demonstrate flexibility and adaptability to the absorption of new ideas, are more likely to experience a smooth transition from a 'traditional society' to the subsequent stages of economic development outlined in Table 1.5. Such societies are future-oriented, independent and 'loose' in their cultural orientation (Nedd, 1989; Nedd and Marsh, 1980 cited in Williams and Narendran, 1999). In the context of multiethnic environments, the Indo-Fijians, the Chinese in Indonesia, and the Vietnamese, Cubans and the Koreans in the USA have exhibited high levels of entrepreneurial disposition and entrepreneurship. These subcultures which constitute minority groupings appear to be quite receptive to new ideas, technological innovations and maintaining their cultural practices albeit to varying degrees.

⁸ The Lauans are Polynesians of Tongan extraction. They have been found to be disproportionately represented in Fiji's Civil Service and in commerce.

⁹ In 1999, 40,000 of the 60,000 Malaitans were expelled from Guadalcanal's population in the Solomon Islands. During the Second World War these people came to work on Guadalcanal from their island of Malaita, just 30 kilometres away. They rose to become the island's business and political elite.

¹⁰ '...Tolais are one of the few Papua New Guinean ethnic groups to be educated first because of their contact with Europeans, especially as a result of drastic commercialisation in the region. And whatever achievements there is, is the result of the difficulties and experiences from the colonial epoch.' (Retrieved on 28 February 2004 from Vairor, L: www.postcourier.com.pg/20010731/ispost10). This indicates that a combination of good education, exposure to the commercial environment and previous hardship may generate an entrepreneurial disposition among people.

In the face of widening economic disparities, a number of multiracial and multiethnic societies across the developing nations, such as Kenya, South Africa, Zimbabwe, and Malaysia, have experienced political instability and discontent. In these countries, indigenous people sense that they have been deprived of an equal distribution of the available economic resources. They often blame other ethnic groups living in their midst for this situation, thereby underestimating issues particular to their own group or prevalent across society as a whole.

In Fiji, perceptions of ethnicity have played a major role in the ethnic divide. Fijians stereotype Indo-Fijians as 'frugal, profit-oriented, and aggressive' (Premdas, 1993, p. 8) and showing cultural arrogance and superiority. They have also been depicted as being 'cunning, shifty, *boro gaga* or hot chillies' (Qalo, 1997, p. 112) and 'inconsiderate and grasping, uncooperative, egoistic and calculating' (Ravuvu, 1991, p. 57). Fijians also regard Indo-Fijians as 'pushy and insensitive, perennially dissatisfied with their condition and forever demanding a larger share of the cake' (Lal, 1988, p. 59). Even the type of hair that characterises Indo-Fijians and Fijians has been associated with personality characteristics. A Fijian Minister is reported to have said that 'Fijians combed their hair outwards which indicated a caring attitude while Indians combed their hair downwards which symbolises a self-centred nature' (Fiji Times, 13 April 2002, p. 3). Bain (1989), once a colonial administrator in the South Pacific, has made a penetrating analysis of the psychology of Asian migrants generally and Indo-Fijians in particular, as follows:

Asian migrants of modest background often find themselves resented or barely tolerated wherever they go. Are they their own worst enemies? If so, why? One possible explanation, visible on High Street corners of Western cities, is that they work long, late and on Sundays: in contrast to the 'lazy locals'. But so do the Chinese who, apart from Malaysia where their immigrant numbers make matters different, do not seem to arouse the antagonisms attributed to Indians and Pakistanis. Maybe it is that the Chinese are disposed to intermarry, can be more flexible about their own traditions, learn the local language more readily, mostly eschew political power, and do not have personal habits or practices repugnant to the accepting indigenous people. In the case of the Fiji Indian, the hovering figure of Mother India reproduces something of the fratricidal stratifications and

customary divides of the country of their origin; a monetary acquisitiveness generally alien to Fijian society; and sometimes a sharpness of practice which makes fools of the economically naïve and the socially underdeveloped. (Bain, 1989, pp. 119-120)

On the other hand, Fijians are viewed by Indo-Fijians as *junglees* (bushmen), ‘fuzzy-haired or *tera bhar*’, as ‘cannibals, who if they did not have noses would eat shit’ (Qalo, 1997, p. 112), and ‘pound-foolish and undependable’ (Ravuvu, 1991, p. 57). Fijians have also been characterised as ‘lazy and improvident, living for today with little thought for the needs of tomorrow’ (Lal, 1988, p. 59). Such stereotypical views were conveyed to the 1997 Fiji Constitutional Review Committee by the Soqosoqo ni Vakavulewa ni Taukei Fijian political party in these words:

Most [Indians] gave the impression of caring little about Fijian culture and social values. They do not understand them, and in private there were patronising references to the Fijian way of life. At best Fijians were ‘nice people’, friendly, simple and lazy. ‘Junglis’, or savages, naïve, foolish and poor were other common epithets. This is a typical viewpoint and there was more than a hint of a feeling of cultural superiority and arrogance. (quoted in Lal, 1998, p. 152)

As Fiji’s economy has expanded in the post-independence period, Indo-Fijians and Others have accounted for a growing share of economic activity. Fijians have not enjoyed economic benefits to the same degree. Britton (1987) observed that there was little evidence of substantial Fijian participation in Fiji’s tourist industry except in the handicraft sector. The Fiji Times (1993) reported that of an estimated 2,000 registered companies which submitted income tax returns, only 100 (5%) belonged to Fijians (Qalo, 1997). Qalo attributed the low level of entrepreneurial engagement by the Fijian community to the dynamics of the market economy and to the forces of globalisation rather than to culture (Qalo, personal interview, 23 March 2001). Relative to other ethnic groups, Fijians have been unable to make their presence felt in business generally and in the tourist industry in particular, despite the availability of various business opportunities. As acknowledged in a Government of Fiji publication (1999), cultural factors seem to

play a part in explaining the lack of Fijian entrepreneurial activity. Davies (2000) is more explicit in explaining the role of culture in Fijian entrepreneurship:

The village, the wellspring of Fijian culture and a wonderfully supportive organisation, nonetheless has several pervasive characteristics that conspire to militate against material progress and commercial success. The social control achieved through the myriad of small taboos and superstitions, which, rather paradoxically, have now been supplemented (as opposed to replaced) by the teachings of the church, impose a conformity on behaviour and a reluctance to experiment that is inimical to the stimulation of enterprise upon which business success depends. Additionally, ventures that may bring financial rewards are all too frequently killed off by the *kerekere* system, the convenient disregard of property rights by the less productive members of the village (or nearby village), mismanagement by mataqali leaders who often insist on controlling purse strings regardless of personal contribution or financial acumen, time commitments due to social obligations and demands by the church, or by jealousy and sabotage within the village. (Davies, 2000, p. 11)

As Chapter Three will show, two historical factors also seem to have militated against the entry of Fijians into the world of entrepreneurship. Until recently, Fijian chiefs did not encourage entrepreneurship among their subjects, fearing that economic empowerment would destabilise the traditional social structure. Their behaviour may be likened to the fifteenth century Chinese Emperor, who suppressed entrepreneurs ‘whose power posed a threat to the Emperor’ (Bracken, 26 June 2000, p. 103). Another factor that seems to have stymied Fijian entrepreneurship was the introduction in the mid 1870s by the colonial regime of a number of communal rules and regulations. These sought to keep Fijians within communal boundaries, ostensibly to preserve their lands, traditions and customs from external destructive forces. One assumes that these ‘destructive forces’ refer to the Indo-Fijian coolies and the Europeans. Sir Arthur Gordon, the Governor in 1875, felt that the isolation of Fijians could be better achieved by collaboration with Fijian chiefs. As Howard (1991) wrote:

Gordon clearly saw that establishment of colonial rule initially entailed working through collaborator chiefs. He sought to create a façade of responsibility among these chiefs, with European officials providing supervision and ultimately being in control. The chiefs primarily involved were those with a previous history of collaboration. To strengthen the power of the chiefs over their subjects, the British expanded the sphere of communal responsibility under chiefly control among native Fijian

commoners. This was especially relevant to economic aspects of native Fijian life since economic activities had traditionally been centred on the individual household. Now more of economic life fell within the domain of chiefly rule, allowing the chiefs to orient production to help fill the colonial government's coffers and to augment their own incomes. (Howard, 1991, p. 25)

The colonial 'indirect rule' served both the Fijians and the British rulers. The Fijian chiefs regained 'hegemony'¹¹ over their subjects and the British rulers always had at their disposal powerful local collaborators who could be called upon to suppress any real or perceived dissent. But, according to Howard (1991), the introduction of the 'indirect rule' to advance Fijian interests was a myth. Its real objective was 'to ensure the smooth operation of an exploitative trade that brought revenue to the administration and profits to large firms like Burns Philp, while also helping the chiefs at the expense of commoners' (Howard, p. 31).

The irony of isolating Fijians from 'competitive, dehumanising pressures of the modern world...that preserved their traditional values, ways of living, and political institutions' (Lal, 1992, p. 14) was not lost on West (1961), who wrote:

It follows...that the Fijians must be kept isolated within their own Government until they have achieved the capacity to resist such destructive forces, to hold their own, and it follows also that the institutions with which they are provided, those institutions which have their roots in customary society while bearing European grafts, are expected to produce this equality. The foregoing analysis of their working suggests that they will do no such thing. They have indeed helped to preserve Fijian society (their great strength is that they are Fijian and probably generally accepted by Fijians), but this very preservation creates a vested interest in resistance to change. A Fijian chief will hardly be enthusiastic for changes in the basis of his authority which would eliminate it, and, dominating the councils and the executive offices, the chiefs have a vested interest in the *status quo* from which their authority derives. (West, 1961, pp. 65-66)

The colonial native policy had a number of negative consequences. According to Ratuva (1999), it kept ethnic groups apart and locked Fijians into a narrow communal world. It revitalised a 'homogenous collective ethnic identity' (Ratuva, p. 87) which was used for

¹¹ More about chiefly hegemony will be discussed later in the context of affirmative action and communal capitalism.

political mobilisation during the coups, thereby consolidating and legitimising chiefly hegemony and deprived Fijians of contributing to economic development and learning about entrepreneurship.

The isolation of Fijians created a critical shortage of workers for European plantation owners particularly in the sugar industry. They pressurised the colonial administration to import ‘coolies’ from India. It was against this background that the first batch of immigrant workers from India landed in Fiji. Within three decades of their arrival in 1879, a Colonial Administrator described Indo-Fijian immigrants as ‘skilled agriculturalists, industrious and shrewd’ (quoted in Lal, 1992, p. 39). As the castes intermingled, the rigid caste system brought by the immigrants was quickly dissipated (Coulter, 1942). Many of the indentured labourers who came to Fiji were of lower caste, and had better prospects of work in Fiji than facing the uncertainty and possible ostracism of returning to India. Many chose to start a new life in Fiji.

Unlike the Fijians who were forced to live and operate within the environs of traditional lifestyle, Indo-Fijians typically branched into various types of business within a few years of gaining freedom. Until independence, Fijians adhered to the traditional life and the ‘entrepreneurial gap’ between the ethnic groupings widened considerably.

The colonial policy of isolating Fijians ensured that their ‘involvement in the market economy was confined essentially to commodity production within the framework of communal use of labour and land’ (Bayliss-Smith, Bedford, Brookfield & Latham, 1988, p. 55). It also identified chiefs as the responsible agency for allocating Fijian labour and tasks, thereby constraining the commoners from accumulating capital (Bayliss-Smith and Bedford *et al.*, 1988; Plange, 1990). As Narayan (1984) explained:

... while the Fijians remained physically confined, sheltered, and protected under the aegis of an alien imposed colonial structure, their development potentials were being stagnated, if not retarded. On the one hand, their traditional skills were not being developed and, on the other, the colonial Native Policy, enshrined in various land, labour and administrative laws, prohibited native participation in the wider socio-economic and political development that was taking place. On the other hand, their traditional handicraft culture and products were considered as 'primitive' and therefore something to look down upon; on the other, their dependence on cash income, imported products, and on imported ideas and values were increasing. Therefore, the gap between what they actually realised and what they aspired to was being continually magnified. (Narayan, 1984, pp. 90-91)

During the 1960s – the last decade of colonial rule – it finally dawned on the colonial government that the existing economic system could not accommodate the advancement of Fijian society. In a fast changing world, the Fijians were changing, but not fast enough. In view of their ownership of large tracts of productive land, Fijians expressed increasing frustration that they were economically lagging behind other ethnic groupings. Confronted at that time by a numerically superior Indo-Fijian population, their survival seemed dependent on a new approach to economic development.

The reluctance of Fijians to change, however, was based on real fears as explained by Becker (1995):

The superimposition of colonialism, capitalism, and Western lifeways on traditional practices of land tenure, legitimate authority, and distribution of resources has often made Fijians feel that both their cultural autonomy and their traditional lifeways have been compromised by accommodating groups they still consider to be guests in their country. (Becker, 1995, p. 15)

By the early 1960s, when other ethnic groupings had economically advanced, Fijians 'were simply victims of circumstances, of a destructive communal environment, fostered by the government, which stifled individual effort and initiative' (Lal, 1992, p. 141). In 1958, there was a severe dearth of professional Fijians. The community lacked a professionally qualified lawyer and had one qualified dentist and a doctor. On the other hand, the Indo-Fijian community had 58 qualified legal, medical and dental practitioners (Coulter, 1967).

Table 2.1 shows the number of professional people by ethnic background in 1958.

Table 2.1. Number of professional people in Fiji in 1958*

Professions	Indians [Indo- Fijians]	Fijians	Europeans	Part- Europeans	Chinese	Total
Lawyers	38	-	17	1	-	56
Doctors	12	1	51	1	1	66
Dentists	8	1	6	-	-	15
Total	58	2	74	2	1	137

*Table excludes 97 Fijian and 18 Indian Assistant Medical officers trained at the Suva [Fiji] Medical School, but not qualified by professional degrees in medicine from universities.

Source: Coulter (1967, p. 111)

Amidst this background, the issue of access to land and security of tenure has accentuated the worsening relationship between Fijians and Indo-Fijians, though Indo-Fijians have never questioned the ownership of customary land over the last 64 years. With ownership of more than 88% of Fiji's landmass, it constitutes the Fijians 'most powerful instrument of political bargaining' (Premdas, 1993, p.14) with other ethnic groupings, who are seen to dominate the cash economy.

Land has a special meaning in Fijian culture, as is the case with New Zealand Maoris, the Australian Aborigines and other indigenous communities around the world. To a Fijian, loss of his land is similar to loss of his soul. The Daily Post (17th April, 2000) summarised this point as follows:

To them [Fijians] land is culture. Land is their soul, and their very spirit. To them land is sovereignty, something to be defended to death, like honour.

It is so sacred to them that they would rather see their land lying idle, overgrown with grass, and not fetching any economic return at all (Daily Post, 17 April 2000, p. 4)

Rabuka (1988), the former Prime Minister, expressed a similar view: 'The Fijian's power-base is his land or "vanua", which he guards jealously. For him, land is a sensitive area and the slightest threat to his land rights is defended vigorously because it is the only material thing that he owns' (quoted in Dean and Ritova, 1988, p. 35).

The term 'vanua' connotes an integrated view of Fijian life, which 'not only means land areas with which the people are identified, but also the social and cultural systems – the people, their traditions, customs, beliefs and values, together with other institutions established to achieve harmony, solidarity and prosperity' (Ravuvu, 1988, p. 6).

Under these circumstances any discussion of Fijian land can arouse passions and hostility, even when development is for a worthy cause. Since Fijians have attained a low level of entrepreneurship and experienced 'loss' of political power in the 1987 and 1999 General Elections, land seems to be the lifeline for future survival¹². The following extracts from a parliamentary debate illustrate the ferocity with which Fijians defend their land right:

Now the Indians have political control ... if the Indians continue to rule economically and politically they will endeavour to permeate the whole of the Fijian race with the fixed idea of granting of franchise and equal status to them

This will make it easier ... the fear of domination by non-Fijians will no longer be a reality only it would be a thing of the past as the native will become a foreigner in their own land (*Senator Ratu Jale Vasutoga*, quoted in the *Daily Post*, 15 July 1999, p. 4)

¹² Indo-Fijians seem to have been unfairly blamed for the social and economic problems of Fijians. Generally speaking, both communities had a similar level of social and economic status at the beginning of British colonialism. In the following years, Indo-Fijians worked hard and prospered to varying degrees. On the other hand, from independence in 1970 to 1987, the Fiji government was dominated by Fijians. On occasions Fijians dominated governments that had gained power through the voting pattern of Indo-Fijian voters. The Public Service and the Police are dominated by Fijians; the military is 99.5% ethnic Fijian. Fijian parliamentarians have veto powers on 'Fijian' issues including land. The Fijians gained more seats in Parliament under the 1990 and 1997 constitutions. Moreover, there have been various types of affirmative action programmes for Fijians since 1970. These programmes have not enabled them to gain the same level of prosperity enjoyed by other ethnic groupings.

In view of the strength of their cultural identity, Fijians often face an apparent dilemma being asked to choose between culture and modernisation. The cultural problem facing Fijians was highlighted by Nayacakalou (1975), a Fijian anthropologist, who warned that traditional culture ‘contains a basic contradiction in that one cannot change and preserve the same thing at the same time’ (p. 135). He added that ‘the belief that they can do both simultaneously is a monstrous nonsense with which they have been saddled for so many years now that its eradication may be very difficult to achieve’ (Nayacakalou, 1975, p. 135).

Others have made similar observations. For example, Callick (Australian Financial Review, 25 May 2000) suggested that Fiji wants ‘to retain its traditional structure and receive the material benefits of international modernity’ (p. 12). For the purposes of the present research, Hailey’s (1985) views are noteworthy since they were made in the context of entrepreneurship:

[Either] they [Fijians] have to run their businesses as individuals, taking risk, and maximising profits, or they have to accept the social values and communal obligations of their matagali, or village. If entrepreneurs reject such values, they jeopardize important customer relations, alienate potential employees, and create unnecessary personal tensions. In other words, they risk cultural alienation and social ostracism. (Hailey, 1985, p. 33)

Fijians confront a range of social, political and economic problems. Fijian cultural infrastructure, for example, appears insufficiently flexible to cope with the dynamics of entrepreneurship. This is a significant obstacle because the capacity of Fijians to meet the challenges posed by the market economy and the forces of globalisation will determine their future social and economic development.

2.2 CHAPTER SUMMARY

A feature of British colonialism was that Fijians were to live within their traditional boundaries without much exposure to real 'entrepreneurship'. A shortage of labour in the 1880s led to the importation of 'coolies' from the Indian subcontinent under the so-called *girmit* or indenture system. Upon completion of the contract many of these free workers chose to live permanently in Fiji. Some of them experimented with entrepreneurship and later prospered to varying degrees, while Fijians generally maintained a secluded traditional lifestyle in accordance with the colonial policies. Fiji gained independence in 1970 and Fijians at last were free to participate in entrepreneurship on an equal footing. Despite the fact that they received a wide range of financial and non-financial assistance, they found it difficult to emulate the entrepreneurial achievements of non-Fijians. The Fijian culture has been identified as one of the major hurdles to Fijian entrepreneurship.

The Fijian feeling of marginalisation was exploited by the coup plotters in 1987 and 2000. It seems likely that entrepreneurship has the potential to reduce their feelings of 'marginalisation' and 'hopelessness' thereby reducing interethnic conflicts in the coming years.

CHAPTER THREE

Entrepreneurial development

Mr Ah Koy* said entrepreneurs were not born, they were made, and with 'vision and the burning desire to be the best', Fijians could succeed in the business world.

He said the technicalities of running a business were simple, but it was the psychological aspect that separated the successful from those who just managed to survive financially.

A positive mental attitude, definiteness of purpose, going the extra mile, a pleasant personality, customer satisfaction, all these contribute to the development of a business, he said.

Reported in the *Fiji Times* (1 April 1995, p.9)

*Ah Koy was the Trade Minister in 1995 and later became the Finance Minister

3.1 INTRODUCTION

This chapter reviews the literature on entrepreneurship and provides a particular focus on small tourism businesses and the correlation between individualism/collectivism and entrepreneurship. The literature review will investigate the information available about each research question. The chapter will also explore the contentious issue of whether or not entrepreneurial dispositions are inherited or developed, and whether the personality traits of successful entrepreneurs can be measured.

The case for undertaking a comprehensive literature review in entrepreneurship research has been advocated by Gartner (1989):

Entrepreneurship researchers cannot make important contributions to the field unless they know what already has been contributed. Good scholarship in entrepreneurship requires that each be consciously connected to previous work done in the field. A working knowledge of the field sharpens ideas and can lead to new insights via more focused studies. (*Gartner, 1989, p. 28*)

Although Fiji has a relatively developed tourism industry, there is a paucity of contemporary and rigorous research on the operation of small tourism businesses, on culture and entrepreneurship and on the relationship between these three domains. This researcher has identified only two studies published during the post-independence period, which focus specifically on small business. One of these studies (Techno-Economic Survey Team, 1969) explored the opportunities available to local people in small businesses generally. The other study (Hailey, 1985) focussed specifically on indigenous businesses. Other studies have been either of a very general or of a highly specific nature, such as tourism master plans (UNDP/IBRD, 1973; Coopers and Lybrand, 1989; Deloitte and Touche, 1997); visitor profile (Plange, 1985); the socio-cultural, economic and environmental impacts of tourism (Varley, 1978; King, Pizam & Milman, 1993; TCSP, 1992); resort planning (King, 1997); globalisation (Harrison, 1997); destination profiles (King and McVey, 1998); tourism

planning (McVey and King, 1999), the effects of political instability (Berno and King, 2001). With the exception of Qalo's (1997) case study on a communally owned Fijian business (outside the tourism sector), no study has carried out a detailed analysis of tourism entrepreneurship, or of small tourism businesses. Nor has any assessment been undertaken of the entrepreneurial dispositions of either large or small business owners in any sector of the Fiji economy. In view of this limitation, the present literature review has been broadened to include research on entrepreneurship and small business in a range of settings beyond Fiji.

3.2 THE DEFINITIONAL CHALLENGE

Over the past thirty years the use of terms 'entrepreneur' and 'entrepreneurship' in the business world have become clichés. The terms have been used to describe a very diverse group including those who 'play three-card monte on Times Square to the heads of giant corporations' (Brodsky, 1996, p. 33). Newspapers have referred to inner-city drug dealers, brothel keepers, politicians and cabdrivers as entrepreneurs. Cannon (1991) described entrepreneurs as 'economic heroes' (Morrison, Rimmington and Williams, 1999). It appears that the criterion of profit making has been used loosely to categorise any type of businessperson who qualifies as an entrepreneur. If we adhere to Drucker's (1985) definition of the entrepreneur as an 'opportunity seeker', all of the individuals noted above would be classified as entrepreneurs.

Despite widespread interest and usage of the terms, a concise and universally acceptable definition of entrepreneur and entrepreneurship has proved elusive and controversial (Hill and McGowan, 1999; Nodoushani and Nodoushani, 1999; Cunningham and Lischeron, 1991; Gartner, 1990; Perry, 1990; Drucker, 1985). The imprecise nature of these two terms has led Morrison, Rimmington and Williams (1999) to conclude that 'it is considered a futile pastime to attempt to fashion a clear-cut definition of what an entrepreneur is' (p. 29). Similarly, Fairbairn and Pearson

(1987) noted:

Economists have found it difficult to deal with the concept of entrepreneurship. Problems arise in defining it and in identifying the role and significance of entrepreneurs in the growth process. Lack of agreement on these and related matters has given rise to differing theories of entrepreneurship and to different perceptions of the functions of entrepreneurs. (Fairbairn and Pearson, 1987, p. 9)

In comparing the search for a universal definition of entrepreneurship to ‘hunting the heffalump’, Kilby (1971) wrote:

The search for the source of dynamic entrepreneurial performance has much in common with hunting the Heffalump. The Heffalump is a rather large and very important animal. He has been hunted by many individuals using various ingenious trapping devices, but no one so far has succeeded in capturing him. All who claim to have caught sight of him report that he is enormous, but they disagree on his particularities. Not having explored his current habitat with sufficient care, some hunters have used as bait their own favourite dishes and have them tried to persuade people that what they caught was a Heffalump. However, very few are convinced and the search goes on. (Kilby, 1971, p. 1)

Other researchers have also highlighted the vagueness of the concept of entrepreneurship. Herron, Sapienza and Smith-Cook (1991), for example, noted the absence of a consistent definition of entrepreneurship, while Brazeal and Herbert (1999) attributed this state of affairs to the ‘field’s uneven development, its lack of consistency of terminology or method, and its relative isolation from developments in key informing fields’ (p. 29). The lack of agreement is also emphasised by Hill and McGowan (1999) who have stated that entrepreneurship is ‘best understood as a process, the constituents of which are the entrepreneur, their persistent search for opportunities, usually grounded in the marketplace, and their efforts to marshal the resources needed to exploit those opportunities’ (p. 7). Tripathi (1985) likened an entrepreneur to a ‘hat that has lost its shape because of overuse by people who pull it into their preferred fashion’ (Furnham, 1992, p. 168).

Research on entrepreneurship has been compared to the test given to the blind men in the Hindu parable. After touching an elephant, each blind man identified it as a

different animal (Brazeal and Herbert, 1999). Wilken (1979) compared entrepreneurship to a process of spontaneous combustion in which the spark [entrepreneurship] is ignited by a catalyst [entrepreneurial disposition]. Long (1983) stated that an effective definition of entrepreneurship should include all activities that are entrepreneurial and exclude those that are not. The problem with this simplistic approach is, however, the need to reach agreement about using consistent criteria capable of distinguishing entrepreneurial from non-entrepreneurial activities. Furthermore, such definitions do not take into account the contributions of people who have benefited from inheritances such as Henry Ford Jr.; those who buy an existing business and convert it into a profitable venture; or those who resurrect a dormant business. According to Brodsky's (1996) criteria, such people would not qualify despite the fact that Henry Ford Jr. clearly stood out as an entrepreneur. He would also not qualify according to a variety of other definitions.

Who then is a genuine entrepreneur? Webster's Dictionary defines entrepreneurship as 'the creation of new, innovative, profit-oriented, visionary economic organizations that exist in uncertain environments that carry some risks' (quoted in Davis and Long, 1999, p. 25). Gartner's (1989) definition also emphasises novelty. He found the topic of entrepreneurship 'inherently complex and multidisciplinary' (p. 27) and defined entrepreneurship as the creation of new ventures, and entrepreneurs as the creators of new ventures where there were none before (1988, 1989, 1990). Baumol (1993) cautioned against adoption of a rigid application of the term, 'because whatever attributes are selected, they are sure to prove excessively restrictive, ruling out some feature, activity, or accomplishment of this inherently subtle and elusive character' (p. 7).

According to Brodsky (1996), real entrepreneurs are people who start a business from scratch with nothing 'except what they themselves bring to the party – a concept, a few contacts, maybe some capital, plus all of those intangible qualities that are important to success in any new venture' (p. 34). He further stated that entrepreneurs

survive on 'internally-generated cash flow' (p. 34). This definition may, however, be unduly restrictive if one adheres to the view that genuine entrepreneurs are constantly on the lookout for new business opportunities and that 'internally-generated cash flows' are often inadequate for further business expansion. The following examples demonstrate the limitations of the restrictive definitional approach. Should a roadside fish and chip shop, or a Fijian cultural group such as the fire walkers, be considered as an example of entrepreneurship? If the entrepreneur is an innovator in the Schumpeterian sense of introducing a new product or service, the fish and chip shop owner and the Fijian fire walkers after all 'create neither a new satisfaction nor new consumer demand' (Drucker, 1985, p. 19). Describing such operations as entrepreneurial would seem far-fetched. On the other hand, adopting a prescriptive approach may preclude a range of business activities that have a genuine claim to exhibiting entrepreneurial spirit. Some entrepreneurs may succeed in presenting an established idea in an innovative way.

Based on the literature survey, it appears that entrepreneurship is generally associated with the creation of new ventures. What is less clear is whether it refers to small, to large businesses, or to both. Berger (1991) and Drucker (1985) associated entrepreneurship with new and small businesses. According to Vesper (1980), new ventures could take several forms: as a joint venture between two or more existing firms; as a corporate entity, or as an independent venture initiated by one or more partners acting in their own interests.

A synthesis of the various perspectives on entrepreneurship leads to two conclusions: (1) that entrepreneurship is synonymous with new ventures, and that (2) the term is applicable to small as well as large enterprises. Despite the general tendency to use the terms interchangeably some writers, such as Hansemark (1998), have, however, sought to dissociate entrepreneurship from self-employment or small businesses. Hansemark viewed the entrepreneur as a small business operator, and vice versa, but distinguished the entrepreneur as a person playing a more proactive role. According to

his analysis, small business is 'bonded with family needs,' whereas an entrepreneur has innovative traits and is focussed on 'profit and growth' as characterised by such entrepreneurial behaviour as alertness to opportunity, innovation, and 'creative destruction'. The latter behaviour has been described as a process by which 'innovation supplants old products and methods, enhances productivity, and ultimately leads to economic growth' (Solomon, 1986, pp. 110-111).

Drucker (1998) suggested that innovation is a better criterion for judging a small business than age and size. The term 'innovation' was first associated with entrepreneurship by Schumpeter (1942). Innovation is the conversion of ideas into products, services and processes, and is the result of creative thinking, perseverance, ingenuity, and imagination (Baumol, 1993; Grigg, 1994; Couger, 1995). It goes hand in hand with creativity. While creativity involves idea generation, innovation means converting such ideas into fruitful business activities and a mindset that has a strategic vision (Kuczmarski, 1996). According to Kao (1989), creativity 'implies a vision of what is possible, the entrepreneur translates that creative vision into action [innovation], into a human vision which guides the work of a group of people' (p. 17).

Considerable advances have been made in developing a better understanding of the concepts of 'entrepreneur' and 'entrepreneurship'. The ongoing search for standard definitions is, however, unlikely to 'eliminate the substantial complexity of the subject which is a primary source of our confusion, perplexity, and delight' (Sapienza, Herron, and Menendez, 1991, p. 257). This is partly because entrepreneurs are not homogeneous; they come from diverse backgrounds, exhibit different leadership and management styles and motivation levels (Woo, Cooper, and Dunkelberg, 1988). Churchill and Lewis (1986) expressed similar views when they summarised the challenge of researching entrepreneurship:

Words used to describe the field of entrepreneurship research are "young," "at a formative stage," and "still in its infancy." Even the definition of entrepreneurship is neither agreed upon nor static. It is restricted by some to new ventures, viewed by others to necessitate personal risk, and more recently has come to include initiatives in any organization that involve

innovation, a new strategic direction involving risk, and a significant new combination of strategic “factors of production.” The field is young, complex, involved in a process of discovery and transition, and the recipient of increased attention and the basis for economic hope. It is a field involving, appropriately, considerable discovery-oriented research; hence, it is no wonder that its research directions are fragmented, creative, and diverse. (Churchill and Lewis, 1986, p. 334)

The absence of a standard definition of the terms ‘entrepreneur’ and ‘entrepreneurship’ creates a number of challenges. According to Carsrud, Olm and Eddy (1986), ‘lack of a generally agreed upon definition is a shortcoming that misdirects research efforts and leads to a lack of a coherent body of research literature’ (p. 367). Because of the problem of operationalising the terms, it is difficult to undertake research replication precisely and to base subsequent research on previous work (Carsrud and Olm *et al.*, 1986).

Cunningham and Lischeron (1991) have stated that the conventional association of entrepreneurship with small business has blurred the subject matter and has largely eliminated large firms from consideration. For the purposes of the present research, it is worth noting that large firms do appear capable of embracing the entrepreneurial spirit (Harper, 1985a). For this reason they have not been excluded from the present research.

3.3 THE ROLE OF ENTREPRENEURSHIP IN NATIONAL DEVELOPMENT

Schumpeter (1942) popularised the concept of entrepreneurship in his book ‘Capitalism, Socialism and Democracy’. This work predicted the gradual demise of small businesses (Solomon, 1986). According to Solomon’s (1986) interpretation, Schumpeter believed that ‘technical innovation was becoming increasingly complicated and required cooperative [*sic*] effort by teams of scientific specialists rather than individual tinkering and inspiration’ (p. 42). He predicted that the ‘growth

of large corporations would eventually ‘socialize’ the individualistic, capitalistic spirit’ (p. 42). Contrary to Schumpeter’s prediction, small business has not perished, and has proceeded to lay the foundation for many economies around the world. Entrepreneurs – large and small – have been catalysts for change, growth and innovation in a competitive market economy characterised by globalisation and structural change (Kirchhoff and Phillips, 1987; Timmons, 1994; Hodgetts and Kuratko, 1995; Muzyka, Konig, and Churchill, 1995; Scott, 1996; OECD, 1998; Wajewardena and Tibbits, 1999). As Bromley (1985) said:

There is now overwhelming evidence that Lenin’s ... generalization that “large-scale machine industry completely squeezes out the small enterprises” is untrue. Instead, small enterprises are continuously in a state of flux, with new foundations, expansions, contractions, take-overs and extinctions continually taking place in adjustment to the expansion and contraction of large-scale enterprises, so that they play a role in both the causes and the effects of the changing structure of the economy. (Bromley, 1985, p. 323)

During the nineteenth century entrepreneurship was a dominant catalyst for the growth of the US economy (Solomon, 1986). The phenomenon experienced a resurrection in the USA during mid 1970s and rose to cult status during the 1980s, rekindling the ‘enterprising spirit by reawakening the animal spirits of capitalism’ (Solomon, 1986, p. 11). The USA of the 1980s was dubbed the decade of small business, leading former President Reagan to describe it as the ‘entrepreneurial age’. When confronted by economic recession, high unemployment, and negative international trade trends on a scale not seen since World War II, Americans rekindled their interest in small business. The USA was severely impacted by the global economic recession prompting politicians and policy makers to recognise entrepreneurship as a vehicle for reducing future unemployment and increasing economic prosperity. Particular attention was focused on the capacity of small business to achieve these twin objectives because of its adaptability to changes in a volatile environment. Furthermore, globalisation demands entrepreneurial behaviour from all enterprises – large and small - and information technology has narrowed the advantage that corporate enterprises enjoyed relative to start-up operations (Richman, 1997).

Like the current technological revolution, the entrepreneurial revival of the Reagan Presidency created a revolution in business philosophy which made small business 'more beautiful in the marketplace' (Nodoushani and Nodoushani, 1999, p. 45). The upsurge in entrepreneurship occurred not only in commercial organisations, but also spread to non-profit service-provision organisations, such as governments, cities, towns, and universities. As stated previously, even drug dealers and others involved in shady businesses were described as entrepreneurs. From the USA the enthusiasm for entrepreneurship spread to the European countries including France, the United Kingdom and Italy. Small business was also seen as an engine of economic growth in these countries, and was often contrasted with large corporations which were described as 'something of a dinosaur with bureaucratic organizations, and increasingly unable to compete in a post-industrial world' (Nodoushani and Nodoushani, 1999, p. 45). For example, 45-65% of exports from Italy consists of products manufactured by small-medium enterprises, 'sometimes made by people who can't even read and write' (Vinyaratn¹³ in *Asian Week*, December 2002, p. 23).

Another reason for the global interest in small business enterprise is its ability to adapt quickly to changes in the internal and external environments. Whereas the emphasis was previously on large corporate entities, the European Union has put increasing emphasis on the creation of indigenous (small) businesses that have their roots in the local economy (Garavan and O. Cinneide, 1994). The Organisation for Economic Co-operation and Economic Development (OECD) now regards entrepreneurs as not only agents of change, but instruments for the introduction of new products and services in the consumer market replacing industrial and military goods (OECD, 1999).

Despite the positive contribution made by entrepreneurs to the national economy, some researchers have regarded them with suspicion. Entrepreneurs have been described as parasites that damage the economy, particularly when they engage in unproductive activities such as rent seeking or enter into already profitable business

¹³ Pansak Vinyaratn is the Chief Economic Advisor to the Prime Minister of Thailand.

ventures (Baumol 1990, 1993). Secondly, high unemployment may force non-entrepreneurial people into business for subsistence reasons, a practice that they discontinue once they find secure employment. With reference to the works of Cook (1982) and Cooper (1980), Sloane (1999) wrote that entrepreneurs are 'exploiters and accumulators, the agents of capitalism and destroyers of traditional exchange-based morality' (p. 11). Such Marxist views, however, seem incongruous today, following the collapse of communism in the Soviet Union and subsequent economic transformation of many former communist societies to the capitalist system of production.

3.4 AFFIRMATIVE ACTION PLANS AND ENTREPRENEURSHIP

Some governments have used specific entrepreneurship policies to narrow perceived or real economic imbalances between ethnic groupings. Such policies may be called 'affirmative action'. An affirmative action programme may be defined as a series of financial dispensations and training programmes aimed at stimulating marginalised sections of the community in the direction of social and economic development. Marginalisation may arise as a result of the absence of self-development, or due to the denial of opportunities because of one's ethnicity, or low social status. Some people may see an affirmative action programme as another form of discrimination. For example, Ratuva (1999) wrote that 'using ethnicity as a basis for affirmative action just because previous acts of discrimination that are being compensated for was based on ethnicity, tantamount to another form of discrimination' (pp. 48-49).

As a result of rioting and looting in the major cities by the black population in the 1960s, President Johnson introduced a series of affirmative action measures to alleviate the sufferings of the black community. In the relevant countries, equivalent affirmative action plans are also available for the Australian Aborigines and the Indian scheduled castes. The government of Malaysia provided *bumiputera* (son of

the soil) opportunities to the indigenous Malays. The latter were designated as being economically disadvantaged relative to other ethnic groupings, such as the Chinese. It was believed that the widening economic disparity between the ethnic groupings was responsible for the creation of fear, jealousy and hatred (Othman, 1999). The Malay-dominated government aimed to prevent the escalation of ethnic conflict by creating a 'new class of small [Malay] capitalists' (Chee Peng Lim *et al.*, 1979, quoted in Sloane 1999, p. 10), who would later become middle class citizens. By providing education, opportunity, resources and capital, the Government of Malaysia wanted the so-called economically disadvantaged Malays to emerge as 'enterprising, business-minded, innovative, self-sufficient modern men and women - that is, as entrepreneurs' (Sloane, 1999, p. 10). *Bumiputera* is not only about the economic empowerment of an ethnic group but also about 'self-validation and a key to the construction of modern Malay identity' (Sloane, 1999, p. 23). The major objective of *bumiputera* was to enable Malays to control 30% equity in all Malaysian companies by 1990. In practice, only 20% of the equity was in Malay hands by 1990. (Thompson, 2000). To counteract any criticism of this discriminatory and arguably racist policy, the Malaysian government passed a constitutional amendment that labelled any negative criticism of the scheme as seditious (Thompson, 2000). The fact that Malays now play a greater role in the economic and political life of the country is sometimes attributed to the affirmative action programme. Although Malays currently hold about 30% of the capital of all Malaysian limited companies compared to 7% in 1970, affluence has not trickled down to the middle class¹⁴ (Gilley, Far Eastern Economic Review, 10 August 2000).

¹⁴ There is no clear consensus as to what constitutes a middle class. The word *bourgeoisie* has also been applied to this concept. Generally speaking, a middle class may be seen as a 'social stratum that is not clearly defined but is positioned between the lower and upper classes. It consists of businessmen, professional people, etc. along with their families, and is marked by *bourgeois* values' (Wordreference.Com Dictionary: <http://www.wordreference.com/english/definition.asp?en=middle+class>). Easterly (2001) defines "A middle class ... as a high share of income for the middle class and a low degree of ethnic divisions A high share of income for the middle class and lower ethnic divisions are associated with higher income and higher growth, as well as with more education, better health, better infrastructure, better economic policies, less political stability, less civil war and ethnic minorities at risk, more social 'modernization' and more democracy" (in the abstract, p. 1).

On the other hand, Netto (2003) wrote that not only the ethnic *bumiputera*'s share of the economy has increased, but it has also led to the emergence of a middle class and that 'a huge chunk of this stake is in the hands of state-backed institutional investment agencies holding shares in trust for the bumiputras [*sic*]' (p.1). Netto added that the Malaysian economic experiment has divided the rural and urban people and that the 1999 statistics had showed that rural household incomes was about 55% of the urban income. Despite this uneven economic development, *bumiputera* seems to have boosted Malay confidence and identity but it is uncertain whether a template is appropriate for other multi-ethnic societies such as Fiji.

Since the 1970s Fijians have been recipients of considerable government assistance, but in the absence of business skills have struggled to compete with other ethnic groupings in the domain of entrepreneurship. With greater educational opportunities and better advisory services, policy planners believed that an affirmative action programme would enable Fijians to compete more effectively against other ethnic groupings.

Affirmative action policies are subject to short-term political expediency, but time is needed to assess their sustainability. One potential danger encountered in implementing an affirmative action policy is that those receiving the benefits may attempt to undermine any policy of scaling back, even when the primary objectives have been achieved. This has occurred in Malaysia recently. Another danger for countries which foster an unbalanced entrepreneurial policy, such as Malaysia and Fiji, is that they may not realise the full potential and benefits of economic development. In the case of Malaysia, the recent Asian financial crisis had shown the 'failure of the big Malay capitalists and the dynamism of the Chinese capitalists' (Far Eastern Economic Review, 10 August 2000). The Chinese and other communities in Malaysia do not receive the special economic benefits that are available to the indigenous Malays.

The 1997 Constitution of Fiji has introduced an affirmative action programme that

provided equal access to education, land and housing, commerce and social welfare for disadvantaged groups. Of the 29 programmes, five are earmarked for Fijians, five for Fijians and Rotumans, two for Indo-Fijians, and minority groups, and 15 for rural and peri-urban residents. The main objective of the programme is to 'bridge the socio-economic gaps between them and other ethnic groups' (Ministry of Information and Media Relations, 2003, p. 34). In the case of Fiji's affirmative action plan targeted specifically at Fijians and Rotumans, it is the *Blueprint*.

According to some critics, the *Blueprint* has mostly benefited a minority within the Fijian elite and the 'provinces get peanuts' (e.g. Speed, Fiji TV One, 3 June 2001) – very much like in Malaysia. Sowell (2003) has made a similar conclusion:

The most common outcome is that the benefits of affirmative action programs go to only a small minority within the groups that are supposed to benefit from them. This is almost invariably the already most prosperous segment of these groups. (Sowell, 2003, <http://www.townhall.com/columnists/thomassowell/printts20030604.shtml>)

Ratuva (1999) has associated the Fiji affirmative action plan in the context of hegemony and chiefly communal power. According to him:

...affirmative action has been conceptualised and implemented within the framework of communalism, the 'benefits' have largely been diverted to consolidating the indigenous Fijian communal institutions, under the tutelage of traditional elites, rather than being evenly distributed amongst subordinate classes. On the other hand, attempts to create an indigenous Fijian bourgeoisie through affirmative action have largely failed because resources have been mobilised along communal lines and locked into communal ownership (this includes communal, instead of individual investment); because communal institutions continue to put pressure on indigenous Fijian institutions to divert resources to communal obligations; because use of communal labour has not benefited individuals concerned, and because emphasis on communal investment and resource mobilisation has undermined the development of entrepreneurial skills of indigenous Fijians. (Ratuva, 1999, p. 4)

Basing their experience on Kenya, Dondo and Ngumo (1998) have suggested that a level playing field should apply in national economic development so that all communities can make a contribution:

Entrepreneurship is a way of life that enables people to take charge of their own destinies, and the realisation that their success will only come through their own efforts. Entrepreneurship cannot, therefore, grow in a society fond of blaming others and looking for scapegoats. The sooner Kenyans collectively start believing that they are and ought to be in control of their lives, the faster the spirit of entrepreneurship will rise, and the sooner Kenya will join the proud list of new economically thriving nations. (*Dondo and Ngumo, 1998, p.23*)

In a later section (under ‘Entrepreneurship in the Fijian Society’) the nature of Fijian entrepreneurship will be discussed. It will be shown that Fijian entrepreneurial growth is based on communal capitalism, and that the acquisition of capital by individual members is not very significant.

3.5 THE NATURE AND EVOLUTION OF ENTREPRENEURSHIP

Say (*circa* 1800) is widely regarded as having introduced the concept of entrepreneurship. According to Say, entrepreneurship is the process of shifting ‘economic resources out of an area of lower and into an area of higher productivity and greater yield’ (Drucker, 1985, p.19). This definition suggests that maximising return on investment should be the highest priority for an entrepreneur. In practice, some entrepreneurs may opt to prioritise objectives unrelated to profit maximisation. Drucker (1985) also stated that entrepreneurs always react to change and exploit opportunities. According to this view, the proactive entrepreneur ‘lives in the future, never in the past, rarely in the present’ (Gerber, 1995, p. 24).

Though Say is often credited with introducing the entrepreneurship concept, it was Schumpeter (1942) who gave a distinct meaning to the word and wrote extensively on the subject. Others who have subsequently contributed to the understanding of entrepreneurship are outlined in Table 3.1.

Schumpeter’s work stimulated a range of subsequent studies on entrepreneurship such as by McClelland (1961); Kirzner (1973, 1985); Vesper (1980); Casson (1982);

Table 3.1: Contributors to the theory of entrepreneurship

Year	Contributors	Important definitional attributes
1810	Say	<ul style="list-style-type: none"> -Many different talents are required to be a successful entrepreneur. -Many obstacles and uncertainties accompany entrepreneurship. -Separated profits of entrepreneur from profit of capital.
1890	Marshall	<ul style="list-style-type: none"> -The abilities to be an entrepreneur are different yet complementary with the abilities to be a manager.
1934	Schumpeter	<ul style="list-style-type: none"> -Entrepreneurship is an innovation and develops untried technology.
1960	Penrose	<ul style="list-style-type: none"> -Managerial capacities should be distinguished from entrepreneurial capacities -Identifying and exploiting opportunities and ideas for expansion of small enterprises is the essential aspect of entrepreneurship.
1961	McClelland	<ul style="list-style-type: none"> -Entrepreneur is an energetic moderate risk-taker with a high level of motivation to achieve.
1964	Drucker	<ul style="list-style-type: none"> -Entrepreneurs maximise opportunities
1977	Gasse	<ul style="list-style-type: none"> -Personal value orientation
1980	Vesper	<ul style="list-style-type: none"> -Entrepreneurs seen differently by economists, psychologists, business persons, and politicians.
1982	Dunkelberg and Cooper	<ul style="list-style-type: none"> -Growth oriented; independence oriented; and craftsmen oriented
1987	Begley and Boyd	<ul style="list-style-type: none"> -Tolerance of ambiguity

Sources: Timmons, Smollen and Dingee (1985); Greenfield and Strickon *et al.*, (1979); Long (1983); Drucker (1985); Furnham (1992); Timmons (1994); Hisrich and Peters (1995).

Drucker (1985); Baumol (1990, 1993); and Timmons (1994). Schumpeter's interest in entrepreneurship focuses on economic development (Greenfield, Strickon, Aubey, and Rothstein, 1979). Schumpeter (1949) defined development as 'the carrying out of new combination' (quoted in Greenfield and Strickon *et al.*, 1979, p. 6). Schumpeter described the act of 'new combinations' as the 'enterprise', and the activities of the individuals responsible for the functions of such enterprises as entrepreneurship (Greenfield and Strickon *et al.*, 1979). Schumpeter argued that entrepreneurs and entrepreneurship are responsible for the transformation of an economy and that individuals play a key role in the economic growth because they are constantly making influential choices and decisions. He also asserted that innovation is the foremost economic factor which helps our understanding of the process of entrepreneurship. Schumpeter distinguished the entrepreneur from both the inventor and the capitalist arguing that because an entrepreneur is not a capitalist, he should not be regarded as a risk-taker.

Although Schumpeter did not associate risk-taking propensity with entrepreneurship, other researchers have argued that risk-taking is a critical determining factor (McClelland, 1961; Drucker, 1985; Begley and Boyd, 1987). Though Schumpeter regarded innovation as an important element of entrepreneurship, he failed to answer several important questions. These include: (1) Who are the entrepreneurs? (2) Is it possible to separate the functions of the entrepreneur from his/her entrepreneurial traits? (3) How does one recognise and carry out studies of entrepreneurship that have international validity? (4) How are entrepreneurs and their shared characteristics distributed within a given population? (5) Which groups within a society are most likely to produce entrepreneurial disposition, and why?

Questions such as the above have preoccupied many post-war researchers. They shifted their focus from the functions of an individual entrepreneur to the psychological characteristics and the social environment leading to his/her growth. McClelland (1961) was a notable social scientist who answered these questions,

including why some societies show entrepreneurial disposition and development while others do not. While aware of the association between ‘capitalism’ and the ‘Protestant work ethic’, McClelland attempted to explore psychological variables which motivated individuals towards entrepreneurship. Around the same time, other researchers such as Hagen (1962) were investigating why visible minorities such as the dissenters in England, the Protestants in France, the Samurai in Japan, and the Jews in different parts of the world, had displayed considerable entrepreneurial progress. Hagen found that the unique entrepreneurial tendencies of minorities were due to ‘a sense of separateness from the rest of society in which they lived, combined with a feeling of being discriminated against by members of the larger society. They found compensation for this sense of diminished status ... in entrepreneurial achievement’ (quoted in Greenfield and Strickon *et. al.*, 1979, p. 10).

Similarly, Dondo and Ngumo (1998) attributed the entrepreneurial disposition of the Kikuyu, Kissii, and Maragoli tribes in Kenya to the fact that they (like Indo-Fijians) do not own land and have to look for alternative means of survival. Harper’s (1985b) interpretation of the entrepreneurial success of dislocated minorities around the world aligns with Hagen’s analysis:

The very experience of living in a difficult environment, and of planning, financing and executing a move and then surviving in a new and often hostile environment requires qualities of self-restraint, abstinence, hard work and voluntary postponement of gratification which are normally far more severe than those demanded by the lifestyle of those who remain at home, or of indigenous people of the place in which these refugees relocate. (Quoted in Burns and Dewhurst, 1989, pp. 79-80)

Although they cannot be said to constitute a minority community with approximately 40-45% of the total population of Fiji, perhaps there is a similar explanation for the considerable entrepreneurial achievements of Fiji’s virtually landless Indo-Fijian community. In this context Ravuvu’s (1988) analysis is pertinent:

The Indians [Indo-Fijians] ... were indentured and became migrants from a generally harsh and severe physical and social environment in which they were highly differentiated, stratified into castes and oppressed by overpopulation and starvation. Fiji was an opportune place to make

the best out of it. Although the period of indenture contract [*girmit*] was rather dismal, exploitative and tortuous to many, the process of serving or suffering under the indenture system was in fact a baptism of fire which further developed in the Indian personality a great sense of endurance, risk taking and determination They also had to develop other traits or characteristics which would enable them to survive and become free in a new environment Cut off from their extended village and family ties in India, they increasingly become individualistic and egoistic in order to survive and forge ahead economically, politically and socially. (Ravuvu, 1988, p. 57)

Cunningham and Lischeron (1991) have categorised the various research findings on entrepreneurship into Six Schools of Thought as outlined in Figure 3.1. The first three 'Schools of Thought' relate to start-up business. The 'Great Person' School asserts that an entrepreneur has an 'inborn intuition' that gives 'vigour', 'energy', 'persistence' and 'self-esteem.' The Psychological Characteristics School shows that the driving forces behind entrepreneurship are unique values, attitudes and needs. The Classical School is related to creativity and innovation, while improvement of technical and interpersonal skills is the focus of the Management and Leadership Schools. Finally, the direction of Intrapreneurship School is geared towards adaptation to change and consolidation by exploiting opportunities. All these characteristics are identified as important in achieving entrepreneurial success. Overall, it may be argued that the growth of entrepreneurship is due to a wide range of factors and the economic factor may be just as important as the psychological and cultural influences. The importance of the economic factors in stimulating entrepreneurship has been made by Wilken (1979) as follows:

If the economic conditions are favorable, then, given the basic human motivation to maximise one's gains, entrepreneurship will emerge and economic growth and development will result. If the economic conditions are not favorable, entrepreneurship will not emerge and the society's economy will stagnate. From this point of view, entrepreneurship is primarily a dependent variable and social and psychological characteristics receive relatively little attention. (Wilken, 1979, p. 3)

It could also be argued that in some countries (examples, the USA, Great Britain and Germany) the economic factors may be more important, while in other countries the cultural factors may be equally important (examples, Japan and China).

Figure 3.1. Approaches to an understanding of entrepreneurship

Entrepreneurial Model	Central focus or purpose	Assumption	Behaviors and skills	Situation
“Great Person” School	The entrepreneur has an intuitive ability – a sixth sense – and traits and instincts he/she is born with	Without his “inborn” intuition, the individual would be like the rest of us mortals who “lack what it takes”	Intuition, vigor, energy, persistence, and self-esteem	Start-up
Psychological Characteristics School	Entrepreneurs have unique values, attitudes, and needs which drive them	People behave in accordance with their values, behavior results from attempts to satisfy needs	Personal values, risk taking, need for achievement and others	Start-up
Classical School	The central characteristic of entrepreneurial behavior is innovation	The critical aspect of entrepreneurship is in the process of doing rather than owning	Innovation, creativity, and discovery	Start-up and early growth
Management School	Entrepreneurs are organisers of an economic venture; they are people who organize, own, manage, and assume the risk	Entrepreneurs can be developed or trained in the technical functions of management	Production planning, people organising, capitalisation, and budgeting	Early growth and maturity
Leadership School	Entrepreneurs are leaders of people; they have the ability to adapt their style to the needs of the people.	An entrepreneur cannot accomplish his/her goals alone, but depends on others.	Motivating, directing and leading	Early growth and maturity
Intrapreneurship School	Entrepreneurial skills can be useful in complex organizations; intrapreneurship is the development of independent units to create market, and expand services.	Organisations need to adapt to survive; entrepreneurial activity leads to organizational building and entrepreneurs becoming managers	Alertness to opportunities, maximising decisions	Maturity and change

Source: Cunningham and Lischeron (1991, p. 47)

3.6 ENTREPRENEURSHIP IN THE FIJIAN SOCIETY

Entrepreneurship existed in Fiji prior to the arrival of colonialism in the nineteenth century (Wilkes 1845, cited in Fairbairn, 1988a). According to Sutherland (1984), in the pre-colonial period 'Land was the most important means of production and although there appears to have been a small degree of private 'ownership', it is clear that the predominant practice was for it to be held collectively' (p. 32). However, the colonial policies which heralded the introduction of the cash economy and other Western commercial concepts, did not accord with the ethos of Fijian collectivism and other 'traditional Fijian enterprise practices' (Hailey, 1988, p. 37). The segregated life under colonialism prevented generations of Fijians from understanding and inculcating entrepreneurial skills. According to Ravuvu (1988),

The British colonial power, with the help of the church, developed a specific orientation to change, but within defined limits. It was considered both desirable and necessary to effect only those changes which would not suddenly disrupt the existing order but which would enhance imperial policies. Thus changes were generally limited to administrative and technical matters, concentrating mostly in the urban centres. Changes in the deeper social and cultural aspects of the people's way of life were left to chance and paid lip service only. So long as Fijians in the rural areas complied with the administrative demands of the Colonial government, according largely to the principles of indirect rule, they were left to their own devices. (Ravuvu, 1988, pp. 184-185)

As a matter of fact, Fijians were not 'left to their own devices' in the village environment, as all aspects of their lives were controlled through official rules and regulations. For example, Governor Gordon used 'collaborative' chiefs to form the Great Council of Chiefs, which became his advisory body. The Governor used the 'traditional authority' of the Great Council of Chiefs to introduce land reforms and provision of taxation in the Fijian community. Native Regulations at the district level were enforced by the *Roko Tui* and at the village level by the *Turaga ni Koro*¹⁵ According to Norton (1990),

¹⁵ Roko Tui and Turaga ni Koro were eminent chiefs at the district and village levels respectively

Provincial and district councils framed programs or the implementation of regulations including tax collection, administration of finance, and village maintenance. Special police and magistrates enforced the regulations. The authority restricted settlement and work outside villages, required everyone to produce prescribed quantities of crops, and obliged parents to send their children to schools staffed by teachers in the pay of provincial councils. The system gave legal sanction to customary services rendered by commoners to chiefs such as provision of food for ceremonial feasts and labour for public works. (Norton, 1990, p. 21).

The extent to which the lives of the Fijian people were regimented may be better understood by looking at their yearly work programme for one Province (Colo West). This is shown as Figure 3.2. Obviously the Fijians with an entrepreneurial disposition could not have found time to engage in entrepreneurship when they were compulsorily preoccupied with traditional duties. Even if they tried, it is most likely they would have been discouraged by the village chief.

Despite the chiefly antipathy towards entrepreneurship, the colonial authorities nevertheless encouraged some commercial activities amongst Fijians on grounds of necessity – to broaden the taxation base. Fijians were allowed to produce cash crops (that included copra, bananas and sugar) under chiefly supervision. Produce was collected at the provincial level and sold on tender. Surplus funds were used for village projects. By the late 1870s 3% of the government revenue came from Fijians (Howard, 1991).

The excessive control exercised on the Fijian people by the colonial administrators and the Fijian chiefs did not go down well among some commoners, who gave an alternative vision to the Fijians. One such individual was Apolosi Nawai. His challenge to the existing authority by the formation of *Viti Vakani* (Viti Company) in 1912 has been described as ‘the first clear expression of organised struggle by the Fijian peasantry against not only colonial rule but also the underlying system of exploitation’ (Sutherland, 1984, quoted in Howard, 1991, p. 39). Nawai wanted to cut the middleman in the banana and copra trade and organise a co-operative venture for Fijians so as to compete on the basis of strength. Nawai’s thoughts constituted a

Figure 3.2: Yearly work programme for able-bodied Fijians**January**

Plantations. Every able-bodied man in the districts of ...to plant 50 roots of yaqona each. Every able-bodied man in every district to plant 200 dalo, 200 tapioca, 20 voivoi, 50 bananas.

February

Plantations and house building. Every able-bodied man in the villages of...to plant one acre of cane. The district of Namataku to repair the walls of the Provincial Commissioner's house at Natuatuacoko. The district of Magodro to repair the walls of the Native Magistrate's house at Natuatuacoko, and the district of Nasikawa to repair the Provincial Constable's house.

March

Plantations and house building. All paths to be weeded, and all bad sections to be repaired. The district of Komave to weed the village path from Nabukelevu to Nabotini. The districts of Qalimare, Bemana, Noikoro, and Nasikawa each to build a house for their Buli.

April

Plantations and house building. The districts of Mavua, Qalimare, Bemana, Namataku, Magodro, Noikoro, Nasikawa and Koroinasau each able-bodied man to plant 100 roots of tobacco. The district of Korolevuiwai to build the Provincial Matanivanua's house at Tagage. The district of Magodro to build the retired Buli's house at Bukuya.

May and June

All to obtain their Provincial Rate and to pay it to the Provincial Commissioner before June 30th. Those who remain in their villages to work as ordered by the Buli or Turaga ni Koro.

July

Plantations and house building. Every able-bodied man in the district of Koroinasau to plant 100 roots of yaqona. All paths to be weeded and cleaned and bad sections to be repaired.

August

Plantations. Every man to plant 400 yams, 400 dalo and 30 vudidina.

September

Plantations and house building. The district of Mavua to build their Buli's house.

October

Plantations and house building. All paths to be weeded, cleaned and repaired.

November

Plantations and house building

December

Free month

Buli's Lala

All able-bodied men to work 8 days each in the Buli's plantations.

Turaga Ni Koro's Pay

Every able-bodied man in every village to pay 3/- to his Turaga ni Koro before November 30th, and to work for 3 days in his plantations.

Village Weeding

All villages to be weeded every Wednesday.

Provincial Compounds

It shall be the duty of the Provincial Commissioner or Roko Tui to order a village or district to perform any necessary weeding or house building or other work in the Provincial Compounds at Lawaqa and Natuatuacoko or in the compound of the Native Medical Practitioner at Korolevu and of the nurse at Tubairata and at Qalimare.

Source: National Archives of Fiji, reproduced in Lal (1992, pp. 24-25).

heresy amongst the collaborator chiefs and the business community, who were threatened by competition. On the strength of evidence provided by the ‘collaborator’ chiefs and other ‘credible’ witnesses, the colonial authorities exiled Nawai outside his Province and later to New Zealand. The *Viti Vakana*, apart from advancing the economic empowerment of Fijians, became the vehicle for the expression of a variety of grievances against the colonial rule. Nawai’s greatest support came from the *galala* (independent farmers) who were officially encouraged to farm land in the 1920s and 1930s (Lal, 1992). The *galala* farming was further encouraged in 1958, but the conditions attached to it would have de-motivated a significant number of Fijians from taking up farming. For example, a Fijian had to fulfil the following conditions to attain *galala* status: (1) ‘to maintain at least three acres of land’; (2) ‘where cattle are kept, to provide not less than two acres of pasture land for each beast’; (3) ‘to manage his holding so as to make a gross income of not less than £100 per year’; (4) ‘to have at all times growing and properly-cared for crops sufficient for the requirements and welfare of himself and those dependent on him’; (5) ‘to pay, in addition to Provincial Rates, the commutation rate of £1 per year’ (Watters, 1969, p. 69). The *galala* farmers were engaged mostly in vegetable farming and in the banana, dairy and cocoa industries. Watters (1969) found them happier, showing greater capacity for saving, and displaying greater individualism. It can be argued that had *galala* farming been actively encouraged amongst Fijians since the advent of colonialism, the current economic disparity between the Fijians and non-Fijians would have narrowed considerably.

From the days of British colonialism and until 1940 two major developments had occurred among Fijians (Ratuva, 1999). The first change was the entrenchment of communalism under the Native Policy and the other was the consolidation of the capitalist economy. According to him, the communal system of production under the hegemony of the chiefs supported a semi-subsistence lifestyle, while economic development at the national level gave rise to a working class whose ethos conflicted with the communal nature of the Native Policy. The working class consciousness

posed a threat to the chiefly hegemony. This threat was countered with the reform of the Native administration in 1944. These included introduction of the co-operative movement (*Soqosoqo o Cokovata ni Veivoli*) in 1947, the Fijian Banana Venture in 1950, and the Fijian Development Fund (*Lavo Musuki in Veivakatoro Caketaki*) in 1951. These reforms were superficial and 'were more reactionary than progressive because they aimed to reinforce communalism, rather than encourage individual enterprise, amongst indigenous Fijians, by operating within the rigid guidelines of the Fijian Administration' (Ratuva, 1999, p. 76). The other major event was the introduction of the *galala* farmers (*Tu na galala*) in the 1920s and 1930s, but by 1955 this scheme was so highly regulated that one had to function within the ambit of Fijian Administration. This arrangement was not likely to encourage individual enterprise. Between 1953 and 1957 Fijian farmers had yearly harvested less than 5% of the total tons of sugar cane harvested (Ratuva, 1999). Overall, 'little had changed in relation to indigenous participation in commerce' by the 1950s. (Ratuva, 1999, p. 80). This became a major problem for the policy makers.

Against this background, Spate (1959) and Burns (1960) were commissioned to examine the socio-economic problems that kept Fijians away from participating in the commercial sector. Spate, *inter alia*, said Fijians had a choice between 'rigid authoritarian collectivism' or a 'community of independent farmers' similar to *galala* farming (*Tu na galala*). He recommended greater individualism amongst Fijians in order to develop enterprising citizens. Spate said the traditional roles of chiefs had expired in this modern world:

The functions of the chief as a real leader lost much of their point with the suppression of warfare and the introduction of machinery to settle land disputes, but constant emphasis seems to have led to an abstract loyalty *in vacuo*, to leaders who have nowhere to lead to in the old terms and, having become a sheltered aristocracy, too often lack the skills or the inclination to lead in the new ways. Hence, in some areas, a dreary negativism: the people have become conditioned to wait for a lead which is never given.. (quoted in Lal, 1992, p 182)

The Governor of Fiji (in 1960) also advised the Great Council of Chiefs to grant

greater individual freedom to the Fijians:

Much has been achieved in the past by your traditional communal system and in some areas this system is producing excellent results. But a money economy and a new standard of living have changed the pattern of life in these islands. I am sure the way forward lies in individual initiative and enterprise amongst Fijians and in the development of a tough and self reliant body of independent farmers. (quoted in Lal, 1992, p. 182)

On the other hand, Burns (1960) studied the population trends and natural resources in Fiji. His most important recommendation pertained to the restructuring of the Fijian Administration. The Fijian leaders initially expressed unhappiness at both these reports, but the reality of a changing world finally dictated to them that some form of change was desirable. Subsequently they encouraged with enthusiasm the *galala* system of independent farming, so as to breed a new society of Fijian peasants who could operate according to market forces and unencumbered by communal obligations. They also acquiesced to the abolition of the rigid structure of the Fijian administration. The major recommendations of Spate and Burns were at last implemented. In the following decades, these reforms hardly created a cadre of Fijian entrepreneurs who could compete with non-Fijians on a level-playing field. The Fijian leaders focused more on communal capitalism rather than on individual capitalism.

The issue of low Fijian share of the economy became a political issue after Fiji gained independence in 1970. To increase the share of Fijian entrepreneurship Government adopted two contradictory positions: (1) maintaining vestiges of the old Native Policy that had previously arrested Fijian entrepreneurship, and (2) encouraging Fijian commerce (Ratuva, 1999). The vestiges of the old Fijian institutions include the Native Lands Trust Board (NLTB), the Fijian Affairs Board (FAB), and the Great Council of Chiefs (GCC). These institutions have formed a 'state-chiefly class alliance' to maintain hegemony over the Fijian people, and lack the capacity to liberate Fijians into individualistic pursuits. The Provincial Council, established in 1970 and which is an important arm of the FAB, expects provinces to raise funds through *solu*. Funds raised have been used to buy shares in companies in order to

increase the portfolio of Fijian communal capital. This has created a hegemonistic relationship. This relationship has been described as ‘primordial servitude...adapted to modern commercial exploitation’ (Ratuva, 1999, p. 231).

Fijian entrepreneurs, however, may be divided into three categories. Table 3.2 shows one form of classification. Categories of ‘communal semi-subsistence’ and ‘communal capitalism’ are not examples of entrepreneurship under Brodsky’s (1996) criteria. Individualist Fijian capitalists are not many in the country. Many of them are products of affirmative action policies introduced after the military coups of 1987 and it is doubtful they could be described as entrepreneurs. Detailed statistics on their number and operation are not available, but it has been reported that there are 105 members on the roll of the Fiji Indigenous Business Council, whose annual turnover is a minuscule \$20 million (Fiji Times, 3 March, 2004).

Fijian participation in business is generally in the form of ‘portfolio investment’ (or communal capitalism investment). The largest type of communal investment is in the Fijian Holdings Limited company (FHC). This company was formed as a result of ideas generated by a group of educated Fijians known as the Fijian Initiative Group (1988). This group recommended:

That F\$20 million in equity be injected from the FAB to the FHC; that a unit trust for ethnic Fijians be established; that a compulsory savings scheme for ethnic Fijians be created; that government concessions to ethnic Fijian businesses be enhanced; that a Management Advisory Services Department be established within the FAB; that ethnic Fijians be allocated a minimum ownership of resource-based industries; that certain sectors of the economy be reserved for ethnic Fijian investment; that a daily newspaper be owned by ethnic Fijians; and that the FAB be restructured and strengthened. (Ratuva, 2000, p. 234).

Based on these recommendations the FHC in 1994 invested funds in nine companies as shown in Table 3.3.

Table 3.2 Classification of Fijian capital formation

Communal semi-subsistence	Communal capitalism	Individualism capitalism
<ul style="list-style-type: none"> - Produce for consumption and exchange (reciprocity). - Legitimation through elaborate ceremonies - Dominance of chiefly authority - Communal activities based on kinship network 	<ul style="list-style-type: none"> - Mobilisation of kinship networks for collecting capital (through <i>solivakavanua</i>) and investment. - Capital and business conceptualised in terms of communal prestige and social cohesion, not accumulation - Hierarchy of communal investment <ul style="list-style-type: none"> - <i>tokatoka</i> investment - <i>Mataqali</i> - <i>Koro</i> - <i>Yasana</i> <p>Fijian Affairs Board Investment</p> <ul style="list-style-type: none"> - Formation of companies (e.g. Fijian Holdings) with investment from these communal groups - Chiefs maintain traditional role and assume new role as company director in many cases etc. 	<ul style="list-style-type: none"> - Individual investment - Group investment based on common commercial interest, not kinship. - Aimed at accumulation and valorisation of capital

Source: Ratuva (1999, p. 186)

Table 3.3 Fiji Holdings Limited - details of investment

Name of company	Ownership interest	
	1994 %	1993 %
Listed securities		
a. Fiji Sugar Corporation	12.8	12.8
b. Unit Trust of Fiji	8.9	8.9
Unlisted securities		
<i>Subsidiary companies</i>		
Basic Industries Ltd	100.0	100.0
<i>Fijian Property</i>		
Trust Company Ltd	89.7	89.7
Carpenters Properties Ltd	50.01	50.01
Associate Companies		
Carlton Brewery (Fiji Ltd)	30.0	30.0
Merchant Bank of Fiji	50.0	50.0
Carpenters Properties Ltd	-	-
<i>Other Companies</i>		
Motibhai and Company Ltd	100.0	100.0
Goodman Fielder (Fiji Ltd)	100.0	100.0

Source: Fijian Holdings Annual Report 1994, reproduced in Narube (1997, p. 239).

In 1988 Government reviewed the affirmative actions introduced since 1987. This review document came to be known as 'The 1988 Nine Point Plan'. The points that it covered were: (1) restructuring and strengthening of the Fijian Affairs Board (not achieved)¹⁶ (2) establishment of a compulsory savings scheme for Fijians (not achieved); provision of concessions under the commercial Fijian loan scheme from the Fijian Development Bank (subsidised rate was reduced to 8 per cent, achieved); (3) injection of \$20 million capital into Fijian Holdings through the Fijian Affairs Board (achieved); (4) establishment of a Unit Trust for Fijians (existing Unit Trust is available to Fijians, no action); (5) reserve sectors of commercial activities for Fijians (not achieved); (7) minimum ownership by Fijians of selected resource based industries (not achieved); (8) seek Fijian ownership of at least one daily English-

¹⁶ Achieved/not achieved valid up to 1997 only

language newspaper (achieved); and (9) creation of a Management Advisory Services Department at the Fiji Development Bank (achieved)

The 1998 review was followed by ‘The 1992 Cabinet Proposals’. These proposals supplemented the provisions of the 1988 Nine Point Plan. They aimed to provide a tax holiday for Fijian-owned business (not achieved)¹⁷; transfer government shareholdings in public enterprises to Fijians (partially achieved); setting up of a small business agency (not achieved); interest-free loans to Fijian Affairs Board and Provincial Councils for purchase of shares in Fijian Holdings (achieved); direct budgetary allocation to Provincial Councils (not achieved); and increase the appropriation for Fijian Education Scholarship (achieved). The 1993 Opportunities for Growth plan focused on six major areas: (1) extension of Fijian ownership of business ventures; (2) assistance to Fijians in obtaining capital; (3) strengthening of Fijian education; (4) strengthening of Fijian culture; (5) strengthening of business training; and (6) establishment of Fijian-oriented institutions. It is evident that The 1993 Opportunities for Growth plan reinstated the 1988 Nine Point Plan. With the exception of the last objective, other opportunities were achieved.

Other recommendations that were made as part of the affirmative action plan for Fijians were: (1) parliamentary legislation spelling out the importance of Fijian participation in commerce and affirmative action areas such as protection, concessions, employment quota in government, allocation of scholarships and minimum participating rights (not achieved); (2) Fijian Holdings Limited to buy shares in financial institutions and Fijian-owned companies (partially achieved); (3) allocation of minimum amount of import licences to Fijians (partially achieved); (4) establishment of an Equity Loan Fund to facilitate portfolio investment by Fijians (achieved); (5) introduction of minimum employment of Fijians in selected industries and favourable treatment of Fijian tenders for projects (not achieved); and (6)

¹⁷ Achieved/not achieved valid up to 1997 only

establishment of a Small Business Agency as a separate statutory body (not achieved).

A large number of the provisions in the affirmative plans, though laudable in terms of increasing a wide range of portfolio investment capital for the Provinces, did not assist individual Fijians. Moreover, they were not implemented with proper guidelines and timetables. As such, these affirmative provisions failed to increase individual entrepreneurs amongst the Fijians. According to the Fiji Registrar of Companies (cited in Ratuva, 2000), of the 700 companies that existed in 1987 Indo-Fijians owned 50%, Fijians 15%, Others 20% and 15% were joint ventures. Before and after 1987, some notable Fijian businesses that benefited under the affirmative provisions, like the CBM Holdings, Commercial Loans to Fijian Scheme (CLFS) and the Equity Investment Management Company Limited (EIMCOL), made bad business decisions and suffered financially. EIMCOL had to be folded up.

Many of these communally owned businesses ‘currently operate without a shred of accountability or transparency’ (Fiji Sun, 13 March 2004, p. 2). These companies have not maintained their accounting standards to the minimum requirements, as claimed by the Citizens Constitutional Forum (CCF):

Each of the 14 [Provincial] Councils has companies. They operate distinctly from the Provincial Councils. These companies are accounting nightmares to anyone trying to make a sense of Council accounts.

For example, Ra Province started up Ra Provincial Holdings Ltd on July 1, 1997. This company’s main activity involves leasing a commercial building. On February 2, 1997, a loan of \$[Fiji] 814,600 was obtained from FDB [Fiji Development Bank]. From this loan, \$730,000 was used to buy land and the building. Council used \$43,440 to take-over debt. Details on this \$43,440 debt and the following transaction to cover it with loan funds have not been reflected in the Council’s last audit.

Ra Council’s investment decisions are unsound for a number of reasons. Land rates revenue is being indirectly diverted to Uluda Holdings Ltd, the other provincial company.

The Council’s fixed assets base has been eroded because they decided to use it to guarantee loans obtained by two other companies.

Dividends from the two companies will most likely not earn income for Ra Council for a number of years, since the rental income and loan repayments are fixed. Dividends income from shares held in Fijian Holdings Ltd has been assigned to pay back loans.

The Council does not even have any shareholding in the companies nor has a direct control over their operations, judging from their accounts.

As a result, it is difficult to establish the nature of the companies in relation to the Council. (CCF, *Fiji Sun*, 13 March 2004, p. 2)

The CCF have highlighted many other instances of financial mismanagement and lack of prudent financial investment in companies associated with other Provincial Councils. Since the Provincial Councils have not refuted the allegations, it may be concluded that the CCF charges carry some credibility.

3.7 COLONIALISM AND FIJIAN ENTREPRENEURSHIP

Apart from the politics of communal capitalism, colonialism – either wittingly and unwittingly – also impacted negatively on Fijian entrepreneurship. One Fijian scholar (Ravuvu, 1988) analysed the impact of imperial policy on the Fijians. Though his study focused on a particular province, it has national applicability. He demonstrated that the practice of keeping Fijians economically powerless operated as an implicit form of social control and served the interests of both the British colonial powers and the Fijian Chiefs. It was similar to the control exercised by the imperial rulers and the Indian Maharajahs over the masses in the years prior to India's independence in 1947. As owners collectively of approximately 88% of the land, one might expect Fijians to be the most powerful economic force in Fiji. As explained earlier, they have, however, been largely unable to accumulate wealth because they have been encouraged to observe traditional usage of land and have been discouraged from using it for private benefit.

Ravuvu (1988) gave an example of a proactive Fijian who saw an opportunity to make money by selling vegetable products to nearby construction workers. Just when

he was about to become relatively prosperous, his Chief advised this promising 'entrepreneur' to desist from using the piece of land for commercial activities. Worse still, the entrepreneur's piece of land was reduced considerably so that the farmer could not re-emerge as an 'entrepreneur'. With his entrepreneurial disposition diminished, the unfortunate farmer had to revert to subsistence farming. In many Pacific Islands, people who demonstrated entrepreneurial success, or 'emulate Europeans', were treated either as outcasts, or castigated in the most humiliating manner (Finney, 1987; Deane, 1921). With reference to a lecture given by a former Colonial Secretary of Fiji, Mr J. Stewart, Deane (1921) gave an example of a Fijian who tried the English principles of entrepreneurship. This budding entrepreneur was subjected to boycotts and pestering that he 'died from the intensity of his humiliation' (Deane, p.103). Later, a preacher boasted that the errant entrepreneur was 'squirring in hell for his misdeeds' (Deane, p.103).

The Fijian social system has clearly not encouraged individual entrepreneurship. For Fijians with the drive and enthusiasm for entrepreneurship, the Fijian social system has been a major handicap. With Fijian 'entrepreneurs' confined to village life and with the immigrant Indo-Indian society preoccupied with commercial farming and small business, the domination of the commercial field was in the hands of the European community, at least until independence.

Independence ostensibly provided all ethnic groupings with an equal opportunity to launch into an era of entrepreneurial experimentation. As stated elsewhere, while the Indo-Fijians and Others generally took advantage of commercial opportunities, the same cannot be said of Fijians. The late Fijian chief, Ratu David Toganivalu, spoke of the incompatibility of the Fijian mindset to commercial activities. He noted that the 'single most important problem is a Fijian's mental attitude and approach to business. He starts with a great liability in that he has a cultural heritage that is not really conducive to frugality and material acquisition. These are disciplines that run against the grain of all that is natural to our way of life' (quoted in Lal, 1988, p. 17).

Rakoto's (1975) highly perceptive observation on cultural obstacles facing Fijian commercial ventures is highly relevant to this research. He identified four problems under (1) ceremonies and resources, (2) Christianity, (3) the individual or the group, and (4) today and tomorrow. The first three issues are particularly relevant to the present study and are discussed below:

1. **Ceremonies and resources.** There is scope to disregard certain ceremonies associated with death, sickness, and birth. Death is a particularly expensive affair in the Fijian community, as food, *yaqona* and *tabua* have to be given to visitors on the fourth, tenth, twentieth nights until the hundredth night after burial. *Burua* and *vakatairaisulu* involve further expenses that include purchase of food, clothes, and *tabua*. Fearing supernatural punishment, Fijians generally follow these customs. Surprisingly, Rakoto's study of Fijian farmers showed that the successful ones were adherents to custom and tradition, while the less successful farmers also attributed their low yield to culture, although their contribution to cultural ceremonies was not significant. Unlike the behaviour of low performers, the successful farmers used their time wisely and would say 'no' if they were not able to make contributions to traditional functions.

2. **Christianity.** Prior to the arrival of Christianity Fijians emphasised hard work, efficiency, good health, good and abundant food, and valour in war. Work was regulated according to seasons, but 'Christianity upset this balance for ever' (Rakoto, p. 33). The Protestant ethic emphasises individual initiative, while Fijian Christianity has focused on the group thereby leading them to 'a downward path in the control of our material world' (Rakoto, p. 33).

While discussing the peculiarities of Fijian culture, Ravuvu (1988) said that because villagers lack regular and reliable sources of income, they find it increasingly difficult to meet cultural obligations. He added that:

Being constantly required to contribute to various causes at the whim of those who wield power in the name of progress, villagers increasingly resent such levies and often contribute their

hard-earned cash reluctantly. School committees, church committees and, Provincial Councils for example, often impose cash levies (which are usually required within a short period) upon villagers for the construction of buildings or for various other projects, without considering the ability of the people to pay. (Ravuvu, 1988, p. 164)

Fijians comply with such requests begrudgingly. Borrowing money leads them into debt and subsequently into further debt¹⁸.

3. The individual or the group. Traditional leaders monitored Fijian social life. Land rights of individuals and small groups were administered under the *mataqali* system. Individuality was suppressed and individuals punished ruthlessly for any breach of traditional rules. No effort was made to encourage them into agriculture, commerce, education and other fields of social and economic development. They were led to believe that their culture was inimical to business.

An observation that may be added to the above discussion is that Western observers may find it difficult to understand the concept of Fijian entrepreneurship as understood in the Western world, or in textbooks. Westerners may find it strange that Fijians appear to find traditional work more interesting because they can relate to it. Many find business in the entrepreneurial sense an abstraction (Qalo, 1997). According to Hailey (1988), the Western sense of entrepreneurship emphasises cultural values that are alien to Fijians and these are not valued highly in Fijian culture. He said these values include 'individual acquisitiveness', 'frugality', and measurement of success in financial terms. Entrepreneurship involves sales and profits, and there is a heavy emphasis on individual motivation to achieve reward for one's efforts. Fijian society by contrast is collectivist. Caring and sharing is a normal social protocol and financial reward as an instrument to gain social recognition and independence is generally not an aspiration in the Fijian way of life. According to Qalo (1997), family is more important in Fijian life than financial rewards:

¹⁸ Until the 1960s ethnic Fijians were prohibited by law to borrow money. Nowadays they usually borrow from credit unions, from money lenders, shop owners often at very high interest

Dou veilomani and making money in business seem to be poles apart. But if we are clear that the idea of money is based on human desire for more rather than less, or simply greed, then *veilomani* or love can be expressed by the elimination or the minimising of greed. While making money in business is important in itself for the creation of wealth, family is important in the battle against the dangers of greed and the desirability of sharing. (Qalo, 1997, p. 17)

In an exhaustive study of a Fijian family business, Qalo (1997) proposed a number of factors that negatively affect Fijian entrepreneurship. Five of these critical factors are considered below:

1. Lack of attention to detail. With reference to the late paramount Chief, Ratu Sir Lala Sukuna, and Scarr (1983), Qalo said an Englishman is quick with his mind, while the Fijians get lost in details. The values at the workplace, he said, include ‘work ethic, family, skills, possessions, personal integrity, prudence, knowledge, status and so on’ (p. 136). These values are precisely defined and are part of the socialisation process. Fijian upbringing does not inculcate such values with the same precision used in Asian and Western epistemology. Lack of attention to detail leads to ‘over supply (or lack of) of material, wastage of material through mistakes in marking, wastage of time, added transportation costs, lateness of work completion, followed by poor customer satisfaction ...’ (Qalo, 1997, p. 138).

2. Importance of kinship over reasoning. In Fijian businesses, kinship is used as an excuse for arriving late for work, or for not attending work on Fridays and Mondays. Pressure from spouses can lead to undesirable business decisions. As an example, some women – with ‘99% enthusiasm and 1% business acumen’ – decided to raise money for a communal project which they had instigated without proper appraisal. Their enthusiasm for the project led them to organise a successful dance, but the business was closed the next day. The employees may have danced the whole night away leaving little energy for work the next day. Such behaviour would not be entertained in most non-Fijian businesses.

3. Legitimation factor of leadership. Fijians may find management of the business a bit confusing. Ownership to a Fijian means a free rein on the business, giving away anything one owns.

4. Hero worship. The prevalence of hero-worship or charismatic leadership leads workers to commit business funds for traditional purposes. This is done on the belief that it will bring '*mana*' or supernatural powers. Such powers are expected to make things happen physically or psychologically.

5. Subsistence economy mindset¹⁹. Fijians generally possess the subsistence mindset, which emphasises 'communal work; labour-intensive work; task - as opposed to time – oriented; very general plans; relaxed; undemanding lifestyle; consumption-oriented living...' (Qalo, p. 142). He wrote that:

The subsistence mindset in market economic terms 'saves' only for delayed consumption. Very little 'investment' (or the creation of wealth) is consciously attempted. Purchase of trucks, outboard motors and power machines, for example, are not seen entirely in investment terms (creating wealth) The machines are used in a traditional manner without attention to servicing, maintenance and so on. These machines are utilised in a manner that is similar to the use of traditional tools and utensils such as a digging stick, a dugout canoe, bamboo raft, thatched house or the leaves that are used in feasts or daily meals. They are given away or left to wither. Power machines and vehicles are by and large treated in the same way. They are treated as if they have no market value let alone resale value. (Qalo, 1997, p. 143)

The subsistence mindset also extends to the social domain. For example, Fijians may be so emotionally carried away during fundraising that they may donate all of their cash without considering other social commitments. Making money or getting rich does not seem to be a priority in the Fijian way of life.

Despite the many social and financial obstacles facing the Fijians to become 'entrepreneurs', a few have shown some degree of success. They could be divided into 'productive entrepreneur' and 'unproductive entrepreneur' categories with an

¹⁹ A mindset is 'a fixed attitude or disposition that predetermines a person's responses to and interpretations of situations'. (From <http://dictionary.reference.com/search?q=mindset>).

imbalance towards the latter. Though a number of creative and innovative Fijian businessmen/women have emerged over the past 30 years, Watters (1969) found an absence of 'productive Fijian entrepreneurs.' Despite recent developments, entrepreneurs in the South Pacific are still seen to be non-innovative. In this regard, a recent United Nations (1997) study observed:

The shortage of entrepreneurship is reflected in a general conservatism and lack of innovative ideas as to possible types of business, ways to add value to products, or how to diversify them. Business development trainers in the region often comment on the conservatism in the types of projects people embark on, for example, piggery or poultry operations being the almost only choices of youth groups in some countries and few people in rural areas generally, looking beyond retail trade or transport services. This conservatism can be seen in the 'copy-cat' behaviour of many businesses, such as the proliferation of barbecue stands in some Pacific island towns. Instead of devising variations, many people set themselves up in the same business, selling an identical product, often in the same locality. Getting a small slice of the market seems to many people preferable to taking a chance on a new product or service. Innovative thinking is needed on opportunities for business diversification. (United Nations, 1997, p. 34)

The absence of a business ethos among South Pacific people in general and Fijians in particular, led Fairbairn and Pearson (1987) to question the relevance of the Schumpeterian concept of business novelty to the developing world generally characterised by a lack of innovation. They argued that families play a bigger role in business decisions in developing countries and that research should not focus exclusively on the individual entrepreneur. In this context Morrison (2000, p. 68) said that 'the role of the family, immediate and extended, is recognised as having the potential to make a positive contribution towards entrepreneurial behaviour through the provision of inter-generation role models, and as tangible and intangible support providers' (p. 68). This perspective will be addressed in the present study.

Hailey's (1988) definition of a Fijian entrepreneur is more attuned to Pacific culture. He defined a Fijian entrepreneur as 'a Fijian (*i taukei*) who shows practical creativity, combining resources and opportunities in new ways to benefit the individual, the family, and the community in general' (p. 41). The problem with this definition is that it refers to a single ethnic grouping and to novelty, a rare characteristic in Fijian entrepreneurship. Hailey's definition therefore needs further refinement. For the

purposes of the present research, an entrepreneur is defined as 'a person who shows practical creativity, combining resources and opportunities to benefit the individual, the family, and the community in general'. As explained previously, novelty is associated with entrepreneurship. However, Pacific entrepreneurs are generally weak in innovation and are characterised by the 'copycat' syndrome (United Nations, 1997; Hailey, 1985). Consequently reference to novelty in the definition would disqualify most businesses from the proposed research. For this reason, the amended definition does not refer to 'new' or 'novelty' products. The inclusion of 'individual', 'family', and 'community' encapsulates the essence of the individualistic and collectivist nature of ethnic groupings in Fiji.

3.8 THE DEFINITION AND NATURE OF SMALL BUSINESS IN FIJI

In light of the very different approaches adopted towards small business in different countries, there is little agreement about definitions. Like entrepreneurship, small business is 'easier to describe than to define' (Burns and Dewhurst, 1989, p.3). Because of geographical disparities between countries, it is natural that each country will define the term in a way that suits its needs. For example, the nature of small business in the USA – the world's largest economy - is different from the situation in Fiji. Therefore, definition of small businesses located in the US will not be appropriate for the Fiji environment. As Wingham (1998) says:

The disparity over the years between the definition of small business adopted globally has resulted in nations seeking to define their own perception of the phenomenon. Thus, definitions that are advanced by participating nations will vary. However, the description in each case in many ways defines the prevailing culture and attitudes of business monitors and governments toward these entities at one particular point in time. (Wingham, 1998, pp. 96-97)

Whatever criteria are applied when defining a small business, a common objective is to eliminate larger firms from the preferential treatment intended for smaller ones (Harper, 1985a). As shown in Table 3.4, there are four definitions of a small business in Australia.

Table 3.4: Definition of small business in Australia.

Wiltshire Report (1971)	Business in which one or two persons are required to make all of the critical management decisions (finance, accounting, personnel, purchasing, processing or servicing, marketing and selling) without the aid of internal specialists, and with specific knowledge in only one or two functional areas.
Australian Bureau of Statistics (1988)	A business having fewer than 20 persons is referred to as 'small' irrespective of the industry in which it operates.
Beddall Report (1990)	A small business may be defined as one which employs up to 20 persons in the non-manufacturing sectors; and up to 100 if a manufacturer. It should also be independently owned and managed, be closely controlled by its owner/managers, who also contribute most, if not all, of the operating capital, and have the principal decision-making functions resting with the entrepreneurs.
Ang (1991)	A small business possesses most of the following characteristics: it has no publicly traded securities; the owners have undiversified personal portfolios; limited liability is absent or ineffective; first generation owners are entrepreneurial and prone to risk taking; the management team is not complete; business experiences the high cost of market and institutional imperfections; relationships with stakeholders are less formal; and it has a high degree of flexibility in designing compensation schemes.

Source: Wingham (1998, p. 97)

Whilst these definitions exhibit congruence in terms of general principles, ‘clarity and cohesion in the adoption of definition to facilitate global comparison is lacking’ (Wingham, 1998, p. 97). In the UK, the Bolton Committee of 1971 defined small firms as those which have a small share of the market and are managed by owners/part-owners in a personalised, non-formal structure in which the owner has the total freedom to make decisions (Singh, 1992). In the USA, a small business in the manufacturing sector is defined as having less than 100 employees. In other sectors of the economy the major criterion is output-based (Storey, 1982). In the European Union, a small business employs between ten and 99 staff, a medium-sized enterprise between 100 and 499 staff, and small and medium enterprises (SMEs) are defined as businesses with less than 500 employees (Buhalis and Cooper, 1998). In other countries, the prevailing definitions incorporate factors other than the number of employees and may include reference to sales, energy consumption or number of customers. Small businesses may also be distinguished on the basis of level of investment and capital. For example, in Singapore, a small business must have at least 30% local equity with not more than S\$8million in net fixed assets (Choo, 1992, p. 3).

Table 3.5 provides a typology applied to small business enterprises based in South Africa under the headings ‘survivalist’, ‘micro’, ‘small’ and ‘medium’.

Small businesses in Fiji may also be grouped under ‘micro’ and ‘small’. Many ‘livelihood operations’ (Taylor 1987) operated generally by Fijians and Indo-Fijians fall under the survivalist category. Within the South Pacific, it is difficult to quantify small business activities because many either lack a formal structure or else operate within the family paradigm. The difficulties of defining small business in Fiji are exacerbated by the fact that many businesses do not keep up-to-date records and rely on the employment of friends and relatives on an irregular or part-time basis. Despite this constraint, Hailey (1988) noted that a small business in Fiji could be defined by using criteria such as the number of employees, annual sales turnover, level of profit, the size of assets, the decision-making structure, and the degree to which control is separated from ownership.

Table 3.5: A typology of small business enterprise

Types	Description
Survivalist	Run by largely unemployed people. They often fail to produce even a minimum income; virtually no training takes place and opportunities for growth into a viable business are extremely limited. Poverty and survival strategies appear to characterize these enterprises which are often run by women.
Micro	Very small businesses, often employing family members and one or two employees and run by the owner. Many are 'informal' in the sense that they lack the appropriate licences, value-added tax registration, permits and accounting procedures. The capital base is frequently limited and technical and business skills generally rudimentary.
Small	Constitute the bulk of the established businesses and generally employ between 5 and 50 people. These enterprises are usually owner-managed; operate from business premises; are registered for tax and meet other formal registration requirements.
Medium	Compose a category of enterprise falling between 'big' and 'small'. They still tend to be owner/manager-controlled but would generally employ over 200 people and hold capital assets (excluding property) of R5 [South African currency] million at the upper limit.

Source: Allie and Human (1998, p. 33)

In Hailey's (1988) survey of businesses in Fiji, he found that while the Indo-Fijian and European businesses were concentrated predominantly in urban and peri-urban centres, the typical Fijian business was rural-based, and employed between two and five staff. Fijian entrepreneurs specialised in businesses such as retail stores, transport and service-related businesses because of the relative simplicity of operation and lower level of management skills and capital. For these reasons, the service sector has become saturated with Fijian entrepreneurs, leading to low profit margins. Hailey (1988) also found that Fijian males dominated small business, and that a large number of them started their business after gaining experience from employment elsewhere,

suggestive that entrepreneurship can be learnt or at least that relevant experience gained elsewhere can provide useful boost. In contrast, many Indo-Fijian entrepreneurs were nurtured in a family business environment. Hailey (1988) noted that three-quarters of Fijian business enterprises were legally registered as sole traders. Generally, Fijian traders preferred independence and avoided partnership arrangements with their extended family or *mataqali* (tribe). An independent approach also minimised communal responsibilities. This strategy, however, did not preclude them from employing family or relatives as low cost labour.

Hailey (1988) observed that small businesses operated by Fijians faced a number of problems. Firstly, they had a limited market and this often created cash flow problems. Secondly, lack of economies of scale meant that traders had to sell a few consumer products at a high margin – approximately 20% above those charged by Indo-Fijian shopkeepers. Higher prices directed non-captive clients elsewhere, and banks would not loan money to these traders on account of their low turnover. These problems compounded the perennial challenge of the Fijian obligation to make generous contributions - cash and kind - for village projects and activities, and to show generosity through extending trade credits to customers (often Fijians). In practice the latter may not pay at all or at least fail to pay back in a timely fashion thus signalling the death knell for many businesses. Added to the fact that 'Fiji's business arena is a maze of protocol, inter and intra connections, false modesty, etiquette, decorum, niceties, and competition' (Qalo, 1997, p. 93) these problems help to explain why Fijians have low participation in entrepreneurial activities.

The traditional Fijian system of *kerekere* has profoundly hindered their economic development. *Kerekere* is the Fijian custom of sharing things with fellow Fijians and is a long established practice. One twentieth century chief justified the retention of *kerekere* by stating: 'Why should one man be richer than another?' (quoted in Deane, 1921, p. 123). Such 'socialist' sentiments may not be prevalent in modern Fijian society, but it may be inferred that deep in their minds, chiefs would not like to see

ordinary Fijians becoming richer than them. A wealthier society may lead to greater demands for liberalisation and individualism within the Fijian social system.

Small businesses in Fiji operate at two different ethnic levels (Fijian and non-Fijian) and under different conditions. Consequently, it is very difficult to formulate a definition of small business that includes different elements involved in the operation of small business. Despite this constraint, Hailey (1985) defined a small business in Fiji as a small enterprise having an annual turnover of less than F\$50,000, fewer than five paid employees and managed personally by its owner. Qalo (1997) found difficulty in defining a small business without reference to government regulations, and reinforced Taylor's (1987) advice that researchers should distinguish between registered businesses and 'livelihood operations' such as market vendors, gardeners, and fishermen.

For the purposes of the present research, a small business in Fiji's tourism sector has been defined as either 'a new venture offering a new tourist service and product, or an existing business offering a new or an existing tourist service and product; has less than 100 employees and is managed by an individual or a family'. This definition is fairly close to the definition adopted in the European Union, and offers the researcher a useful degree of flexibility.

3.9 THE MOTIVATIONS AND PERSONALITY TRAITS OF ENTREPRENEURS

3.9.1 Introduction

There is widespread recognition that entrepreneurs contribute to economic development by generating ideas, looking for opportunities, and translating these opportunities into commercial realities. Entrepreneurs have long been the subjects of intense scrutiny because of their wealth-generating capacity, and researchers have

focused on such questions as: Why do some individuals, and not others, against all odds and uncertainty, take risks and set up a new venture? Why do some people go to enormous lengths to convert their initial ideas and dreams into commercial reality? In other words, what are the differences between a successful entrepreneur and an unsuccessful one?

This researcher's initial consideration of such questions led to a focus on personality attributes. Social science researchers have long attempted to explore 'forces which shape the values, attitudes and approaches to life which lead certain people to take on the challenges of initiating, organising or developing which are generally associated with enterprise' (Cannon, 1991, p. 6). Chell (1985) and Cannon (1991) used three models to explain these forces.

The first is called the Trait Model (associated with McClelland, 1961). Within this model there is an intelligent gene or a group of traits in a person's personality that makes him or her enterprising. The 'gene theory' is supported by Andrews (1998), who suggested that 'there is an entrepreneurial personality that is either written in the genes or imprinted in early youth' (p. 24) without which an individual is unlikely to venture and succeed into business ownership. This model assumes a degree of permanency on the part of our personalities. In this regard, Eysenck (1965) suggested that human beings are endowed with two personality dimensions that correspond to motivation and emotion, and Woods (1998) proposed that genetics influences 75% of human personality while environmental factors influence the remaining 25% (Bolton and Thompson, 2000). McClelland (1961) argued that entrepreneurial traits cannot be developed. On the other hand, Shaver (1995) concluded that entrepreneurship involves psychological variables such as 'attitudes towards independent business, interpersonal skills of self-presentation and negotiation, and ways of thinking about the social world' (p. 21). These variables are not personality traits and they can be cultivated. Goleman (1995) argued that a manager's 'emotional intelligence', which include confidence, curiosity, intentionality, relatedness, self-control, zeal and persistence, ability to motivate oneself, and capacity to communicate and co-operate

could be taught. Proof of successful training programmes to build these non-personality entrepreneurial traits is provided by Dainow (1988) and Gupta (1989).

The second approach is known as the Psychodynamic Model (associated with Kets de Vries, 1977). The Psychodynamic Model suggests that an enterprising personality is a deviant behaviour arising from a deprived background, and entrepreneurship is a form of self-compensation for reducing dependence on others. The final approach is the Social Development Model (associated with Gibb and Ritchie, 1981). This approach states that a person's enterprising personality is a reflection of domestic, social and occupational experiences.

In resource-scarce developing countries, a key issue for policy makers is the extent to which it is possible to develop the traits that lead to entrepreneurial success. Some researchers have concluded that entrepreneurial skills could be imparted to potential and existing entrepreneurs (Shaver, 1995; Richman, 1997). Others have argued that entrepreneurial traits could be developed through appropriate training. Stumpf, Dunbar, and Mullen (1991) suggested that 'behavioural simulation technology, which has been successfully used to teach strategic and organizational processes and to diagnose and develop managerial skills, is appropriate for teaching entrepreneurship' (p. 681). Similarly, Oneal (1993) and Kuratko and Hodgetts (2001) have stated that entrepreneurs are not born with certain personality traits and that entrepreneurship can be taught to interested people. The debate on whether entrepreneurs are born or created seems to be endless because many people with sound entrepreneurial education and training have failed, while others with little education or entrepreneurial guidance have demonstrated a record of achievement.

There is little doubt that some individuals possess 'innate entrepreneurial flair, just as others have natural talents for mathematics or music' (Echtner, 1995, p. 122). According to Loucks (1988), entrepreneurship appears to involve an appropriate mixture of innate enterprising traits and learned skills (Echtner, 1995). This theme was pursued by McMullan and Long (1990) who stated that entrepreneurship involves

a combination of 'creativity and/or innovation, uncertainty and/or risk-taking, and managerial and/or business capabilities' (Echtner, 1995, p.122). Of the items on the list, 'innovation' and 'risk-taking' may be considered as innate and thus difficult to cultivate or change. These two personality traits could, however, be helpful in screening potential entrepreneurs for training and development. The other two skills – 'managerial' and 'business capabilities' – could, however, be learnt through training and education programmes. In recent years, many innovative Fijians have experimented with entrepreneurship, but many have ultimately been unsuccessful, apparently because they lack the managerial and technical skills needed to operate a business.

3.9.2 Typologies of entrepreneurship

Typologies are important in entrepreneurial research because they assist in the 'theoretical development of entrepreneurial behaviour and performance' (Woo, Cooper, and Dunkelberg, 1988, p.165), and 'draw attention to the essential heterogeneity of entrepreneurs' (Morrison and Rimmington *et al.*, 1999, p. 30). Hornaday (1990) suggested that the entrepreneurial concept be dropped from business research because of the difficulty in operationalising the word 'entrepreneur'. Chell, Haworth and Brearley (1991), on the other hand, expressed the need for 'entrepreneurial typologies' to be applied to small business owners.

Starting a new business is a major decision in an individual's life. Few people are born as entrepreneurs and relatively few new businesses are 'juvenile innovations', especially in the South Pacific. Research conducted in various parts of the world has shown that a majority of start-up ventures fold within a few years of operation (Wijewardena and Tibbits, 1999; Legge and Hindle, 1997). It has been reported that over 50% of the US business failures and bankruptcies during the 1980s occurred within five years of their establishment (Elmmuti and Kathawala, nd). Of those which

survive, some provide a livelihood for owners and employees and some develop subsequently into large enterprises.

With notable exceptions, indigenous start-up businesses in Fiji have been unable to expand into large enterprises. Many Indo-Fijian-owned businesses are also small. However family-owned businesses such as Punja and Sons Ltd, Motibhai and Company Ltd, Vinod Patel and Company, and the Tappoo Group of Companies started up as small business ventures and subsequently grew into multi-million dollar business empires. It may be noted that all these businesses belong to Gujaratis, though they constitute a minority category within the Indo-Fijian grouping. In India, Gujaratis live in the state of Gujarat, which is economically underdeveloped. But outside India Gujaratis have made considerable economic achievements, like in Uganda and Kenya, and have generated jealousy amongst the locals. The enormous success of Gujaratis in Uganda and their 'isolationist' lifestyle led President Idi Amin to expel a large number of them from Uganda in 1972.

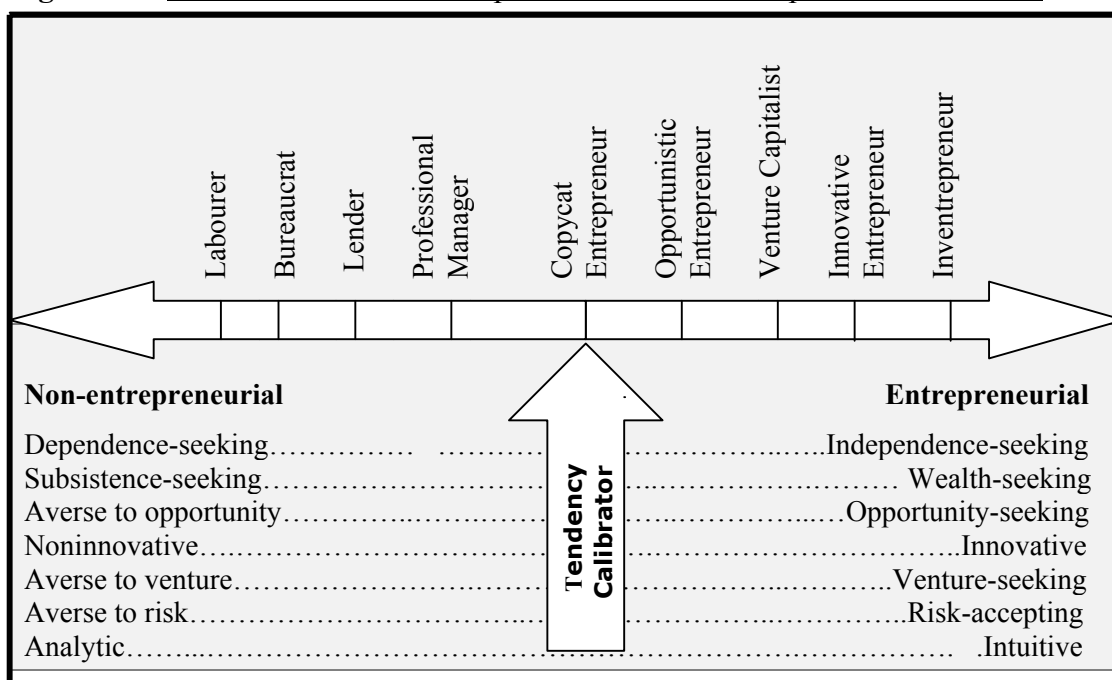
The entrepreneurship literature has proposed a variety of entrepreneurship typologies. Braden (1977) has classified entrepreneurs into 'caretakers' and 'managers' (Das and Teng, 1997), while Smith (1967) grouped them into craftsman entrepreneurs and opportunistic entrepreneurs (Das and Teng, 1997). According to Smith (1967), craftsman entrepreneurs are exemplified by 'mom and pop' styles of store which do not sell new products and services and have a narrow education and training experience, low social awareness and involvement (Das and Teng, 1997).

Opportunistic entrepreneurs have higher levels of education and training, and show greater levels of awareness and involvement (Das and Teng, 1997). They seek out hidden opportunities and introduce new products and services to the market. Kao (1989) divided entrepreneurs into product-oriented and technical or service-oriented entrepreneurs. These two types need different levels of education. Kao made a further distinction between creative and/or charismatic entrepreneurs who are 'commercially innovative as well as entrepreneuring' (p. 101). Kao's entrepreneurs differ from

conventional entrepreneurs who own and expand their business with conventional ideas. Burch's (1986) model of entrepreneurship, shown in Figure 3.3, brings out the behavioural differences between entrepreneurs and non-entrepreneurs.

According to the model shown in Figure 3.3, the 'Labourer' is the least entrepreneurial, while the 'Bureaucrat', the 'Lender' (bank officer), the 'Professional' and the 'Manager' tend to be non-entrepreneurial.

Figure 3.3: Tendencies towards entrepreneurial or non-entrepreneurial activities



Source: Burch (1986, p. 16)

It is possible, however, for these individuals to exhibit streaks of entrepreneurship by introducing a new procedure, process or service. Copycat entrepreneurs imitate the products or services of others. Opportunistic entrepreneurs have a strong entrepreneurial disposition and are quick to exploit opportunities when they arise. Venture capitalists cannot be called entrepreneurs, for they are mostly sources of equity, while the innovative entrepreneur and the inventrepreneur exhibit strong entrepreneurial disposition. Many of Fiji's 'entrepreneurs' appear to be of the 'copycat' type (including Indo-Fijian 'entrepreneurs').

3.10 RESEARCH ON ENTREPRENEURSHIP

As has been mentioned previously, the earliest studies on entrepreneurship by authors such as McClelland (1961) concentrated on entrepreneurial motivations. The following section will examine the various theories and research findings that have been advanced to explain the disposition or personality traits of successful entrepreneurs. Within the entrepreneurship literature the personality dispositions of entrepreneurs have received disproportionate coverage (Churchill and Lewis, 1986).

Despite an abundance of research in this area, there has been little agreement amongst researchers on the core elements that distinguish entrepreneurs from non entrepreneurs, or from the general population (Stewart, Watson, Carland, and Carland, 1998; Gartner, 1988; Sexton and Bowman, 1986). Gartner (1988) concluded that researching entrepreneurial personalities is a dead end task with little prospect of meaningful outcomes (Robinson, Stimpson, Huefner and Hunt, 1991). According to Deakins (1996) studies on the personality characteristics of entrepreneurs have not yielded useful information because of the unstable nature of traits, subjectivity of judgements, and a lack of attention to the cultural and environmental factors when undertaking measurement. Other factors often overlooked in personality research have included gender, age, social class and education. All of these have the potential to influence entrepreneurial disposition (Morrison and Rimmington *et al.*, 1999).

According to Kao (1989), the major drawbacks of the personality approach is that traits found to describe entrepreneurs can also be used for managers. They lack specificity, focus mostly on men, and are not applicable across cultures. Despite such pessimism, many researchers have identified or confirmed the existence of certain personality traits and behavioural characteristics that may drive entrepreneurs. Brockhaus and Horwitz (1986) identified five personality traits that are deemed to sow the seeds of entrepreneurship. These traits are the 'need for achievement motivation' (nAch), 'locus of control', 'risk taking', 'problem solving and creativity', and 'values'. Other entrepreneurial traits include 'total commitment', 'determination',

‘perseverance’, ‘drive to achieve and grow’, ‘opportunity’, ‘goal orientation’, ‘initiative’, ‘personal responsibility’, ‘persistent problem-solving’, ‘realism’, ‘sense of humour’, ‘feedback’, ‘risk seeking’, ‘low need for status and power’, and ‘integrity and reliability’ (Timmons, Smollen and Dingee 1985). There is no guarantee that possession of all or some of these traits will convert an individual into an entrepreneur. For example, David Bussau, without any formal education, became a very successful entrepreneur. By contrast, John de Lorean, with degrees in music, industrial engineering and business administration and having acquired the art and skills of entrepreneurship at General Motors, while initially successful as a managerial entrepreneur, failed after starting a new venture of his own (Bolton and Thompson, 2000).

Research findings indicate that nAch and risk-taking propensity do extend our understanding of the personality of entrepreneurs and non-entrepreneurs. These two personality traits will now be discussed in the context of entrepreneurship.

3.10.1 Need for achievement motivation (nAch)

McClelland (1961) has been the principal proponent of human motivation under nAch (need for achievement), a concept 'that values success, personal initiative, and curiosity and takes a rational and practical approach to problem solving' (Fairbairn and Pearson, 1987, p. 13). McClelland argued that motivation towards entrepreneurship is conditioned by childhood experience, education and religion and specified three attributes that characterise entrepreneurs under nAch: (1) individual responsibility for solving problem, setting goals, and reaching these goals through their own efforts; (2) moderate risk-taking as a function of skill, not chance; and (3) knowledge of results of decision/task accomplishment (Hisrich and Peters, 1995). McClelland argued that though motivation for achievement was high amongst entrepreneurs, there was no evidence to suggest that heredity was a factor. This conclusion triggered research in similar areas leading researchers to establish

causality between nAch and entrepreneurial behaviour (Begley and Boyd, 1987). The majority of studies have failed to establish any significant correlation between the two variables, leading Shaver and Scott (1991) to conclude that 'achievement motivation remains the personologist's best candidate in the attempt to account for new venture creation' (p. 32).

Robinson and Stimpson *et al.* (1991) found that the personality/trait approaches to understanding entrepreneurship encounter four fundamental problems. Firstly, the respective research methodologies are based on unsuitable measurements. Many of these measurements are oriented towards psychology and have proved inappropriate and ineffective for entrepreneurship research. As Wortman (1986) stated:

When specific instruments are used, they are either developed by the researchers or are behavioral instruments which have found their way into the field of entrepreneurship. For example, Rotter's locus of control, the Myers-Briggs Type Indicator, Job Description Index, Levinson locus of control, Miner Sentence Completion Scale, and Allport-Vernon-Lindzey Study of Values are all time-honored instruments from psychology that are now being utilised in the study of entrepreneurship behavior. Practically no instruments specifically dedicated to the study of entrepreneurs have been developed. (Wortman, 1986, p. 277)

Because of poor results produced by existing psychological instruments Hornady (1992) proposed using a more effective means of assessing entrepreneurial skills (Robinson and Stimpson *et al.*, 1991). Efforts at finding a perfect instrument to measure entrepreneurial disposition have, however, not been successful.

Secondly, it has been argued that the various instruments that have been used to measure the same concept (entrepreneurial disposition or enterprising personalities) have shown poor correlation. In this sense, they have lacked convergent validity.

Thirdly, personality theories have been proposed to measure general tendencies across multi-situations. They lose their efficacy when used exclusively for a specific concept like entrepreneurship.

Fourthly, the traditional model of personality suggested that personality is embedded early in life, and subsequently remains stable. This approach has been criticised by psychologists who have argued that personality/behaviour is not static, but is influenced by the environment. Shaver (1995) has summarised the current state of research on entrepreneurial traits as follows:

To believe that all entrepreneurs must be like a few select individuals is to make an error in reasoning. Psychologists call this the “availability heuristic,” a tendency to use easily remembered instances, rather than actual data, to reach judgements about members of a particular social category. Researchers are people, too, so they have compared entrepreneurs to non-entrepreneurs on (1) achievement motivation, (2) locus of control, (3) risk taking, and (4) creativity. Although such comparisons make intuitive sense, the results of these many studies must have been disappointing to seekers of the “entrepreneurial personality”. Among the “personality characteristics” that have been investigated, only *achievement motivation* shows a clear relationship to entrepreneurial activity. (Shaver, 1995, pp. 20-21)

The need for achievement trait shows how values and attitudes can motivate individuals to interact with their environment to achieve certain objectives in life. Individuals high on nAch enjoy solving problems, while those low on nAch tend to avoid problems and become disheartened when faced with difficulties and obstacles. Research by McClelland (1961) showed that people high on nAch have a higher probability of success in entrepreneurship. A drawback of this conclusion is that the correlation between ‘need achievement’ and economic growth (McClelland, 1961) has been found to be spurious. As Lindgren (1973) said:

... nAch is a culturally determined variable ... some societies or cultures foster personal achievement and place it in a central position within a complex of interrelated attitudes and values, whereas others may regard high-achievement persons with suspicion and as threats to group solidarity and loyalty. The degree to which the values of a culture are characterized by nAch and nAff [need to affiliate] will ... have an important effect on how the members of the culture perceive themselves and their environment. There is an almost infinite range of variables on which cultures differs. NAch may not even be the most important source of variation, but in a world composed of societies that are achieving and affluent and those that are economically deprived, of industrialized nations and nations trying to emerge from the restraining bonds of traditionalism, national variations in nAch may prove to be more significantly related to progress and economic survival than almost any other kind of difference. (Lindgren, 1973, p. 113)

3.10.2 Propensity for risk-taking

Most of the entrepreneurship literature refers to the risk-taking propensity of entrepreneurs. Sexton and Bowman (1985) stated that risk-taking 'propensity can be conceptualised as an individual's orientation toward taking chances in a decision-making scenario' (quoted in Stewart and Watson *et al.*, 1998, p. 194). Their study also showed that entrepreneurs generally take more risks than managers because they operate in a less structured and more uncertain environment. Some cultures may show low tolerance for failure as a result of these factors. To a Singaporean, for example, failure carries a 'perception of castigation and ruin' (Tan, 1998, p. 85). On the other hand, some researchers (Brockhaus, 1976; Brockhaus and Nord, 1979) have concluded that the differences between entrepreneurs and non-entrepreneurs or managers in risk-taking skills are insignificant (Stewart and Watson *et al.*, 1998). One study (Pang and Nair, 1994) on women entrepreneurs in Fiji showed that risk-taking ranked sixth among the critical entrepreneurial attributes.

Although many researchers have identified financial, social and psychological risk-taking as part of entrepreneurial behaviour, a drawback of this approach is that risk-taking experiments have been part of the general risk-taking propensity, and not the type of risks taken by entrepreneurs. Although some studies (Begly and Boyd, 1987; Stewart and Watson *et al.*, 1998) established that founders or entrepreneurs have higher risk-taking propensity than non-founders, a conclusive causal relationship between the two concepts has so far proved elusive. There is little empirical evidence to show that risk-taking is part of the entrepreneurial process, though entrepreneurs do appear to take a considerable risk when they borrow money to finance business expansion.

Researchers on entrepreneurial risk-taking behaviour have concluded that risk-taking and entrepreneurship are generally absent in developing countries because traits such as risk-taking, imagination and frugality are generally associated with Anglo-Saxon people (Furnham, 1992). This conclusion is rather unsustainable because the success

of entrepreneurship amongst non-Anglo Saxon populations such as Japan, Korea, Taiwan and China since the 1970s, is based on a wide range of social, cultural and entrepreneurial traits.

3.11 DEMOGRAPHIC FACTORS IN ENTREPRENEURSHIP

One school of thought has advocated that entrepreneurship is influenced by demographic factors such as family background, age, experience, sex, education levels of potential entrepreneurs and their parents, socio-economic status, previous work experience, birth order, and work habits. While this approach could provide some criteria for locating typical entrepreneurs, it also has some drawbacks. There is an assumption that identifying the demographic features of entrepreneurs could lead to the prediction of the incidence of entrepreneurship in the general population. Superficially such an approach offers general applicability. However it is deemed by the present researcher to be unreliable, because potential entrepreneurs come from diverse backgrounds and exhibit a variety of motivations. It is not easy to identify other entrepreneurs from a small sample using demographic criteria (Robinson and Stimpson *et al.*, 1991).

Robinson and Stimpson *et al.* (1991a) have advanced three challenges to the demographic approach. They state firstly that it assumes that human personality is strongly influenced by demographic characteristics such as sex, race, or birth order. According to Rychlak (1981), psychologists have argued that even though demographic characteristics lead to similar life experiences, they are not the only experiences that an individual accumulates in life. Life experiences as such are less important than the conclusions drawn from such experience which may influence future actions (Robinson and Stimpson *et al.*, 1991). Robinson and Stimpson *et al.* cited the case of twins of an entrepreneur raised under identical circumstances. One twin may eventually decide to become an entrepreneur, while the other twin opts for a

different profession. The decisions of the siblings to follow two different paths are too complex to be explained exclusively on the basis of the simple demographic variables such as sex, race, or birth order. Secondly, some researchers have used demographic profile as 'surrogates for personality characteristics' (Robinson and Stimpson *et al.*, 1991, p. 16). The problem with this perspective is that it is not the demographic characteristics that have been assessed, but the personality traits of a successful entrepreneur who may possess the demographic features. Thirdly, entrepreneurship research based on a demographic profile does not meet the criteria that are generally accepted in social science research and theory. According to Bowen and Hisrich (1986), Deivasenapathy (1986), and Hisrich (1990) prediction of entrepreneurial behaviour based on birth order, education, or parentage background has been inconclusive (Robinson and Stimpson *et al.*, 1991). Finally, it has been argued that demographic profiles reflect the past, and cannot be used effectively to predict future behaviour.

The value of the personality and demographic approaches to entrepreneurship has so diminished that it has led Robinson and Stimpson *et al.* (1991) to conclude:

The two traditional approaches for studying entrepreneurship, personality characteristics and demographic variables, have provided substantial background on entrepreneurship based on a psychological paradigm that assumes temporal and situational stability. The field has advanced within the limits of that paradigm to a point that further effort will yield diminishing returns. (Robinson and Stimpson *et al.*, 1991, p. 17)

3.12 ASSESSMENT OF ENTREPRENEURIAL BEHAVIOUR

3.12.1 Introduction

Research into any aspect of human behaviour is likely to generate controversy. When such research involves studying the nationals of a multi-ethnic country, the challenges are greater. This is particularly the case in Fiji where the relationship between Fijians and Indo-Fijians has been tense in the aftermath of the 1987 coups and subsequent

'civilian coup' of 2000. Attitudinal research might lead to assertions of ethnic superiority on the part of one group over another. To overcome such pitfalls, the researcher will need to articulate the research objectives clearly, and demonstrate that the findings are intended to encourage entrepreneurial activity across all ethnic groups and not in an exclusive manner. Since entrepreneurship is difficult to define, a further difficulty is that it will also be difficult to identify existing and potential entrepreneurs and to measure their personality traits.

Moran (1998) wrote that it 'appears that when it comes to understanding the 'entrepreneur', we are confronted not just by multiple definitions but by diverse findings concerning personality correlates stemming from diverse and often highly dubious methodologies' (p. 19). It was shown previously that research into personality traits has lost its intensity and that researchers have now focused on other factors to understand the entrepreneur's motivation and achievements. As Aldrich and Zimmer (1986) have stated:

... rigorous empirical research has had trouble identifying any traits strongly associated with entrepreneurship Most research on entrepreneurs suffers from selection bias – picking successful people and not evaluating their attributes against a comparison group. Research using appropriate comparison groups and other controls has uncovered inconsistent and weak relationships between personality characteristics and entrepreneurial behavior. (Aldrich and Zimmer, 1986, p. 5)

Many of the prevailing entrepreneurial measures have not been successful in isolating entrepreneurial traits and have been accused of lacking international validity and reliability (Folger, Timmerman, Wooten, 1992). They may, however, be useful in distinguishing entrepreneurial types from their less enterprising counterparts. Despite the difficulties encountered in accurately isolating entrepreneurial traits, some progress has been made in understanding the nature of entrepreneurial disposition. Researchers have identified particular personality traits as drivers of entrepreneurial traits. Other personality traits include anxiety/neuroticism, decisiveness, flair and vision, leadership, self-confidence, self-realisation and actualisation, and versatility (Morrison, 1998). Some commentators have assumed that individuals who possess

these traits are likely to be successful entrepreneurs. But how does one acquire these traits? Can traits such as flair and vision, self-confidence and decisiveness be isolated exactly and ‘administered’ to potential entrepreneurs? What measure of these traits should a potential entrepreneur possess before crossing the threshold into the world of entrepreneurship? Because of the difficulty of obtaining answers to such questions, entrepreneurship researchers are showing less interest in personality traits and more in the stimuli attributable to cultural values. In view of these limitations, any attempt to measure the personality characteristics of the three major ethnic groupings in Fiji is likely to fall short of the desired results. For this reason, the present research will focus on a broadly based assessment of the enterprising dispositions of the three ethnic groupings. This approach is similar to the psychological tests used by employers and employment agencies to ascertain the presence of critical management skills amongst job applicants.

Research into entrepreneurship is still in its infancy with little evidence of definitional consistency having been achieved. Given the widespread acceptance of the view that social science research should begin with clear concepts and variables this is a problem. Research into entrepreneurship became a subject of legitimate academic inquiry during the 1980s but, in the absence of ‘a substantial theoretical foundation’ (Bygrave and Hofer, 1991, p. 13), made limited progress. According to Bygrave and Hofer (1991), theory building in entrepreneurship faces many obstacles ‘some of which are enormous enough to faze even the foolhardy’ (p. 13). Thus, one of the major obstacles in entrepreneurship research relates to conceptualisation – the use of certain words, or concepts to explain meaning (Babbie, 2001).

3.13 THEORY BUILDING AND TESTING

Theory building or the development of conceptual frameworks attempt to provide an explanation of the reasoning which has led to a particular research investigation. Theory building entails the formulation of propositions in the context of past studies

with a view to confirming, disproving or extending the existing research. Theory provides a 'roadmap' that enables a researcher to make observations that may have been missed from past studies or cannot be obtained through normal experience (Gartner, 1989).

The testing of a theory or model involves the design of a research instrument, and then gathering and analysing data. After the accumulation and interpretation of relevant data, it may then be possible to test the theory by predicting the observable phenomena in the 'real world'. Research which explores the traits of entrepreneurs, compared to those of non-entrepreneurs, would be expected to specify personality traits which are likely to predict future entrepreneurial success. Apart from testing hypotheses or propositions, the model should also show the causality between personality characteristics and entrepreneurship (Gartner, 1989). Since entrepreneurs do not form an homogenous group, researchers should state clearly which type of entrepreneur is the subject of comparison (Gartner, 1989). The comparison could include successful versus average entrepreneurs; indigenous versus non-indigenous entrepreneurs; urban versus rural entrepreneurs and minority female versus minority male entrepreneurs.

In formulating a theoretical framework in entrepreneurship research, it is important to state clearly those who will be considered as non-entrepreneurs. If the distinctions between entrepreneurs and non-entrepreneurs lack clarity, this will lead to faulty theoretical construction with adverse implications for the research outcomes. While a person possessing entrepreneurial disposition may be studied as a component of the entrepreneurial process, the entrepreneurial process itself is 'more holistic and dynamic in nature' (Morrison, 1998, p. 1), and involves 'the application of distinct entrepreneurial strategies and entrepreneurial management' (Morrison, p. 1). Whilst the entrepreneur is central to any study of the entrepreneurial process, the study of 'part-whole' relations has some attendant risks. The so-called 'Gestalt' principle - that the whole is more than the total of its parts - has implications for social science research. Moghaddam (1998) stated that 'by studying a few parts of the whole, the

research is being limited because the characteristics of the many parts taken separately are not equivalent to the characteristics of the whole' (p. 45). Although a comprehensive ('whole') examination of entrepreneurship in Fiji's small tourist business sector would generate wide interest, it was not possible to accomplish this within the time frame available for the present research. A number of textbooks have provided a comprehensive exploration of the entrepreneurial process (examples Kao, 1989; Cannon, 1991; Timmons, 1994; Legge and Hindle, 1997; Morrison, 1998), albeit not related to Fiji's small tourism business sector. Only a few variables that have been found to significantly influence entrepreneurship will be examined.

3.14 CHAPTER SUMMARY

Recently, the original meaning of the concept of entrepreneurship appears to have been lost and there has been a tendency to describe people involved in any type of business as an entrepreneur. For the purposes of the present research, entrepreneurs are considered to be individuals who start a business from scratch and expand it using the profits generated out of the business or build on an existing business. The process of innovative planning, organising and marketing the product or service is called entrepreneurship. Though entrepreneurs have existed since at least the Middle Ages, Say and, subsequently, Schumpeter were primarily responsible for popularising the concept.

As has been identified in this chapter, the study of entrepreneurship is problematic because researchers have been unable to identify the variables that stimulate entrepreneurial disposition and entrepreneurship. Early research assumed that successful entrepreneurs possessed certain personality traits absent in the general population. Despite years of intense activity, researchers have failed to isolate these elusive traits. Meanwhile the economic success of South Asian countries has stimulated new thinking on entrepreneurship, including consideration that

entrepreneurial success in these countries could have a cultural base. The low level of entrepreneurial achievements by individual Fijians may be attributed to colonial policies and to culture. This debate provides a valuable context for the current research. In the next chapter the controversy surrounding the role of culture - individualism and collectivism - either in influencing or retarding entrepreneurship will be discussed with reference particularly to the Seychelles, Malaysia and some selected South Pacific countries.

CHAPTER FOUR

Culture and entrepreneurship

It is all too common to hear that the Fijian culture is inappropriate for business. We, therefore, treat culture as a problem. We should change this paradigm. We can and we should integrate culture into our business solutions. Business training must reflect this change in strategy and examine ways in which we can use the culture as a medium of business. Some examples are inherent in the recommendations below but some possibilities could be:

- **Exploit decision making through teams, which is very familiar to Fijians;**
- **Exchange of goods through barter;**
- **Contract work in exchange gifts or donations from the business;**
- **Give tax breaks for donations to traditional causes;**
- **Allow flexitime arrangements for those that attend traditional commitments.**

*Source: Narube *(1997, p. 242).*

**Governor of the Reserve Bank of Fiji.*

4.1 CULTURE IN THE INTERNATIONAL CONTEXT

In the previous chapter it was shown that researchers have failed to establish a relationship between personality traits and entrepreneurship. This failure to obtain an in-depth understanding of entrepreneurial dispositions led to a search for other variables that could provide insights. Many researchers are now of the opinion that culture could explain either the presence or absence of entrepreneurial dispositions in a population. An entrepreneurial culture generates entrepreneurial disposition and draws upon a variety of psychological, social, economic and environmental factors that include individualism, creativity, innovation, materialism, hard work, vision, savings and investment, punctuality, strategic vision and government encouragement.

Culture has sometimes been viewed in terms of an individualism/collectivism dichotomy. According to this approach, entrepreneurship is associated with individualism (Hofstede, 1980b; Hofstede and Bond, 1988; Busenitz and Lau, 1996; Epstein, 1996; Dana, 1997) while collectivism has been found to retard entrepreneurial development (Rakoto, 1975; Hailey, 1987, 1988; Ravuvu, 1988; Davies, 2000). Gartner (1988) has stated that any research that attempts to isolate the personality traits that foster entrepreneurship has become a dead end task, while Robinson and Stimpson *et al.* (1991) concluded that further research on the subject area is likely to yield 'diminishing returns' (p. 17). This has prompted researchers to refocus their investigation on a range of alternative variables including culture.

Diversity is a characteristic of Fiji's population. Cultural diversity is also evident within each ethnic grouping and there appears to be a relationship between sub-cultural manifestations and entrepreneurial achievements. These subtle distractions add a layer of complexity to the current research.

Although the adoption of Christianity by the Fijians about one hundred and fifty years ago has provided a broad explanation for the Fijian philosophy of living, Fijian

culture remains predominantly traditional. By way of contrast Indo-Fijians follow the Hindu and Islamic religions like their ancestors in India and Pakistan. Despite the parallels there are some cultural differences between the Indo-Fijians and the people of the Indian subcontinent. While Indians, Pakistanis, and Bangladeshis²⁰ may generally be seen as conservative and collectivist, their Fiji counterparts appear to be liberal in outlook and predominantly individualistic. With respect to the ethnic grouping belonging to Others category, the Chinese and Europeans have also recorded substantial achievements in business. Why is it that Fijians are the only group to have performed poorly? Could culture have a bearing on the entrepreneurial dispositions exhibited by the respective ethnic groupings? To answer these questions, reference can be made to the Seychelles and to Malaysia.

Benedict (1979) wanted to know why Seychellois of Chinese origin showed entrepreneurial disposition whilst indigenous Seychellois did not do so to the same extent. The Seychelles are a group of islands in the Indian Ocean with a population of 80,000 composed mainly of Creoles who are of mixed African and European descent. Chinese and Indian entrepreneurs constitute a small but prominent minority. The Creoles are mostly Roman Catholics and most of the Indians are Hindu or Muslim. The Chinese are generally Christian.

Benedict (1979) found that it was not religion per se, but culture more generally that had led to the success of the Indian segment of the Seychellois community. The entrepreneurial success of Chinese businessmen was attributable to family support and hard work. Creole culture was characterised by what Smith (1956) described as the 'matrifocal or matricentric family' (Benedict, p. 311), in which the woman and her children are the focus of the household. The husband plays a peripheral role by

²⁰ The middle and upper classes in India, Pakistan and Bangladesh may be more liberal than their Indo-Fijian counterpart.

maintaining the family. In Creole culture, a 'male without money is not a man. He shows he has money by spending it, not by saving or investing it' (Benedict, p 312). Those Creoles who overcame the cultural barrier and became entrepreneurs have generally failed, because constant quarrels between husband and wife over the management of income have subsequently led to marital separation. Since business enterprises based on such fragile foundations are unlikely to survive marriage breakdown, some Creoles have opted to run their enterprises individually and not as a family. Enterprises which have hired outside employees have achieved considerable success.

Benedict (1979) identified a number of other challenges encountered by Creole entrepreneurs. The major obstacle concerned credit management with clients. Like the Fijian system of *kerekere*, Creole entrepreneurs advanced credits to friends and relatives who had no intention of paying back the debt or did not have the financial capacity to pay. Through the application of strict and prudent financial management, Indian and Chinese entrepreneurs did not experience this problem. A Creole villager operating a business within a family environment is under heavy social pressure to advance credit to members of the extended family based on the family relationship rather than any ability to pay. The male ethic of big spending also explains why so many Creole shopkeepers fail. Apart from these cultural obstacles, a major non-cultural barrier militating against Creole entrepreneurship is under-capitalisation and a lack of credit from suppliers - problems similar to those faced by Fijian entrepreneurs. Rowe (1959) summed up the cultural philosophy of the Creoles as follows: 'As individuals they conclude that the best thing they can do is to try and ensure that things will not get too difficult for themselves in their lifetime As a community their attitude is to live for the present and ignore the future' (quoted in Benedict, p. 318). The Creole philosophy of living is not much different from the Fijians who have been described as lacking in punctuality and for not having a 'thought for the remote

future' (Coulter, 1967, p. 70). A Fijian's lack of attention to time has also been highlighted by Qalo (1997), as follows:

The concept of time is a difficult one for the average Fijian to grasp fully even today. Time is *gauna* in Fijian. *Gauna* is very broadly marked in *mataka caca* (very early morning ie. before dawn), *mataka* (after sunrise), *sigalevu* (anytime from 8.00am to 5.00pm), *yakavi* (very late afternoon), *yakavi-bogi* (evening), *bogi* (night). Time is not detailed into hours, minutes and seconds.

One of the biggest problems of meeting and doing business with Fijians is their disregard for time which is a disregard for punctuality and efficiency. These are important concepts in business and life today. It is not unusual that members arrive late to ... board meetings and on several occasions some have had to wait for hours to get a quorum. (Qalo, 1997, pp. 145-146)

In contrast to the Creole entrepreneurs, Indian and Chinese entrepreneurs in the Seychelles have a strategic vision of themselves and their families. They are customer-oriented, and introduce new products to attract clients. In both communities, the whole family works for the enterprise, often putting in long hours for no financial reward very much like the Indo-Fijians and Chinese population in Fiji.

The Seychelles situation has a close parallel in Fiji. The patterns of the Creole culture and of Creole entrepreneurs appear to be similar to those of the Fijians, notably the practice of a variation of *kerekere*. The entrepreneurial skills displayed by the Indo-Fijians and Chinese in Fiji parallel the entrepreneurial achievements of Indians and Chinese living in the Seychelles.

A survey carried out in the 1980s in selected countries in the South Pacific showed that culture played a mixed role in entrepreneurial development. With reference to the Cook Islands, Fairbairn (1988b) observed that the entrepreneurial success of Cook Islanders was due to hard work, honesty, reliability, motivation, perception of opportunities and ruthlessness in pursuing goals. In Samoa, Croulet (1988) observed that traditions still affected rural entrepreneurship including the practice of *Fua Kavenga* (similar to Fijian *kerekere*). Samoans were noted as being 'socially well-

disposed to the attributes of saving, hard work, specialization, and upward motivation, all of which are necessary for entrepreneurship to succeed' (Croulet, p. 93). The social and cultural obstacles which limit their capacity to capitalise on entrepreneurial opportunities included the *matai* social structure and a strong religious orientation. In Tonga, Ritterbush (1988) used the Parsonian Theory involving an 'ascriptive/achievement' continuum to describe the status of entrepreneurs operating in different cultural contexts. This theory proposes that a small percentage of people in any society will exhibit an entrepreneurial disposition. Where entrepreneurship is not given due recognition and status their capacity for creativity and innovation will be curtailed. The 'ascribed-status' society of the Kingdom of Tonga was traditionally anti-enterprise, with status derived through social relationships, rather than through entrepreneurial achievement. It may be concluded that a society can achieve high economic development provided that the social structure gives it due recognition, and entrepreneurial ideas and economic development acknowledge local values and social structure. In Tonga, entrepreneurship is influenced by culture. *Fua Kavenga* and other obligatory contributions severely affect the cash flow situation of Samoan and Tongan entrepreneurs. Non-compliance with *Fua Kavenga* is an invitation to anger, disrespect and ostracism.

A recent survey by Reddy (2001) of managers in the South Pacific has shown that despite the passage of time national culture, particularly among the indigenous people, is as strong as it was before. Reddy found that the Fijian 'cultural environment is not supportive of business as its cultural milieu creates considerable hindrance to business' (p. 102). Because communal interests come first, Reddy (2001) concluded that managers are 'expected to help relatives, kin, and members of the extended family, and others in their community' (p. 102). A similar environment exists in Samoa. With respect to the Indo-Fijians Reddy's research showed that Indo-Fijian cultural attributes were 'the willingness to invest in anticipation of future returns, saving from current income, frugality, risk-taking for bigger returns in the future, sacrifice and hard work on an individual basis now for greater consumption in future'

(p. 102). In the Solomon Islands, Reddy found the major cultural hindrance is the 'interest of one's *wantok* takes precedence over an individual's interest' (p. 153). The *wantok* custom allows an individual to obtain assistance in cash and kind from friends, relatives etc. without paying back. The situation is similar in Kiribati where the custom of *bubuti* (similar to *wantok*) is a great hindrance to business.

Research in other parts of the world seems to confirm the strong influence of culture on entrepreneurship. Williams and Narendran (1999) compared managers in India and Singapore on the basis of ethnicity. They found that managers detached from their cultural values showed a marked disposition towards risk behaviour. Yu (1997) wrote that the most significant element to stimulate entrepreneurship in Hong Kong is the culture of the entrepreneurs. He cited an example of Shanghainese males (people born in Shanghai, China, and residing in Hong Kong) who are expected to be masters of their own business; otherwise, they would be regarded as failures. Such cultural expectations appear to unleash latent entrepreneurial forces within the Shanghainese. Herbig and Golden *et al.* (1994) also stressed the importance of an entrepreneurial environment to entrepreneurial success:

Cultures that do not reward entrepreneurs or new ideas will have a tendency to inhibit ideas. Despite having the best infrastructure in Asia when Britain left, India has failed to lead Asia economically. Instead it has been Hong Kong, South Korea, Singapore, and Taiwan, all countries which had substantially fewer infrastructures. The difference was in the acceptance of the innovative spirit by the culture. India protected many of its domestic industries which became inefficient and often obsolete. The four tigers have adopted entrepreneurship with a vengeance and now thrive. (Herbig and Golden *et al.*, 1994, p. 39)

4.1.1 What is culture?

Culture is a complex subject and is difficult to summarise concisely. To understand culture one needs a multidimensional approach, including an understanding of psychology, sociology, and anthropology. A number of definitions do exist (Brislin, 1983), but no consensus is evident (Gudykunst, Ting-Toomey, Chua, 1988). As

Eagleton (2000) has stated: 'Culture is said to be one of the two or three most complex words in the English Language, and the term which is sometimes considered to be its opposite – nature – is commonly awarded the accolade of being the most complex of all' (p. 1). According to Kroeber and Kluckhohn (1952) the word 'culture' has encompassed 164 different definitions (McGrath, MacMillan and Scheinberg, 1992).

One of the earliest definitions of culture was given by Taylor (1881), who defined it as 'that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society' (quoted in Fan, 2000, p. 3). Fan (2000) defined culture as 'the collection of values, beliefs, behaviours, customs, and attitudes that distinguish a society. A society's culture provides its members with solutions to problems of external adaptation and integration' (pp. 3-4). Herbig and Dunphy (1998) stressed that culture is:

an all inclusive system of communications which incorporates the biological and technical behaviour of human beings with their verbal and nonverbal systems of expressive behaviour. Culture is the sum total of a way of life, including such things as expected behaviour, beliefs, values, language, and living practices shared by members of a society; it is the pattern of values, traits, or behaviours shared by the people within a region. (Herbig and Dunphy, 1998, p. 13)

Some of the important definitions of culture that have emerged in the nineteenth and twentieth centuries are outlined in Table 4.1.

It may be concluded that culture is an integral part of human existence constituting 'enduring principles' which guide human beings in their relationship with the environment. The subjective components of culture include beliefs, attitudes, norms, and values. Initially, culture was studied as part of anthropology and sociology. In his landmark cross-cultural psychological study of national behaviour, Hofstede (1980b) extended the investigation into the domain of business and management. Hofstede aimed to enhance the interpretation of human behaviour at the workplace in the

Table 4.1: Definitions of culture

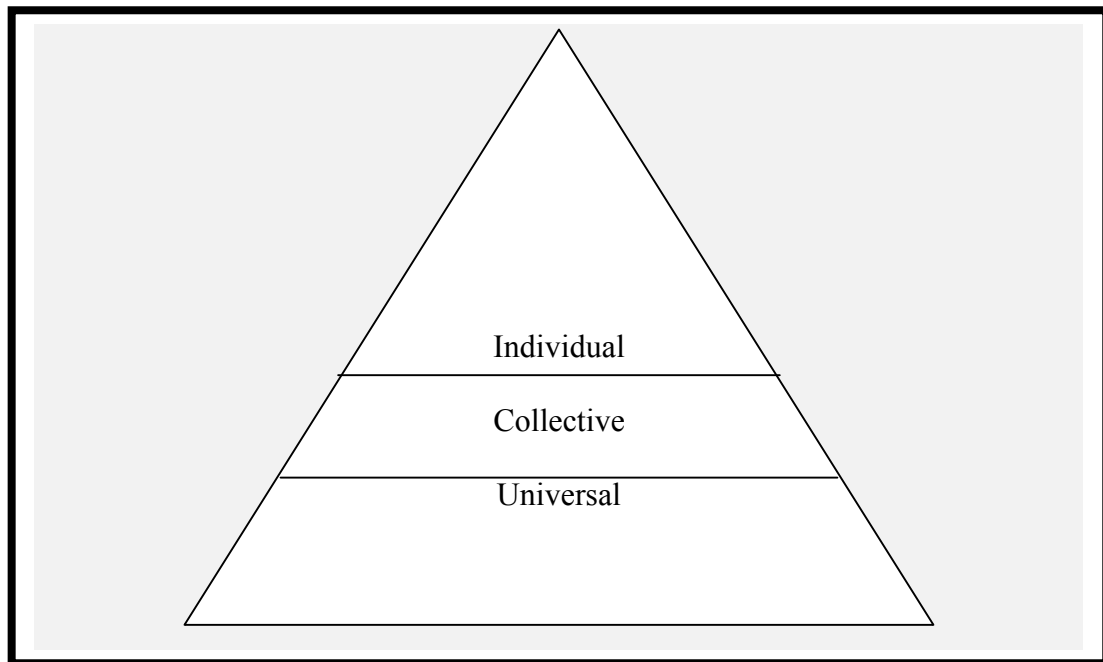
Contributors	Key defining characteristics
Taylor (1881)	that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society.
Parsons and Sils (1951)	On a cultural level we view the organised set rules or standards as such, abstracted, so to speak, from the actor who is committed to them by his own value-orientations and in whom they exist as need-dispositions to observe these rules. Thus a culture includes a set of standards. An individual's value orientation is his commitment to these standards.
Kluckhohn (1954)	Culture consists in patterned ways of thinking, feeling, and reacting, acquired and transmitted mainly by symbols, constituting the distinctive achievements of human groups, including their embodiments in artifacts; the essential core of culture consists of traditional (ie., historically derived and selected) ideas and especially their attached values.
Hoebel (1960)	the integrated sum total of learned behavioural traits that are shared by members of a society.
Triandis (1972)	[Culture is] a subjective perception of the human-made part of the environment. The subjective aspects of culture include the categories of social stimuli, associations, beliefs, attitudes, norms and values, and roles that individuals share.
Rokeach (1973)	An enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end state of existence.

Hofstede (1980)	[Culture consists of] a set of mental programs that control an individual's responses in a given context.
Terpstra and David (1985)	Culture is learned, shared, compelling, interrelated set of symbols whose meaning provides a set of orientations for members of a society. These orientations, taken together, provide solutions to problems that all societies must solve if they are to remain viable.
Kamakura and Novak (1992)	A value refers to a single belief that transcends any particular object, in contrast to an attitude, which refers to beliefs regarding a specific object or situation. Values are more stable and occupy a more central position than attitudes, within a person's cognitive system. Therefore they are determinants of attitudes and behavior and hence provide a more stable and inner-oriented understanding of consumers.
Schwartz (1996)	Desirable transitional goals, varying in importance, that serve as guiding principles in people's lives.

Sources: Braithwaite and Scott (1991); Kamakura and Novak (1992); Oishi, Schimmack, Diener and Suh (1998); Erez and Earley (1993); Fan (2000).

context of culture. Hofstede viewed culture as a set of 'mental programs'. As shown in Figure 4.1, he distinguished them at three levels. Hofstede argued that at the 'universal' level mental programming is common to all human beings and includes behaviours such as 'laughing' and 'weeping'. 'Collective' mental programming takes place at a level above the 'universal'. As indicated by its name this behaviour is common to a group of people in a society or a country. Examples include the behaviours of Aborigines, Fijians, Arabs and Indians. Hofstede's 'individual' level of human programming suggests that individual behaviour is different from others and that each person makes independent decisions. He concluded that 'universal' mental programs are inherited, 'individual' mental programs are partly inherited and partly learnt, and that the 'collective' mental program is entirely learnt.

Figure 4.1 Three levels of uniqueness in human mental programming



Source: Hofstede (1980b, p. 16)

Berger (1991) has suggested for a broader definition of entrepreneurship in order to provide a better understanding of the role of culture in entrepreneurial development. According to Berger, culture:

encompasses all the shared ways of thinking, believing, understanding, and feeling as well as those of work practices, consumption, and social interaction in general. Slowly and incrementally the elements that constitute a new manner of life become habituated, routinized, and eventually institutionalized, provided political realities permit them to unfold. (Berger, 1991, p. 22)

Thus behaviour that becomes 'habituated', 'routinized' and 'institutionalized' and taken to the field of business has the potential either to foster entrepreneurship or stifle it.

4.1.2 National cultures and cultural values²¹

Beliefs, attitudes and behaviour are rooted in cultural values and values which people hold dearly and eventually become engrained into national culture. According to Braithwaite and Scott (1991) values ‘pertain to what is desirable, to deeply engrained standards that determine future directions and justify past actions’ (p. 661). Schwartz (1996) defined values as ‘desirable, transitional goals, varying in importance, that serve as guiding principles in people’s lives’ (quoted in Oishi and Schimmack *et al.*, 1998, p. 1177). Rokeach (1973) defined a value as an ‘enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence’ (Braithwaite and Scott, 1991, p. 662). Rokeach (1973) added that sets of values consolidate into value systems, which he defined as ‘enduring organization[s] of beliefs concerning preferable modes of conduct or end-states of existence along a continuum of importance’ (Braithwaite and Scott, 1991, p. 662). England (1978) stated that values have an element of permanency and set the norms or the standards by which a society is judged (Fan, 2000).

Cultural values may be examined at a number of levels (Fan, 2000). They may be studied at the international level (e.g. East versus West); at the national level (e.g. Japanese or Australian culture); at the regional level culture and sub-culture (e.g. Aboriginal or Indo-Fijian culture); business culture (e.g. profit above customer satisfaction), and organisational culture (e.g. emphasis on punctuality and deadlines).

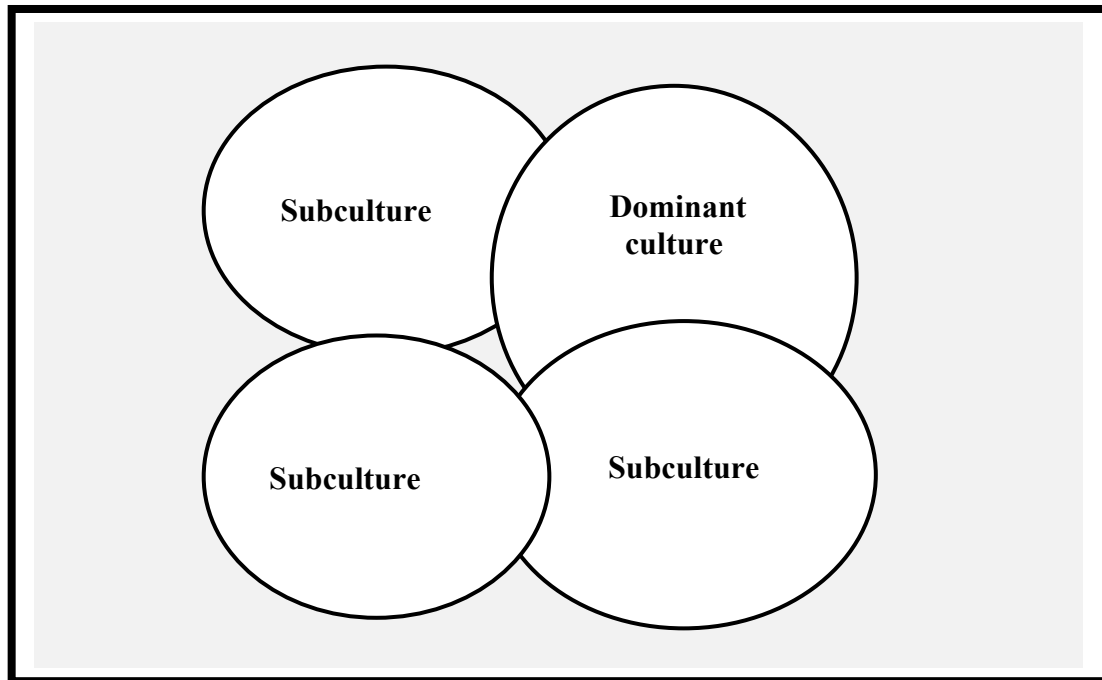
²¹ What is national culture? Unless a definition agreeable to all constituent groupings in a country is arrived at, it will be difficult for that country to promote a national culture. In this sense, achievement of a national culture should be a long term objective. When different ethnic groupings in a country agree to foster shared values etc., a national culture is said to emerge. In a sense, a national culture appears to exhibit the essence of civic nationalism, which ‘anticipates a common humanity which transcends cultural differences, but in the meantime accepts the division of the world in different political communities. Its objective is the construction of a representative state for the community in order to participate as an equal nation in a developing cosmopolitan civilization based on reason’ (Dikotter, <http://jia.sipa.columbia.edu/Dikotter.html>)

Fiji has been struggling to create a national culture because of the heterogeneity of its population. A fairly homogeneous society, such as Tonga, has fewer constraints and enjoys greater latitude. This is because the norms and values of groups in homogeneous societies are fairly uniform, compared with heterogeneous societies, which are characterised by loose cultures (Triandis, 1989). Homogeneity has the necessary ingredients to bind different ethnic groupings into a cohesive and composite society thereby minimising the recurrence of ethnic and political tensions. As Eagleton (2000) says:

What culture does, then, is distil our common humanity from our sectarian political selves, redeeming the spirit from the senses, wresting the changeless from the temporal and plucking unity from diversity. It signifies a kind of self-division as well as a self-healing, by which our fractious, sublunary selves are not abolished, but refined from within by a more ideal sort of humanity. (Eagleton, 2000, pp. 7-8)

The fact that a national culture generally arises comparatively easily from a homogeneous population does not mean that a multicultural or heterogeneous society cannot have a national culture. The United States is said to have a dominant national culture often described as American culture, which influences the various subcultures, such as the Vietnamese, Korean, Islamic, Indian and Buddhist cultures. The subcultures are communities based on region, race, language, religion, age, social class, or other factors (Decrop, 1999b). Members of the subculture typically ‘conform to many of the norms of the dominant culture, but deviate from other norms which are not compatible with those of their sub-culture’ (Decrop, 1999b, p. 110). Although Fiji lacks a national culture, it has three distinct subcultures each associated with the three distinct ethnic groupings. Fig 4.2 illustrates the relationship between a dominant culture and subculture and between subcultures (as a subculture may influence another subculture). The level of dominance exerted by the major culture depends on the extent to which the relevant subcultures may be described as ‘loose’ or ‘tight’. To varying degrees a strong subculture may influence the dominant culture.

Figure 4.2. Relationship between cultures and subcultures



Adapted from *Reisinger* (1997, p. 40)

Various examples are evident within Asia. The Hindu culture pervades many aspects of the lives of Indonesians, whose lives are governed by Islamic culture. In Malaysia, the more tolerant Malay national culture seems to have influenced the dominant Islamic culture through international tourism and expatriate behaviour (Liebhold, *Time*, 2 October 2000).

A national culture provides citizens with a sense of common identity and a means of relating to one another, thereby minimising inter-ethnic conflicts and jealousy. Judging by the current political problems in Fiji, the people of Fiji have a long way to go before their country may be said to have achieved a common identity and national culture. Hopefully, the initiative of Fiji's Ministry of Reconciliation and Multi-Ethnic

Affairs²² may go some way in hastening the process of building a national identity and a sense of common purpose.

4.2 THE RELATIONSHIP BETWEEN CULTURAL VALUES AND ENTREPRENEURSHIP

From the foregoing definitions of culture a logical correlation may be assumed between cultural values and attitudes within a society. Individuals who share similar cultural values are likely to exhibit similar attitudes towards a number of issues faced by society more generally. Such issues may include gender equality, education, corruption, religious beliefs, environmental protection, democratic procedures and entrepreneurship. Consistent with the primary focus of this thesis, the following discussion examines the relationship between cultural values and entrepreneurship.

Berger (1991) explained:

Because entrepreneurship is embedded in culture, such dynamics must be incorporated into our studies of it. modern entrepreneurship is a distinctly new variant of a timeless species, created and sustained by culture and creature of it at the same time . (Berger, 1991, p. 7)

Weber (1830) first identified a link between the ‘Spirit of Capitalism’ and the ‘Protestant Work Ethic’ and attributed the success of entrepreneurs to the values of frugality, deferred gratification, and asceticism, all of which are the basis of the Protestant culture (Dana, 1997). Dana also observed that certain ethnocultural groups may possess entrepreneurial values common to other ethnic groups. Petersen (1971)

²² ‘The purpose of the Ministry of National Reconciliation is to promote racial [ethnic] harmony and social cohesion through social, cultural, educational and other activities at all levels within the indigenous Fijian community and between the various racial [ethnic] groups. To achieve this, the Ministry will work with the various communities at the neighborhood [sic] community, district, divisional and national levels through a consultative and conciliatory process’. (Fiji Government Online Portal: [http:// www.fiji.gov.fj/ publish/m_ reconciliation.shtml](http://www.fiji.gov.fj/publish/m_reconciliation.shtml)).

noted that the non-Protestant Japanese have espoused Confucian values such as hard work, diligence, and frugality and have achieved considerable entrepreneurial success, regardless of the apparent incompatibility of entrepreneurship with Confucian ethics (Jones and Sakong, 1980, cited in Dana, 1997).

Confucian values have a major impact on entrepreneurship particularly in Chinese societies. A number of writers (Hofstede, 1980b; Epstein, 1996; Dana, 1997; Herbig and Dunphy, 1998) have found that those countries showing highest economic growth are inhabited by people possessing highly individualistic values. Certain Asian countries contradict this trend by exhibiting economic success while being low on individualism. Hofstede explained this aberration by the addition of a fifth index that measured the impact of Confucian values that reward hard work, thriftiness, obedience, benevolent leadership and harmony (Lasserre and Schutte, 1995).

Myrdal (1971) listed thirteen cultural traits deemed to be important in economic development, namely; 'efficiency, diligence, orderliness, punctuality, frugality, scrupulous honesty, rationality in decisions on actions, alertness to opportunities as they arise in a changing world, energetic enterprise, integrity and self-reliance, cooperativeness, and the willingness to take the long view' (quoted in Herbig and Dunphy, 1998, pp. 17-18). Citing India as an example, Myrdal noted that the unproductive behaviour of its people has been rooted in Indian culture and has impeded its development since independence. Based on the work of Sinha (1978), Dana (2000) wrote that 'Indians believe that being passive and content with the status quo is more healthy for the inner soul than striving to improve one's situation. They believe that peace of mind can be achieved from spiritual calm rather than from materialism' (p. 87). In view of their entrepreneurial successes it is doubtful if Indo-Fijian entrepreneurs hold such beliefs.

Studies by Dana (1997) and Yu (1997) in Lesotho and Hong Kong respectively, showed a positive correlation between national culture and entrepreneurship. Busenitz and Lau (1996) concluded that those 'ethnic groups that are higher in individualistic values will be more prone to found [*sic*] their own business than those with a stronger collectivist value' (p. 33). Economist Sowell took up the examples of Mexico (with a high incidence of poverty) and Japan, and contended that 'wealth and poverty are determined by cultural traditions' (Epstein, 1996 p. 50). Epstein attributes Japan's high standard of living to the fact that its national culture fosters entrepreneurship. Herbig and Dunphy (1998) suggested that cultures that emphasise individualism and freedom are more likely to show creativity and innovation and thus entrepreneurship. In Zimbabwe, Chitsike (2000) found culture had a negative influence on the self-confidence and autonomous economic activities of women. Referring to Fiji, Hailey (1985) concluded that Fijian culture restricts 'individualism, individual mobility, and thus individualistic entrepreneurial activities' (p. 19). Hailey said various restrictions under the Native Affairs Ordinances (not lifted until the 1960s) prohibited Fijians travelling away from their villages and 'limited [their] mobility and access to finance and did nothing to encourage Fijian participation in business' (p. 20).

The effects of religious values can also have a profound impact on entrepreneurship. As shown in Table 4.2, Sayigh's (1962) study in Lebanon showed a clear connectivity between religious values and entrepreneurship (Hagen, 1975).

These statistics may not accurately reflect the current demographic complexity of the Lebanese society, but they do seem to support the argument that certain religious values can have a profound effect on entrepreneurship. Table 4.2 shows that Christians provided 4.5 times as many innovators as Muslims and Jews 13 times as many. Thus the vast disparities in entrepreneurial contributions by the Lebanese ethnic groupings seemed to have been predominantly influenced by religious values.

These findings appear to reinforce the general view that Jewish people have been highly entrepreneurial in most other countries.

Table 4.2 Religious affiliation of Lebanese entrepreneurs

Groups	Percentage of population	Percentage of innovating entrepreneurs
Christians	50.0	80.2
Jews	0.4	1.9
Moslems (<i>sic</i>)	44.0	16.4
Druse	5.6	1.5

Source: Hagen (1975, p. 274)

Some researchers have rejected the idea that some cultures are more entrepreneurial than others. Having analysed the recent South East Asian financial crisis, Johnson and Lenartowicz (1998) concluded that the 'mere presence or absence of cultural values is insufficient to explain economic growth' (p. 354). They argued that the social and economic development of a country also depends upon economic liberalisation and personal freedom. Similarly, the entrepreneurial successes of Asian immigrants in the USA in the post-Vietnam period, have been attributed not so much to culture, but to an ability to access capital through informal channels known as Rotating Saving and Credit Societies (Chotigeat, Balsmeier and Stanley, 1991). With reference to Africa, Nafukho (1998) while recognising the contribution of culture to an enterprising personality, argued that entrepreneurship is also dependent on the financial, administrative, legal and educational infrastructure of that country. Yusuf (1995) concluded that the most critical factors in South Pacific entrepreneurship are good management, access to financing, personal qualities of the entrepreneur, good infrastructure and pro-entrepreneurial government policies. Culture did not figure in his analysis.

On the other hand, there may be societies where entrepreneurship does not flourish because of negative associations, or discouragement. In such societies, foreigners may

be the main beneficiaries of entrepreneurial opportunities (Dana, 1997). The Javanese carry with them a negative connotation of entrepreneurship because in Javanese the word 'trader' means a 'foreigner', 'tramp', or 'wanderer' (Becker, 1956 cited in Dana, 1997). During the 1950s and 1960s in Kenya, it was considered impolite to be rich, or to flout wealth, because of an association with venality (Dondo and Ngumo, 1998). The church discouraged entrepreneurship by issuing a malediction against the rich that 'it is easier for a camel to go through the eye of a needle than for a rich man to enter heaven' (quoted in Dondo and Ngumo, p. 17). For God-fearing Kenyans, such ecclesiastical proclamations must have created extreme fear in the minds of potential entrepreneurs. Unfortunately, remnants of such fear have continued to stifle entrepreneurship in Kenya. Elsewhere, it has been found that the Norwegian culture discourages entrepreneurs (Peterson, 1988), while the Egyptian culture discourages individual entrepreneurship, except in the informal sector (Brockhaus, 1991).

Invocation to God for the continuous success of entrepreneurship seems to be a phenomenon more commonly found in collectivist societies such as Malaysia where entrepreneurial success is attributed to the deity. The following abstract shows the critical role that Allah is viewed as playing in the life of Malay entrepreneurs:

Prime Minister Mahatir believes, as he stated in his holiday speech on laziness to the nodding assent of my informants, that people who work hard towards progress are *usually* rewarded more than those who do not. While this leaves the ultimate decision about who will be rich and who will be poor in the agency of Allah, my informants generally stated that Allah does not *like* poverty, for which it adheres a taint of laziness, passivity, and irresponsibility that allows time for sin. It is now generally agreed upon that Malays must work hard to honour Allah's abundant worldly gifts, which include the enormous advances provided to them during NEP [New Economic Policy]. (Quoted in Sloane, 1999, p. 64)

It is generally believed that Malays have not been able to emulate the success of Chinese entrepreneurs because their spiritual values and philosophy of life do not encourage wealth accumulation. This school of thought appears at odds with the teachings of the Prophet Mohammed. As Alatas (1973) has explained Islam offers encouragement for entrepreneurship:

The teachings of Islam encourages diligence, frugality, discipline, a rational approach within the ends and means context, active participation in commerce and industry. Mohammed was the only one among the great founders of religion who was himself a trader. The spiritual leaders of the Islamic world such as the famous Imams and Sufis were mostly people who derived their livelihood from trade and industry. Islam was spread to South-East Asia by traders. From the teaching, as well as the history of Islam, there are sufficient sources of inspiration and directives for a vigorous entrepreneuring life. There is also the doctrine of the calling, in a sense. A man who succeeds to acquire wealth through honest and diligent effort is favoured by God. (Alatas, 1973, p.160)

Individualistic and collectivist values may be instrumental in either the presence or absence of entrepreneurship in a society. There is, however, no linear relationship between individualistic values and economic growth and between collectivist values and low economic development. For example, New Zealand appears at number 79 on Hofstede's individualism scale (see Table 4.3) at a time when the economy was not strong. In contrast, Malaysia was positioned 26 on the same scale but was exhibiting one of the most robust economies in the Asia Pacific region.

Fisk's (1970) analysis of the entrepreneurial success, or otherwise, of the three ethnic groupings in Fiji still holds weight. Fisk argued that Europeans and Chinese 'brought with them and retained the culture and economic attitudes of the commercially sophisticated societies' (p. 44) of their origin. He added that Indo-Fijians have been similarly motivated and earning enough money for survival appears to be a top priority. Fisk observed that the Indo-Fijian farmer does not have the opportunity to expand much on his land and so is highly motivated to maximise his earnings by whatever means. In comparison, he found that although the desire to accumulate money is present among the Fijians, they and their families are less motivated towards the money economy. A Fijian, according to him, is never faced with abject poverty (because of *kerekere*) and his failure in business does not carry any stigma since he can return to the reasonable comfort of his village life if things do not go well. The latter option involves less work. Fisk's observations do seem to suggest that cultural factors provide an important context for the practice of entrepreneurship.

4.3 INDIVIDUALIST AND COLLECTIVIST VALUES

Gudykunst, Ting-Toomey and Chua (1988) have noted a wide range of studies on cultural variation including individualism and collectivism. Authors that have been cited include Parsons and Shils (1951), Tonnies (1961), Kluckhohn and Strodtbeck (1961), Lebra (1976), Hofstede (1980), Hsu (1981), Yang (1981), Bellah, Madsen, Sullivan, Swidler and Tipton (1985), Marsella, DeVos and Hsu (1985), Western (1985), Yum (1987), Hui and Triandis (1986), and Triandis (1986). Others who have contributed to individualism-collectivism research include Hofstede and Bond (1984, 1988); Wager and Moch (1986); Hui (1988); Earley (1989); Morris, Davis and Allen (1994); Triandis (1995); Fijneman and Willemsen (1996); Earley and Gibson (1998); Niles (1998); Triandis, Chen and Chan (1998); and Oishi and Schimmack *et al.* (1998).

Gudykunst, Ting-Toomey *et al.* (1988) noted that intrinsic cultural differences are less important for the formulation of theory than the operationalisation of cultural differences such as individualism versus collectivism. As noted previously, values serve as guiding principles in life and each value is important in explaining key cultural issues. Values may be distinguished by reference to such criteria as instrumental or terminal goals, individualism and/or collectivism, and by 12 motivational domains (Braithwaite and Scott, 1991). In developing an understanding of entrepreneurship, the individualistic-collectivist dichotomy appears most critical and will be explored during the present study.

Parsons and Shils (1951) first introduced the individualism/collectivism distinction when they differentiated between a 'self-orientation, or focus on ego-integrative morals, and a collectivity-orientation, or a focus on the social system' (quoted in Erez and Earley, 1993, p. 77). Other relevant authors include Mead (1967), Kluckhohn and Strodtbeck (1967), Hofstede (1980b), and Triandis (1989) (cited in Erez and Early, 1993).

Since individualism-collectivism may be considered 'a continuum rather than a dichotomy' (Chen, Chen and Meindl, 1998, p. 290), individualists and collectivists are capable of exhibiting both types of goals. The Japanese are collectivists in a cultural sense, but also exhibit individualistic traits in their entrepreneurial behaviour. This is similar to the Indo-Fijians, who are collective at home but individualistic at work and in business. Europeans appear to be individualistic at home as well as at work, whereas Fijians generally exhibit collectivism at home and at work.

In addition to these cultural differences, a range of value differences are evident, described by Triandis, Leung, Villareal and Clark (1985) as 'ideocentrism-allocentrism' (Chen and Chen *et al.*, 1998). The proposition that individualism-collectivism variables could be neatly divided has met with criticism (Schwartz and Roa, 1995). Such criticisms are relatively isolated and the two constructs may be regarded as valuable tools for understanding entrepreneurship (Hofstede 1980b, Triandis, 1995). An individualistic culture is described as one in which individual needs and goals are given precedence over the needs and goals of other group members. Triandis (1995) defined individualism as a form of 'cultural syndrome' that shows:

a social pattern that consists of loosely linked individuals who view themselves as independent of collectives; are primarily motivated by their own preferences, needs, rights, and the contracts they have established with others; give priority to their personal goals over the goals of others; and emphasize rational analyses of the advantages and disadvantages to associating with others. (Triandis, 1995, p. 2)

Waterman (1984) argued that individual cultures promote 'self realization' for their members:

Chief among the virtues claimed by individualist philosophers is self-realization. Each person is viewed as having a unique set of talents and potentials. The translation of these potentials into actuality is considered the highest purpose to which one can devote one's life. The striving for self-realization is accompanied by a subjective sense of rightness and personal well-being. (quoted in Gudykunst and Ting-Toomey *et al.*, 1988, p. 40)

In the context of Fijian society, Deane (1921) observed that under the ancient system of communalism, any expression of entrepreneurship by Fijians was difficult. Ravuvu (1988) noted that it is difficult for Fijians to separate themselves from other Fijians, that individualism is 'loathed and discouraged' and that fulfilment for Fijians is achieved predominantly from within the social and cultural order (Becker, 1995).

In collectivist cultures, personal goals and needs are subordinated to group needs and goals and individual pursuits which conflict with group objectives are thought to be morally wrong. The concept of collectivism is defined by Etzioni (1968) as a 'microscopic unit that has a potential capacity to act by drawing a set of microscopic normative bonds which tie members of a stratification category' (quoted in Erez and Earley, 1993, p. 76). The authors noted that collective paradigms:

are bound to one another through emotional predispositions, common interests and fate, as well as mutually agreed upon social practices. In such a relationship the temptation to defect and pursue self-interests over those of the collective are minimal. This point is particularly important since the degree of shared values is positively related to a collective's stability. (Erez & Earley, 1993, p. 76)

Deane's (1921) account of the collectivism of Fijian society remains substantially valid today. According to Deane, Fijians are born into a social system, focused around the *matanqali* [*sic*] or clan which is equivalent to an enlarged family in which elders are viewed as fathers and juniors as children. Under this social structure, each Fijian contributes to the collective effort. For example, 'if a house had to be built, the clan did it, if a large canal had to be made, the members of the *matangali* [*sic*], or several *matangalis* [*sic*], excavated it. And so with every other undertaking of importance' (Deane, 1921, pp. 101-102).

Because of their social structure and collective behaviour, Fijians came to have a 'predilection' for working in teams. As Deane (1921, p.102) explained:

If he is set to work by himself he quickly loses heart, and becomes lackadaisical and without interest in his task. But his manner becomes immediately enthusiastic and energetic if he be allowed to throw in his lot with his fellows. The Rev. T. Williams has described very accurately the building of a house, and the shouting and leaping, the bustle and chatter, which continue without a moment's interruption until the work is finished. When the house is completed, the builders usually sit down in a company and give vent to their feeling of joy and satisfaction in one of their native chants accompanied by much rhythmic clapping of hands. (Deane, 1921, p, 102)²³

Since collectivist societies such as the Japanese and the Chinese have succeeded in entrepreneurship, researchers have suggested that Fijians could also succeed in collective capitalism, if not in individual capitalism - a point made by Avegalio and Golver (2001):

Fijian culture is best suited for collective capitalism, not individual capitalism. Collective capitalists focus on such ideals as resource sharing, group responsibility, and the importance of society over self. Individual initiative is encouraged only if it does not disrupt the balance and harmony of the group, community, corporation, or nation. There is no reason why the village fund cannot be used in a market economy ... Fijians do not have to give up their traditional culture to become conspicuous consumers. (Avegalio and Golver, 2001, p.6)

The participation of Fijians in 'collective' or 'communal' capitalism has generated its fair share of criticism. The consolidation of chiefly power arising from the accumulation of communal capitalism, according to Ratuva (1999, 2000), has been successfully used in Fiji (the 'Indian threat') and in Malaysia (the 'Chinese threat') to define and consolidate a separate Fijian identity and aggressively articulate ethno-nationalism.

²³ This researcher's uncle had a shop located next to a Fijian village known as Matawalu and he resided a mile away from this village. During his formative years, he spent a considerable time at his uncle's shop and observed the group behaviour of Fijians at close hand. Until the late fifties, Fijians involved in group effort very much displayed the behaviour as described by Deane (1921). However, following the relaxation of native rules in the early 1960s, a substantial number of Fijians migrated to the urban areas in search of employment, opportunities in commercial farming and self-employment. This social development has weakened the group cohesion of Fijians, at least in the urban locations.

Collective societies in Third World countries seem to exhibit similar characteristics. Saleh and Fufwoli (1980/81) described the collective nature of Kenyan society which is similar to the Fijian society:

In Kenyan tribes nobody is an isolated individual. Rather, his uniqueness is a secondary fact about him. First, and foremost, he is several people's relative and several people's contemporary. His life is founded on these facts economically, socially and physically. In this system group activities are dominant, responsibility is shared and accountability is collective. This background makes individual responsibility hard to adjust to. It is not uncommon in work organizations to hear the complaint that you do not know where the responsibility lies. The same background may partly explain why it is common to see even in private organizations a group of people working on a simple job which could be done more efficiently by one person. It is perceived that a task is to be performed through cooperative efforts among individual members of an organization.

Because of emphasis on collectivity, harmony and cooperation among group members tend to be emphasized more than individual function and responsibilities. In fact a precise definition of individual functions and responsibilities is deemed unnecessary, and may be even perceived as a source of disrupting the harmonious cooperative relationships among group members. In this system, the individual's loyalty to the group is more important than his competence. (Saleh and Fufwoli, 1980/81, p. 323)

The communal spirit is so ingrained in Kenyan culture that it has led Dondo and Ngumo (1998) to bemoan that culture has now 'become a millstone around the necks of aspiring entrepreneurs and acts as an inhibitor of entrepreneurial development' (p. 21).

The collectivist-individualistic dichotomy is a rather complex phenomenon. An individual in a society or a group may exhibit a mixture of individualistic and collectivist values. Such values have been described as 'horizontal-individualism' (H-I), 'vertical-individualism' (V-I), 'horizontal-collectivism' (H-C), and 'vertical-collectivism' (V-C). The Indo-Fijian community is an example of horizontal individualism in which members exhibit a preference for living their own lives and in their own way, less concerned about the status of other members in the community or group. Vertical individualists constantly compare themselves with others (the 'keeping up with the Joneses' syndrome), a value prevalent in the upper and middle

classes in Western democracies such as the USA. Horizontal collectivists generally remain in harmony with their in-groups, (family, tribe, co-worker and nation) without having any feeling of subordination to each other. Fijian society broadly corresponds to this classification. Fairly distinct from those who possess the horizontal collectivist paradigm are vertical collectivists who not only conform rigidly to the norms of their in-groups, but are also willing to self-sacrifice in the interest of group well-being and solidarity. Groups exhibiting such features include the residents of Israel's kibbutz dwellers and the high castes in India, such as the *Brahmins* and the *Thakurs*.

There seems to be a widespread agreement that the social and economic development of a country is associated with entrepreneurship (Wittman, 1989; Skully, 1988). While some countries such as South Korea and Malaysia have fostered entrepreneurship effectively, others such as Indonesia, Pakistan, Kenya, Philippines, have made less progress. As stated previously, to understand this discrepancy researchers have shifted their investigative focus away from the search for a correlation between psychological traits and entrepreneurship, to exploring the role of culture as a determinant of entrepreneurship (El-Namaki, 1988; Petersen, 1988). However, a conclusive study establishing a correlation between the two variables is yet to emerge because of confusion about the terminology, and disagreement about how to describe the relevant cultural variables. Despite this setback, a number of studies have shown that culture – particularly the individualistic-collectivist continuum – plays a substantial role either in fostering or hindering entrepreneurship.

Studies by McClelland (1961) and Triandis (1989) have shown that individualism is associated with high levels of gross national product. However, the emergence of economic giants such as Japan and China with their collectivist and Confucian values, indicates that both dimensions of culture foster entrepreneurship.

The Japanese economic 'miracle' has been attributed to the creation of dynamics of the group leading workers to give unstinting support to their leaders in the

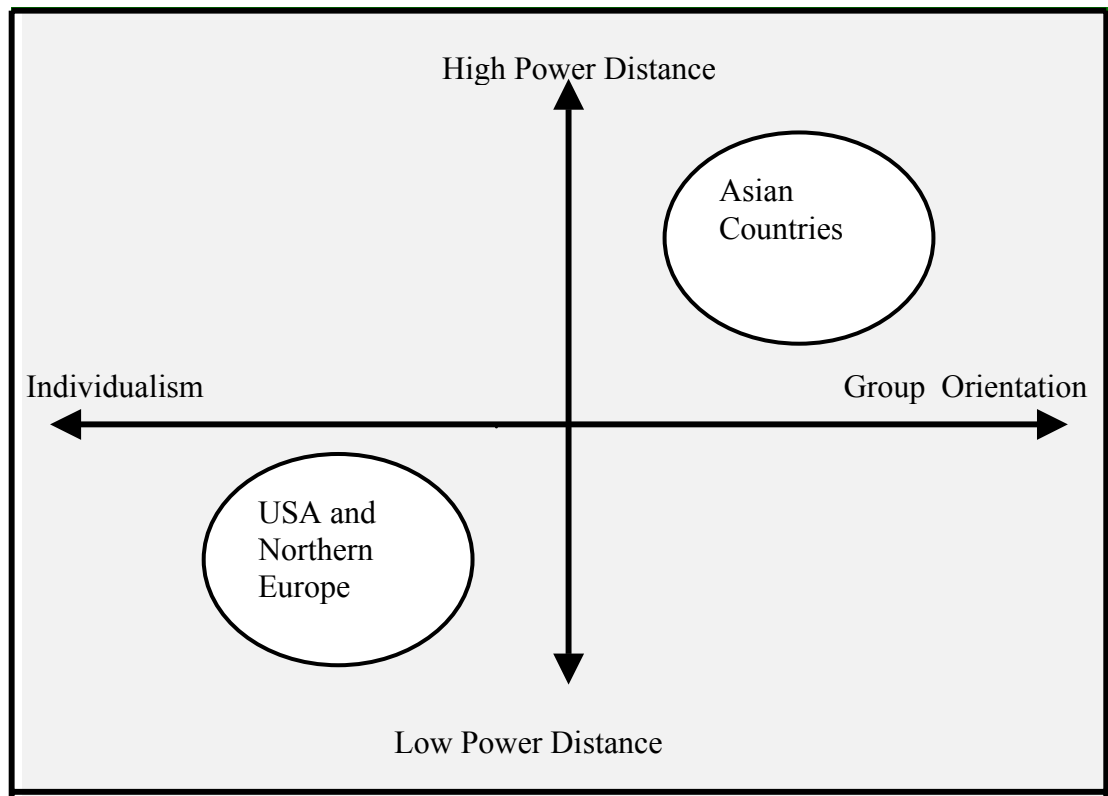
achievement of corporate goals (Nakane, 1973) and to socialization which ‘involves the development of a strong identification by each individual with the group, and a continuing sense of mutual obligation among its members in which the desires of the individual are subordinated to the needs and expectations of the large community’ (Welsch, 1998, p. 59). The growth of entrepreneurship in individualistic USA and collectivist Japan may also be attributable to a degree of harmonisation between Eastern and Western cultures (Latane, Williams and Harkins, 1979; Yamaguchi, Kuhlman and Sugimori, 1995).

As noted earlier, Hofstede’s (1980b) studies based on work-related cultural values are often cited in the socio-cultural literature to explain entrepreneurship and organizational behaviour. His studies have revealed the demarcation of culture along four distinct dimensions, as shown below:

1. Power distance. This means the degree to which members of society accept the right of others to exert authority over them. In a high power distance culture, subordinates expect direction from superiors, whereas in a low power culture, a participative style of management is preferred. Fig 4.3 shows that Western countries tend to be low on power distance and high on individualism. On the other hand, South East Asian countries tend to be high on collectivism and high on power distance.

2. Uncertainty avoidance. This shows the extent to which individuals become tense as the result of lack of structure or uncertainty.

3. Individualistic and collectivist. Collectivist refers to societies that have ‘moderate to low individualism.’ Such societies are close-knit and form a cohesive group from which individuals cannot detach themselves. Societies that exhibit individualistic culture look after their own interests and consider their own goals and achievements to be more important. Hofstede (1980b) noted that increased individualism leads to increased wealth.

Figure 4.3: Asian cultures versus Western cultures

Source: Lasserre and Schutte (1995, p. 130)

4. Masculine and feminine cultures. Masculine societies stress material acquisition and success and assign different roles to men and women. Feminine cultures are characterised by interpersonal and interdependent relationships, and consideration for others.

Table 4.3 shows the names of countries that were part of Hofstede's (1980b) multinational survey of cultural and organisational values. From this study Hofstede (1980b) concluded that there was a negative relationship between individualism and economic growth (rate of change in GDP) among the 19 richest countries. Yeh and Lawrence (1995) argued that while certain cultural ingredients are essential to economic growth, a simple model linking culture with entrepreneurship is

Table 4.3: Scores on Hall's and Hofstede's Dimensions of cultural variability for selected countries

Country	Power Distance	Uncertainty Avoidance	Individualism	Masculinity	Context
Afghanistan	-	-	-	-	High
Africa (East) ^a	64	52	27	41	High
Africa (West) ^b	77	54	20	46	High
Arab cultures ^c	80	68	38	53	High
Argentina	49	86	46	56	High
Australia	36	51	90	61	Low
Austria	11	70	55	79	Low
Bangladesh	-	-	-	-	High
Belgium	65	94	75	54	Low
Bolivia	-	-	-	-	High
Brazil	69	76	38	49	High
Cameroon	-	-	-	-	High
Canada	39	48	80	52	Low
Chile	63	86	23	28	High
China [P.R.C.]	-	-	-	-	High
Columbia	67	80	13	64	High
Costa Rica	35	86	15	21	High
Cuba	-	-	-	-	High
Denmark	18	23	74	16	Low
El Salvador	66	94	19	40	High
Ecuador	78	67	8	63	High
Finland	33	59	63	26	Low
France	68	86	71	43	Low
Germany (D. R.)	-	-	-	-	Low
Germany (F. R.)	35	65	67	66	Low
Great Britain	35	35	89	66	Low
Greece	60	112	35	57	High
Guatemala	95	101	6	37	High
Honduras	-	-	-	-	High
Hong Kong	68	29	25	57	High
Hungary	-	-	-	-	Low
Indonesia	78	48	14	46	High
India	77	40	48	56	High
Iran	58	59	41	43	High
Ireland	28	35	70	68	Low
Israel	13	81	54	47	Low
Italy	50	75	76	70	Low

Jamaica	45	13	39	68	High
Japan	54	92	46	95	High
Korea (S.)	60	85	18	39	High
Malaysia	104	36	26	50	High
Mexico	81	82	30	69	High
Nepal	-	-	-	-	High
Netherlands	38	53	80	14	Low
Nicaragua	-	-	-	-	High
Norway	31	50	69	8	Low
New Zealand	22	49	79	58	Low
Pakistan	55	70	14	50	High
Panama	95	86	11	44	High
Peru	64	87	16	42	High
Philippines	94	44	32	64	High
Poland	-	-	-	-	Low
Portugal	63	104	27	31	High
Puerto Rico	-	-	-	-	High
Romania	-	-	-	-	Low
Singapore	74	8	20	48	High
South Africa	49	49	65	63	Low
Spain	57	86	51	42	High
Sri Lanka	-	-	-	-	High
Sweden	31	29	71	5	Low
Switzerland	34	58	68	70	Low
Taiwan	58	69	17	45	High
Thailand	64	64	20	34	High
Turkey	66	85	37	45	High
Uruguay	61	100	36	38	High
USA	40	46	91	62	Low
USSR	-	-	-	-	Low
Venezuela	81	76	12	73	High
Vietnam	-	-	-	21	High
Yugoslavia	76	88	27	21	High

Source: Reproduced from Gudykunst, Ting-Toomey and Chua, 1988, pp. 58-59.

Note: The low high designation for context is based on the cultures' score on individualism/collectivism (those below median are considered high-context, those above the median are considered low-context) or discussions of the culture in previous cross-cultural analyses.

- a. Includes Kenya, Ethiopia, Tanzania, and Zambia.
- b. Includes Ghana, Nigeria, and Sierra Leone.
- c. Includes Egypt, Lebanon, Libya, Kuwait, Iraq, Saudi Arabia, and United Arab Emirates.

unsustainable. This view is strengthened by the economic development of many South East Asian countries. While culture may have a role in economic development, there are many other variables which are equally important. Political stability and market-oriented policies have been cited as more important to economic growth than culture (Hofheinz and Calder, 1982, cited in Yeh and Lawrence 1995). This argument has been supported by a World Bank study (1991) which found that the growth rate of GDP in forty-one developing countries was due to market and export oriented strategies. These countries had a 9.5% average growth rate compared with 4.1% rate for inward-oriented countries. China's 9.5% economic growth (during the 1980s) was the highest in the world and is attributed to Deng's market-oriented policies (Yeh and Lawrence, 1995) and not to Chinese culture. It appears that fiscal and export-oriented policies are more important in the economic development of a country than 'cultural advantages'. Overall, culture may be best described as playing a catalytic role in the formation of entrepreneurship.

Table 4.4 shows that of the 20 richest countries on the external purchasing power list between 1870-1988, 18 are from the West. Although these countries promote individualist values, there is no doubt that without favourable economic policies, these countries would not have achieved a higher economic growth. For example, the United Kingdom was the second richest country in the world in 1870, but by 1988 it had dropped to seventeenth position. Was this due to the fact that the British people were individualist in 1870, but changed to collectivist values in 1988? The answer appears to be a 'no'. The deterioration of the British economy during the period has been attributed by a number of commentators to the interventionist economic policies of successive British Governments. Similarly, individualistic New Zealand in 1870 was the seventh richest country, but by 1988 it became the poorest among those listed in Table 4.4. New Zealand's economy subsequently achieved a turn around after protectionism was disregarded in the 1980s in favour of market-oriented policies by successive governments.

Table 4.4: The richest countries per capita in 1870 and 1988

1870		1988*		1988#	
1	Australia	1	United Arab Emirates	1	Switzerland
2	United Kingdom	2	United States	2	Iceland
3	Belgium	3	Canada	3	Japan
4	Switzerland	4	Switzerland	4	Norway
5	Netherlands	5	Norway	5	Finland
6	United States	6	Luxembourg	6	Sweden
7	New Zealand.	7	Australia	7	Denmark
8	Denmark	8	Iceland	8	United States
9	Canada	9	Kuwait	9	West Germany
10	France.	10	Sweden	10	Canada
11	Argentina	11	West Germany	11	Luxembourg
12	Austria	12	Finland	12	France
13	Italy	13	Japan	13	Austria
14	Germany	14	France	14	UAE*
15	Spain	15	Denmark	15	Netherlands
16	Norway	16	United Kingdom	16	Belgium
17	Ireland	17	Italy	17	United Kingdom
18	Portugal	18	Belgium	18	Italy
19	Sweden	19	Netherlands	19	Australia
20	Chile	20	Austria	20	New Zealand

*Based on internal purchasing power

Based on external purchasing power

* United Arab Emirates

Source: Thurow (1992, p. 204).

The review of literature on entrepreneurship and culture has shown that collectivism and culture have impeded entrepreneurship in traditional societies. Conversely, individualism and prudent fiscal and economic policies have been the critical factors in the entrepreneurial growth of the Western, industrialised societies. This researcher takes the position that it is too simplistic to explain entrepreneurship by using the individualism/collectivism continuum. It is proposed that entrepreneurship is influenced by a wide range of micro and macro-environmental factors including 'individualism' and 'collectivism'. For example, democracy in the western sense is non-existent in Communist China which might suggest that 'individualism' would be non-existent in the country. Despite this state of affairs, Communist China has been registering an annual economic growth rate of around 8% during the last decade (Shirk, 1993 cited in Ryh-song and Lawrence, 1995). Currently, China is planning to tame growth from 9.1% in 2003 to 7% in 2004 (Fiji Times, 9 March 2004). On the other hand, Japan is currently the second richest nation in terms of Gross National Product, but is 'still suffering from an economic crisis that hit the country in 1989-90, when the "bubble economy" of high land prices and high stock market prices collapsed' (BBC News, 'Japan falls into recession', 7 December 2001).

A lack of Fijian entrepreneurship is attributed to culture and collectivism. Fijians were denied exposure to entrepreneurship by the ruling authorities for over a hundred years. This may have led to a 'non-entrepreneurial mindset' and increased focus on cultural solidarity. With increased exposure to entrepreneurial opportunities and achievement of success, future Fijian entrepreneurs are less likely to be influenced substantially by cultural rigidity. Nevertheless, the transition of Fijians from a 'non-entrepreneurial mindset' to an 'entrepreneurial mindset' will be challenging.

4.4 CHAPTER SUMMARY

The enhanced interest in entrepreneurship in the post-war period has led researchers to question why some people are more entrepreneurial than others, and how entrepreneurs may be distinguished from the rest of the population. After years of focusing exclusively on personality traits as the causal factor researchers have shifted their focus to culture as a catalyst for economic growth. They have argued that culturally individualistic nations or societies are more prone to entrepreneurial activities, while those that are culturally collectivist seem to achieve a lower level of entrepreneurship. This explanation was undermined by the recent experience of a number of collectivist societies, such as Hong Kong, Taiwan, China, and Malaysia, which have achieved tremendous economic growth.

Whilst culture clearly influences entrepreneurship the references included in this chapter have shown that there are other important factors at work including political stability, liberal economic policies, a good infrastructure, and a positive attitude towards entrepreneurship. In Fiji, culture however, appears to have considerably stifled Fijian entrepreneurship. In contrast, entrepreneurship amongst Indo-Fijians and Others have been considerably influenced by non-cultural factors. Generally though, a society that promotes an entrepreneurial culture has a better prospect of stimulating entrepreneurial disposition amongst its people.

CHAPTER FIVE

Research methodology

Addressing measurement issues and techniques effectively is one of the most challenging and critical aspects of researching entrepreneurship. Whether studying the determinants of new venture performance ... or the thought processes of entrepreneurs in the act of entrepreneuring, most of the concepts and constructs in the field of entrepreneurship are multi-dimensional in

Hofer and Bygrave (1992, p. 96)

5.1 A MODEL OF ENTREPRENEURSHIP

Commenting on the prospect of developing a comprehensive model of entrepreneurship, Bygrave and Hofer (1991) have stated that:

There is little likelihood of an entrepreneurial model ever being developed that will meet our 'ideal' specifications. In fact, we hope that we have shown that it is extremely difficult to develop even 'useful' entrepreneurship models. (Bygrave and Hofer, 1991, p. 20)

Wortman (1987) observed that 'there is a continuing need to develop a comprehensive theoretical framework of entrepreneurship that includes theoretical variables and the relationship between those variables' (p. 268). He suggested that 'subordinate theories and frameworks of psychological, sociological, economic, political and other facets of entrepreneurship need to be developed and related to a comprehensive theoretical framework' (p.268). Keats and Bracker (1988) wrote that in the early stages, a model should depict variables and constructs 'which theoretically will have the greatest impact on the phenomena under construction' (p. 43). These studies show that researching on entrepreneurship is not easy.

A number of studies have proposed models of entrepreneurship but a number of these would have limited applicability in the context of developing countries. Since culture appears to exert considerable influence over entrepreneurship in developing countries, many Western-oriented models are unsuitable because they do not acknowledge the specific role of culture as a major determinant. Some of the models that have been examined and found unsuitable are discussed below.

In considering the application of models to entrepreneurship, Hannan and Freeman (1977) have used the analogy of the population-ecology paradigm. This model has its origin in the field of biology, and is instrumental in explaining the birth, survival and disappearance of organisations. Martin's (1984) model explored why people initiate

new ventures. He grouped twelve entrepreneurial factors under four major categories: (1) a readiness to act (partial social alienation, psychological/physical pre-disposition, demonstration effects), (2) precipitating event during a free-choice (unemployed) period, (3) supportive environment, and (4) identification of venture opportunity. He concluded that a significant presence of these factors in the environment is likely to lead to new entrepreneurial ventures. While this model explains why people start new ventures, it does not apportion a significant role to culture in the initiation of entrepreneurship. Related to the Martin (1984) model is the Bull and Willard (1993) theory which is premised on the following considerations:

Task-related motivation (vision or sense of social value that motivates to act);

Expertise (required for the present and future needs);

Expectation for self (economic and/or psychic benefits); and

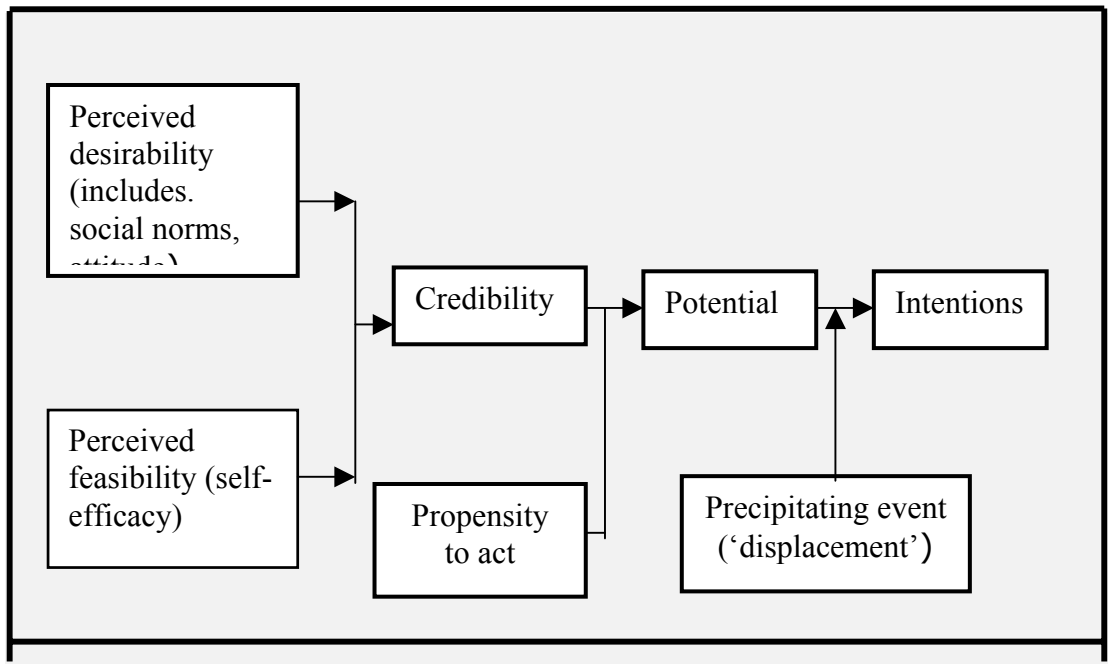
A supportive environment (can be positive as well as negative).

Unfortunately, neither the Martin (1984) model nor the Bull and Willard (1993) models have highlighted the critical role of culture in entrepreneurship. Keats and Bracker's (1988) research was a notable departure from previous research. They examined small businesses, focusing on existing theories on strategy, entrepreneurship and organisation and proposed key entrepreneurial traits which are hypothesised as having significant influence on performance outcomes. Though focused on entrepreneurial traits, the model does not discuss the important role of cultural variables on entrepreneurial development.

Using Ajzen's Theory of Planned Behaviour and Shapero's model (1982), Krueger and Brazeal (1994) proposed an event-based model of entrepreneurship. According to Katz (1992), Shapero's model showed that inertia affects human behaviour until it is eliminated by the occurrence of an event. This may be negative (such as the loss of a job), or positive (such as inheritance). A person who suffers a negative event or experience will undergo a change of behaviour which will direct that person to opt for the best opportunity available among alternatives (Krueger and Brazeal, 1994). In the

context of corporate venturing and enterprise development, Krueger and Brazeal proposed a model of entrepreneurship which is outlined in Figure 5.1.

Figure 5.1: Model of entrepreneurial potential



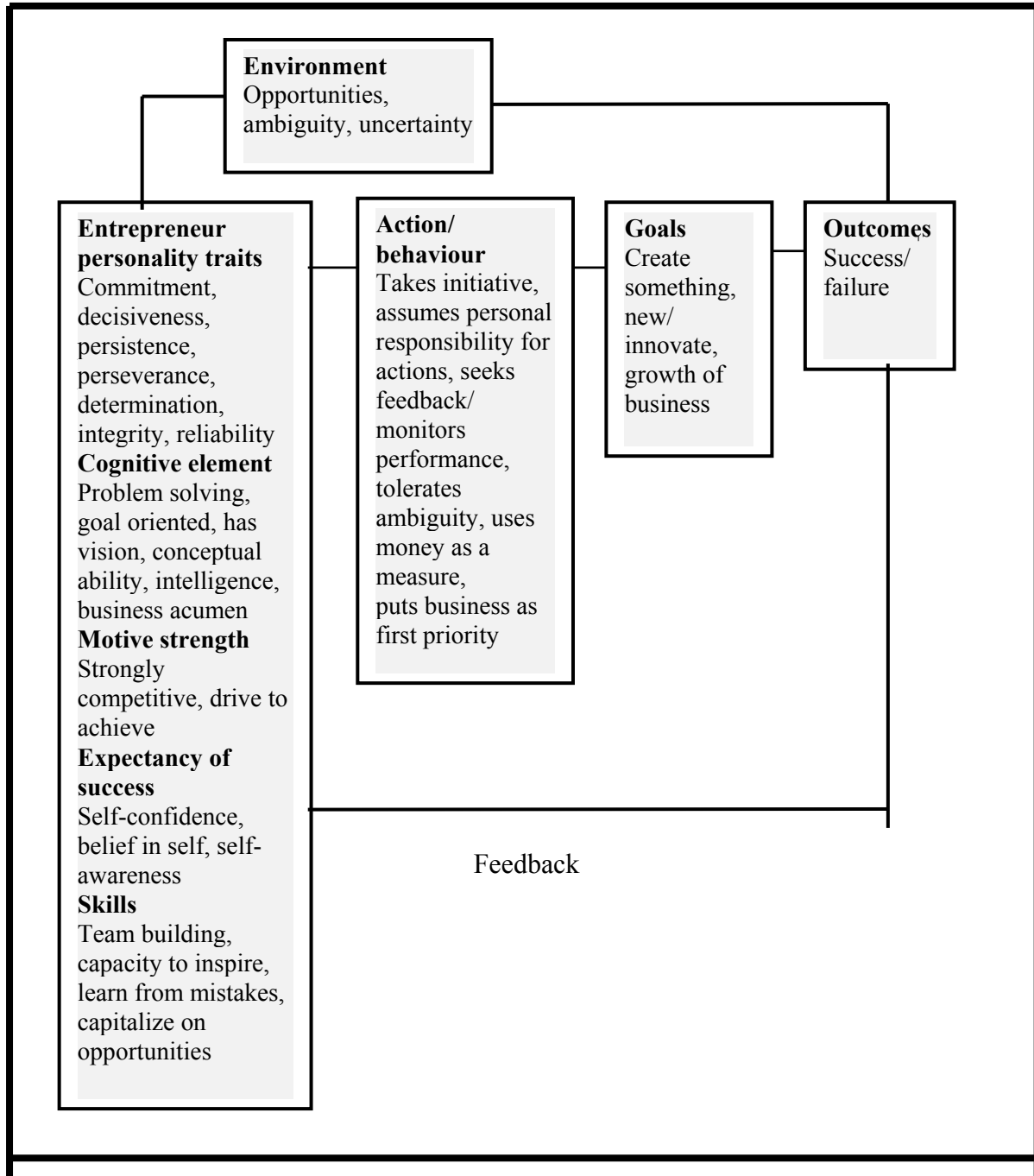
Source: Krueger and Brazeal (1994, p. 95)

In Figure 5.1 the constructs of ‘credibility’ and ‘propensity to act’ arise out of ‘perceived desirability’ and ‘perceived feasibility’. Krueger and Brazeal (1994) defined

perceived feasibility (self-efficacy) as the ‘perceived ability to execute a target behaviour’ (p. 4). The constructs have notable implications for entrepreneurship because of the predictive power of self-efficacy. Krueger and Brazeal (1994) concluded that formal theory-driven ‘models of intentions, anchored by perceived self-efficacy, are invaluable in understanding intentions towards planned, intentional behaviors like entrepreneurship’ (p. 94). On the other hand, ‘perceived desirability’ subsumed the two interconnected components of the theory of planned behaviour – namely ‘attitude’ and ‘social norms’.

The model of entrepreneurship by Timmons, Smollen and Dingee (1977), reproduced in Furnham (1992) from Chell and Haworth (1985), is a marked improvement over other models. This model (Timmons model) is shown as Figure 5.2. The present researcher has proceeded to adopt the Timmons model as the basis for the present research. Whilst the model devotes inadequate attention to the role of culture, it could be made more relevant to the situation in Fiji if it were reconceptualised to include a greater recognition of cultural factors.

The literature survey has shown a number of psychological and cultural factors that influence entrepreneurship. Some of these psychological variables and skills include risk-taking, intuition, vigour, energy, persistence, self-esteem, personal values, need for achievement, innovation, problem solving and creativity, discovery, planning, people management, financial management and budgeting, motivation, leadership, alertness to opportunities, wealth seeking, total commitment, determination, goal orientation, initiative, integrity and reliability, decisiveness, flair and vision, self-confidence, self-realisation and actualisation and versatility. Many of these enterprising traits and skills appear in Figure 5.2 and indicate that entrepreneurial skills are universal and not specifically applicable to any particular population. The problem is that of measurement, because the development of an entrepreneurial disposition and entrepreneurship depends upon a synthesis of various psychological variables and skills. Current instruments are unsuitable to accurately measure these skills. Tiessen (1997) stated that entrepreneurship is preceded by an entrepreneurial disposition. This statement suggests that without an entrepreneurial disposition there cannot be any entrepreneurship. Although not applicable to all situations, a population that is exposed to individualism is more likely to acquire a diversity of enterprising skills and achieve a higher level of entrepreneurial disposition. The measurement of the entrepreneurial disposition will lead to an understanding of the reasons for the presence or absence of entrepreneurship among the respondents.

Figure 5.2 : Timmons model of entrepreneurship

Source: Chell and Haworth (1987), reproduced in Furnham (1992, p.176).

[**Note:** no arrows appear in this model]

For the purposes of the present research, an entrepreneurial disposition is defined as being in a state of creativity and mental readiness to experiment with entrepreneurship. Entrepreneurship involves the possession of skills to combine resources and opportunities in a competitive business environment for the benefit of the individual, the family and the community. The distinction is significant since one indicates the possession of psychological characteristics while the other relates to personal skills. An individual may be high on psychological traits yet may not succeed entrepreneurially, because of a lack of social skills or emotional intelligence. The other important variable – individualism - is defined as a social pattern of loosely linked individuals who view themselves as independent, primarily motivated by their own preferences, needs, rights and prioritise personal goals over the goals of others (adapted from Triandis, 1995).

The literature review indicated that societies which espouse individualism are more likely to generate entrepreneurs than societies which value collectivism. It may be concluded that there is a correlation between entrepreneurial disposition and individualism. In the context of Fiji, it may be expected that an ethnic grouping which espouses individualism would exhibit a greater degree of an entrepreneurial disposition and achieve greater success in entrepreneurship. Based on these observations null and alternative hypotheses (H_0 and H_1) respectively were formulated (see p. 25).

The literature survey also found support for the view that culture influences entrepreneurship. It was found that some cultures encourage entrepreneurship while others impede it. Societies that promote an entrepreneurial culture are more likely to attain greater level of entrepreneurship. More specifically, it was noted that cultures that generally operate within a collectivist paradigm are less likely to achieve entrepreneurial success. In the case of Fiji, a lower share of Fijian entrepreneurship appears to be considerably influenced by culture. Consistent with the theoretical support that culture considerably impacts on Fijian entrepreneurship, null and alternative hypotheses (H_0 and H_2) respectively were constructed (see p. 25).

In evaluating Hypothesis Two it is important to avoid a common mistake of cross-cultural research, namely an assumption that the words 'national' and 'culture' are synonymous. This approach incorrectly assumes that national boundaries separate one cultural group from another (Adler, Docktor, Redding, 1986). The assertion that an individual within a country is representative of the national culture is clearly false and fails to acknowledge individual variations. Whilst the Fijian society is often viewed as being traditional and collective, there is a category of urbanised and educated Fijians who espouse modern thoughts and ideas. Some of these Fijians operate business ventures based on modern business principles. To characterise this class of Fijian entrepreneurs as being traditional and collectivist is inappropriate. They should be viewed differently. To differentiate such cultural variations at the individual level the traditional -modern continuum is a useful instrument. Traditionalism connotes a desire to adhere to the existing social structure, while modernity involves the pursuit of change to improve the existing situation. Fijians who have opted for modernity in preference to traditionalism may have made a conscious decision to move towards social and economic development. Following the findings of Lachman, Nedd and Hinings (1994), Williams and Narendran (1994) argued that cultural values 'are important to traditional individuals because of a strong normative attachment, whereas cultural values have a marginal impact on modern individuals because of the relatively weak normative affinity' (p. 109). This observation is congruent with the activities of Fijian entrepreneurs resident in urban areas and are the products of good education and modern social and economic environment. These Fijians appear to have challenged the power of the traditionalist.

No society is culturally static. Some societies change their cultural values much faster than others. For example, cultural values in Western societies change faster than many societies in the developing countries, because of the forces of modernisation. Modernity signifies 'departure from tradition and religion towards individualism, rational or scientific organization of society, and egalitarianism. A society in the state of modernity is called a modern society. The process of a society becoming a modern

society is called modernization' (<http://en.wikipedia.org/wiki/Modernity>). Another writer (Heywood, 1998) has described modernisation as the 'process of social and political change through which modern industrial societies came about; the emergence of a capitalist economic order and a liberal-democratic political system' (p. 333). A society or a group that espouses modernity is likely to move away from the way things are currently done, provided it finds the change beneficial. In the context of entrepreneurship, this implies that the traditional way of doing business gives way to modern principles of entrepreneurship. This process is accelerated if entrepreneurship takes place in an urban setting, because the effects of modernisation are easily absorbed by people in the urban areas than in the traditional rural areas. Either people adapt to modernisation and move forward or reject modernisation and stay behind, like in many Islamic countries where the religious class denounce anything that signifies modernisation, even if it would lead to the social and economic development of the vast majority of the people.

The Fijian society is high on collectivism and 'power distance' and rich in 'collective capitalism', but low on individualism and materialism (Avegalio and Golver, 2001). Societies may operate at two levels with individualism and collectivism both contributing to entrepreneurial disposition, as exemplified by Indo-Fijians. Cultural groupings who have established their lives away from their normal country of origin such as the Ismaili community in Kenya, the Indians in Mauritius, the Chinese in Indonesia and Malaysia, and the Lebanese in Sierra Leone, have displayed considerable entrepreneurial success without discarding many of their cultural practices. If such cultural duality does indeed hold, Fijians may be able to embrace collectivism as well as 'individual capitalism'. Since the coups of 1987 a small number of Fijians who have moved from traditionalism to modernity have emerged as successful entrepreneurs, without abandoning their core cultural values. Some of the Fijians interviewed for this research and who have found business success following the coup of 1987 include Adi Makelesi Lutuguci of Tokatoka Resort, Taina Ravutu of Taina's Travel Service, James Sawane of Travel Arrangement, Nadi, and Vilisite Qera of Vilisite Hotel. These are

model Fijian business operators. They have managed to accommodate their culture and the needs of modern business. Based on the above observations, null and alternative hypotheses (H_0 and H_3) respectively were formulated (see p. 26).

Shaver (1995) concluded that 'enduring personality characteristics are thought to be fixed relatively early in a person's development, while attitudes, interpersonal skills, processes of social cognition can be learned later in life' (p. 21). This conclusion seems to indicate that an entrepreneurial disposition formed early in life would remain with the individual until later in life. This is similar to the 'stable personality' theory which states that while 'personality characteristics are stable, individuals would exhibit the same general characteristics regardless of the stage of their career or the situation in which they find themselves' (Robinson and Stimpson *et al.*, 1991, p. 42).

There are two schools of thought on personality issues (Morizot: http://www.geronto.org/on_Vitalaging/February2003/personality.htm). The first school supports the 'relatively stable' nature of personality. McCrae and Costa (1990) argued that personality structure remains unchanged in individuals over the age of 25-30 (Morizot, *op.cit*). The second school has associated personality with change. Goleman (1995) challenged those who subscribe to the view that 'IQ [personality] is a genetic given that cannot be changed by life experience, and that our destiny in life is fixed by these attitudes' (p. xi). Summarising the research findings of Caspi (1998) and Baltes (1987) Morizot stated that while personality shows consistency during life, 'the complex interactions occurring between the individual and his/her environment are such that changes may occur throughout a person's life.' This phenomenon may be characterised as 'plasticity' or 'change'.

Two conclusions may be drawn. Firstly, in accordance with the stable personality theory students from the three ethnic groupings would be expected to display degrees of entrepreneurial disposition, individualism and collectivism commensurate with the values of their respective communities. Secondly, in accordance with the characteristic

of ‘plasticity’ or ‘change’, it seems likely that an individual exposed to ‘life experiences’ may show personality and cultural values different from their parents or family. Thus, it may be expected tertiary students would show psychological and cultural behaviours not necessarily reflective of their parents irrespective of ethnic background. If this assumption proves correct, particularly in the case of the Fijian students, then the pro-Fijian affirmative action may eventually prove to be successful. If modernity or ‘plasticity’ fails to change the collectivist outlook of Fijian students, then it may be concluded that the probability of business failures in future will be high in the Fijian community. Based on these observations two null and alternative hypotheses - H_0 and H_4 and H_0 and H_5 - respectively were formulated (see p. 26).

5.2 RECONCEPTUALISED TIMMONS MODEL OF ENTREPRENEURSHIP

Based on the literature survey and hypotheses, the Timmons model shown in Figure 5.2 has been reconceptualised. The extended model including cultural factors is shown as Figure 5.3. The model has a particular emphasis on the psychological and behavioural characteristics of the entrepreneur. While recognising the importance of psychological factors, the reconceptualised model shows that there are many other influential factors - including cultural - in the micro and macro environments that influence entrepreneurship. These factors may be broadly grouped under ‘psychological’, ‘socio-cultural’, ‘economic’ and ‘political’ with the socio-cultural factor being more significant particularly in traditional and developing societies, as highlighted by Berger (1991):

Because entrepreneurship is embedded in culture, such dynamics must be incorporated into our studies of it. ... modern entrepreneurship is a distinctly new variant of a timeless species, created and sustained by culture and creature of it at the same time. (Berger, 1991, 7)

The four broad headings that appear in Figure 5.3 are discussed below:

Entrepreneurial personality traits
Commitment, decisiveness, perseverance, determination, integrity, reliability

Cognitive element
Problem solving, goal oriented, has vision, conceptual ability, intelligence, business acumen

Motive strength
Strongly competitive, drive to achieve

Expectancy of success
Self-confidence, belief in self-awareness

Skills
Team building, capacity to inspire, learn from mistakes, capitalize on opportunities

Action/ Behaviour
Takes initiative, assumes personal responsibility for actions, seeks feedback/ monitors performance, tolerates ambiguity, uses money as a measure, puts business as first priority

Outcomes
Success/failure

Goals
Create something new/ innovate, growth of business

Entrepreneurship

Entrepreneurial disposition

Entrepreneurial environment
Entrepreneurial culture

Individualism/ collectivism

Financial and fiscal incentives

Government Policies

Psychological

Socio-cultural

Economic

Political

FEEDBACK

Note: Additions to the Timmons model made by the researcher

All dotted lines

All arrows

1. Psychological and socio-cultural. Because of their close relationship, these two factors may be combined. Having already been covered in Chapters Three and Four, the psychological dimension is not discussed here. Suffice to say that individuals with an entrepreneurial disposition are more likely to experiment with entrepreneurship. An entrepreneurial disposition, though difficult to define precisely, is indicative of a psychological trait.

According to Collins and More (1964), Kets de Vries (1977), Chell, Haworth and Brearley (1991), Timmons (1994), and Deakins (1996), social influences on entrepreneurship include the availability of appropriate role models, career experience, deprived social upbringing, family background, family position, inheritance of entrepreneurial tradition, educational attainment, peer influence, and social marginality (Morrison and Rimmington *et. al.*, 1999). Those who are retired, angered, insulted, bored, divorced, or widowed, or unemployed are also more likely to engage in entrepreneurial ventures in order to re-gain status or dignity. In some societies entrepreneurs are accorded high status. In these circumstances entrepreneurs will go to extraordinary lengths to avoid failure and bankruptcy. However, in these same societies business failure or even bankruptcy is not something to be ashamed of (e.g. USA).

2. Economic. Without favourable economic and financial conditions, entrepreneurship is unlikely to flourish, no matter how individualistic a particular country or community might be. A range of economic and financial factors trigger entrepreneurship including fiscal and financial concessions, market opportunities, a deregulated business environment, sound investment policy, ready availability of capital with low interest rates, and reliable banking facilities. Many developing countries lack some or all of these features and are thereby unable to maximise entrepreneurial opportunities.

The importance of the economic factors in the growth of entrepreneurship has been discussed by Wilken (1979) as follows:

If the economic conditions are favorable, then, given the basic human motivation to maximize one's gains, entrepreneurship will emerge and economic growth and development will result. If the economic conditions are not favorable, entrepreneurship will not emerge and the society's economy will stagnate. From this point of view, entrepreneurship is primarily a dependent variable and social and psychological characteristics receive relatively little attention. (Wilken, 1979, p. 3)

3. Political. For entrepreneurship to flourish, a country must have a political system that promotes an entrepreneurial environment. It must possess a developed infrastructure and superstructure. In developing countries, governments are expected to create an entrepreneurial environment and develop the necessary infrastructure and superstructure. Government may introduce an affirmative action policy to foster entrepreneurship among the weaker section(s) of the community. Relevant policies specific to the tourist sector might include air services agreements, immigration, investment, residency, and land. A lack of related policies is likely to hinder entrepreneurship. Political stability is also a requirement for a country's sustained entrepreneurial growth. Countries with political systems which curtail free speech and movements of their citizens are not likely to foster an entrepreneurial climate.

The study of the entrepreneurial process, however, involves a multidimensional approach. It is not possible to measure all the variables that influence entrepreneurship. Only the most important of these will be assessed. These are: an **entrepreneurial disposition**, and **individualism** and **collectivism**. These variables are reflected in the proposed model (Figure. 5.3).

5.3 DATA COLLECTION AND METHODOLOGY

The procedures and methods used to examine these hypotheses are divided into nine sections: (1) Sampling, (2) data collection, (3) qualitative and quantitative data, (4) respondents' profile (entrepreneurs), (5) respondents' profile (students), (6) choice of instruments, (7) questionnaire development and piloting, (8) application of Western-oriented scales, and (9) validity and reliability of instruments

5.3.1 Sampling – entrepreneurs and students

The entrepreneur sample was drawn from an area in Viti Levu, the largest of Fiji's islands. This area stretches along the coast from the City of Suva to Lautoka City, a distance of approximately 221 kilometres. This area was chosen for the study because most of Fiji's tourist development is along a narrow coastal stretch, with the largest concentration near the Nadi International Airport. The narrow concentration of tourism activity facilitated the conduct of the fieldwork.

The Fiji Visitors Bureau provided a list of 397 tourism businesses, 250 of them located in the proposed area of study and consisting of 52 Indo-Fijians, 61 Fijians, and 120 Others. Having adopted this population as the sampling framework, 52 Indo-Fijians, 52 Fijians and 52 Others were extracted for sampling purposes. The Fijian and Others samples were determined at random. Data were to be obtained from a total of one hundred and fifty-six respondents, constituting 68% of the relevant population. Since there were only 52 prospective Indo-Fijian respondents in the sampling framework the sample for each category was limited to 52.

The student sampling framework was based on two hundred and fifty students selected at random from the tertiary student population enrolled in the areas of tourism, hospitality, and management at the University of the South Pacific, the Fiji

National Training Council (FNTC)²⁴, and the Fiji Institute of Technology (FIT) respectively. The FNTC and FIT are vocational institutions catering for the training and education needs of the tourism and hospitality sectors. Across the sample, quotas were assigned of 100 Indo-Fijians, 100 Fijians, and 50 Others. Since these institutions draw students from across Fiji, the sample may be regarded as representative of the wider student population. One hundred and fifty students were from the University of the South Pacific (USP's) Department of Management and Public Administration. This Department was chosen because the introductory course in management is compulsory for students majoring in business, tourism and economics. First year students studying the introductory course in management at USP were deemed representative of a cross section of students enrolled in the first-year arts courses.

To supplement the USP sample, the respondent quotas from the FNTC and FIT were determined at 50 respectively. A sampling framework of 65 was identified at the Nadi Campus of FNTC and the Campus Manager then selected 50 respondents on the basis of gender and ethnicity. These criteria would have been upset if a higher sample was chosen. As was the case with FNTC a quota of 50 was allocated at FIT. Questionnaires were handed to the Head of the Department of Management and Commerce who undertook to identify suitable candidates based on a quota of 20 Indo-Fijians, 20 Fijians, and 10 Others. There was an attempt to ensure gender proportionality and due representation from campuses around Fiji.

The student component of the survey was conducted primarily by teaching staff based at the institutions where the students were enrolled. It should be noted that while the Indo-Fijian and Fijian samples were fairly homogeneous and the findings may be generalised to the national student population, the same cannot be said of students from the category of Others who were characterised by diversity - dominated by Part-Europeans, Pacific Islanders, and Part-Fijians. The number of students of European extraction was negligible.

²⁴ Presently known as the Training and Productivity Authority of Fiji.

To what extent are students representative of their ethnic groupings? Some writers have argued that students constitute a liberal-elite and cannot be viewed as representative. The inclusion of students, however, may be justified on the basis that they can easily understand abstract tasks due to their intelligence, they cooperate willingly and are easily accessible (Williams, Satterwhite and Saiz, 1998).

5.3.2 Data collection

The quantitative and qualitative data were collected in Fiji between 1 February and 16 June, 2001. The secondary data collection and the formulation of strategies for collecting quantitative and qualitative data occurred throughout February. On 3 March, 2001, the researcher sent e-mails to 133 potential respondents located in the tourist industry whose names appeared in the sampling frame. The e-mail introduced the researcher, explained the purpose of the research and requested an interview lasting 30 to 60 minutes. For those who were not accessible by e-mail, a letter was mailed including the same message. The same message was despatched again two weeks later. These efforts elicited 15 positive and four negative responses, a mere 8% response rate. Conscious that the samples ought to reflect a wide variety of businesses and all three ethnic groupings in equal proportions, the researcher then had the time-consuming and expensive process of calling as many operators as possible by telephone. This approach brought a further thirteen positive results, but a month had already passed by this time and no interview had yet been conducted. Research funds were becoming depleted and the political heat in Fiji was rising. Critically, the potential respondents appeared to be more preoccupied with the impending general election. On one occasion, the researcher had to drive 120 kilometres because a potential respondent was to be out of the country for the forthcoming period. On another occasion, after hastily travelling a long distance to conduct an interview, it was found that the meeting had been postponed.

The researcher's original intention was to complete the fieldwork within four months. When a month of fieldwork had gone by without a single entrepreneur being interviewed, it became clear to the researcher that a change of direction was needed. If the research process was to move forward an alternative sampling technique would be needed. The researcher then evaluated all of the prospective sampling techniques including accidental sampling, purposive sampling, systematic matching sampling, stratified random sampling, and cluster sampling. While a number were unsuitable, a few offered some advantages. Having considered their advantages and disadvantages, the researcher chose purposeful sampling as providing the best prospect of accelerating the fieldwork. Purposive sampling, according to Maxwell (1996), is:

strategy in which particular settings, persons, or events are selected deliberately in order to provide important information that can't be gotten as well from other choices ... selecting those times, settings, and individuals that can provide you with the information that you need in order to answer your research questions is the most important consideration in qualitative sampling decisions. (Maxwell, 1996, p. 70)

Purposive sampling has also been advocated by Patton (1990):

The logic and power of purposeful sampling lies in selecting *information-rich cases* for study in depth. Information-rich cases are those from which one can learn a great deal about issues of central importance to the purpose of the research, thus the term *purposeful sampling*. For example, if the purpose of an evaluation is to increase the effectiveness of a program in reaching lower-socioeconomic groups, one may learn a great deal more by focusing in depth on understanding the needs, interests, and incentives of a small number of carefully selected poor families than by gathering standardized information from a large, statistically representative sample of the whole program. The purpose of purposeful sampling is to select information-rich cases whose study will illuminate the question under study. (Patton, 1990, p. 169)

A further advantage of purposive sampling is that it 'increases the likelihood that variability common in any social phenomenon will be represented in the data, in contrast to random sampling which tries to achieve variation through the use of

random selection and large sample size' (Mayut and Morehouse, 1994, p. 45). It also accepts a smaller sample in social science research because the objective of the research is to investigate a social phenomena and not to prove or disprove hypotheses.

Following the adoption of the strategy of purposive sampling, the original research plan was discarded. In accordance with the new priority, the researcher identified prospective respondents from the public, private and semi-government organisations who could provide relevant information on issues relating to the research hypotheses. The identification of informants was undertaken using the national telephone directory. The selection was not based on a quota system, but prospective respondents had to satisfy the requirement of either being an entrepreneur or a senior official from the public or semi-public sectors. The objective was to select potential respondents who could provide rich information thereby allowing the researcher to properly assess the various hypotheses. Since a number of the hypotheses incorporated political and/or economic dimensions, inputs from the wider spectrum of the population was thus justified. Because the problem of the entrepreneurial gap between the Fijians and non-Fijians has been a topic of parliamentary debate since 1987 it was considered important to obtain the views of government and semi-government officials and understand the official thinking on this issue. The gathering of 'rich information' from diverse sources is the essence of purposeful sampling. Entrepreneurs from the tourism small business sector alone could not have provided all information that was required by this researcher to effectively assess the relevant hypotheses. Whilst disconcerting at the time, it was in fact useful to the research to incorporate an extended spectrum of opinion.

The strategy of purposive sampling led the researcher to identify the names of 156 prospective respondents who constituted the sampling framework. Out of this sample 99 respondents - 33 from each of the three communities - participated in the qualitative survey, a penetration rate of 66%. Eighty respondents were owners and managers from the small business sector and 19 respondents were from the non-tourist sector. The latter constituted 19% of the total respondents. The range of people

from the non-tourist sector included the President, Fiji Chamber of Commerce; Project Manager, Micro-Finance, Ministry of Finance; Project Appraisal Manager, Fiji Trade and Investment Board; Manager, Government Handicraft Centre; Acting Director, Fiji Museum; Director General, Fiji National Training Council; a former Government Minister of Labour; Chief Planning Officer, Government of Fiji; and University lecturers. These respondents occupied senior positions in their organisations and their views are considered significant.

A problem faced by this researcher at this stage was whether or not to treat 'semi-tourist enterprises' as full tourist enterprises. For example, the manager of Autocrat Duty Free Shop was a participant in the qualitative and quantitative survey. This shop is being patronised by tourists and non-tourists alike. Should such an enterprise be treated as a tourist business? The researcher designated all such enterprises as part of the tourist industry. A further problem that needed resolution was whether or not to treat managers and entrepreneurs as equivalents. Some respondents were managers of enterprises which were owned by entrepreneurs not actively involved in the business operation. Decision about whether these respondents should be considered as managers or as entrepreneurs was critical to the success of this research. One previous study (Stewart and Watson *et al.*, 1998) showed that entrepreneurs produced higher scores than managers on entrepreneurial traits such as need for achievement, risk-taking, and innovation. In view of this finding, it is debatable whether the manager responses should be considered equivalent to entrepreneur/owner responses. However, this researcher treated managers as entrepreneurs, because managers need to possess entrepreneurial skills in order to effectively manage business organisations, even if they do not own them.

Although targeted respondents were initially eager to be interviewed they were reluctant to come freely with answers during the interview. One explanation is that many respondents may have faced a researcher for the first time and were fearful of the objective of the research. Another reason could be that the respondents saw the researcher as a 'spy' collecting information for one of the political parties operating in

Fiji. The period of the interview took place during a period of a politically sensitive court case over which there was considerable polarisation of feelings between Indo-Fijians and Fijians. However, greater use of probing techniques and a few local jokes changed the relationship between the researcher and the respondents. Once trust was built between the two parties there was greater flow of information. The majority of respondents, however, had a poor understanding of entrepreneurship and it was time consuming to explain the basics of entrepreneurship to respondents. Indo-Fijians particularly were extravagant with words in explaining the business success in their community. Many Fijians, on the other hand, readily acknowledged the enterprising character of the Indo-Fijians, but they were guarded in their response when giving reasons for their lower share of entrepreneurship. The European respondents understood the purpose of the research as well as the questions well and their answers were generally comprehensive. Women respondents were generally very guarded in their comments. Despite the existing politically high temperature in the country respondents from all the three ethnic groupings provided depth of useful information which enabled the researcher to answer the research questions.

5.3.3 Qualitative and quantitative data

The topic of this research is appropriate to qualitative inquiry. This study aims to gain an insight into the influence of culture and entrepreneurship among the three ethnic groupings in Fiji. A qualitative approach accumulates knowledge that leads to the better understanding of phenomena such as cultural values and entrepreneurship. While qualitative research adopts a phenomenological position, quantitative approach is based on positivism, which explains, predicts and provides proof. The phenomenological inquiry attempts to understand the meaning of events that affects human beings. An understanding of human beings and their environment is too complex to be understood from data obtained by non-human means of collection and quantitative analysis. A qualitative approach enables a researcher to probe 'atypical' and 'idiosyncratic' responses which no pre-existing instrument(s) will be able to

accomplish. Only the qualitative approach will enable a researcher to observe, question and probe in order to gain an insight into the world of others. According to Maykut and Morehouse (1994), the 'human instrument is the only data collection instrument which is multifaceted enough and complex enough to capture the important elements of a human person or activity' (p. 27). The discovery from qualitative research results not in 'sweeping generalizations but contextual findings' which is 'basic to the philosophic underpinning of the qualitative approach' (Maykut and Morehouse, p. 21). Thus the use of qualitative methods of data collection, supplementary to the quantitative method, is appropriate to this research and is expected to add credibility and trustworthiness to the findings. The qualitative path examines words and actions of respondents, and needs a method to capture their essence. The most pertinent ways of capturing these forms are participant observation, in-depth interviews, and group interviews.

Many researchers have shown little affinity for qualitative research in the tourist industry (Collier, 1997). Such views were shaped by positivist and post positivist thinking, which regarded qualitative inquiry as insufficiently scientific. Qualitative data aims to obtain 'rich' information from a relatively small number of subjects rather than to make a statistical generalisation based on a large sample. For example, Taylor and Bogdan (1984) wrote:

Qualitative methods allow us to stay close to the empirical world They are designed to ensure a close fit between the data and what people actually say and do. By observing people in their everyday lives, listening to them talk about what is on their minds, and looking at the documents they produce, the qualitative researcher obtains first-hand knowledge of social life unfiltered through concepts, operational definitions and rating scales.(Taylor and Bogdan, 1984, p. 7)

Decrop (1999a) expressed the merits of qualitative data by stating that:

Researchers feel more comfortable with statistical probabilities than with theoretical conjecture. They prefer to observe an "objective," tangible and single reality, because only then are generalization and prediction possible. The problem is that they often forget that the value of scientific inquiry is not only a question of numbers but also, most particularly, a question of reasoning. They overlook the complexity of many research problems where reality is multiple-

faceted and socially constructed because of their separation from the informant, they fail to develop a theory that is grounded in people's everyday experiences. (*Decrop, 1999a, p. 336*)

Further support for qualitative survey has come from Hofer and Bygrave (1992) who highlighted the overuse of statistical techniques based on 'assumptions of linear relationships and continuous variables, neither of which is met by entrepreneurship phenomena' (p. 98).

It is an unresolved question whether qualitative data is suitable for verifying a hypothesis. Some researchers do argue that qualitative data may legitimately be used to prove or disprove a hypothesis or proposition. However, one researcher (Thomas, 1990) stated that:

Contrary to common notions, qualitative data analysis can be used to test hypothesis. Although the hypotheses testing may focus on explanations or predictions that evolve from theories, qualitative data analysis can be used to confirm or refute relationships among concepts or differences among groups. If some form of data reduction can be implemented to allow the investigator to compute relationships or compare groups, qualitative data can be analysed to test hypothesis. (*Thomas, 1990, p. 128*)

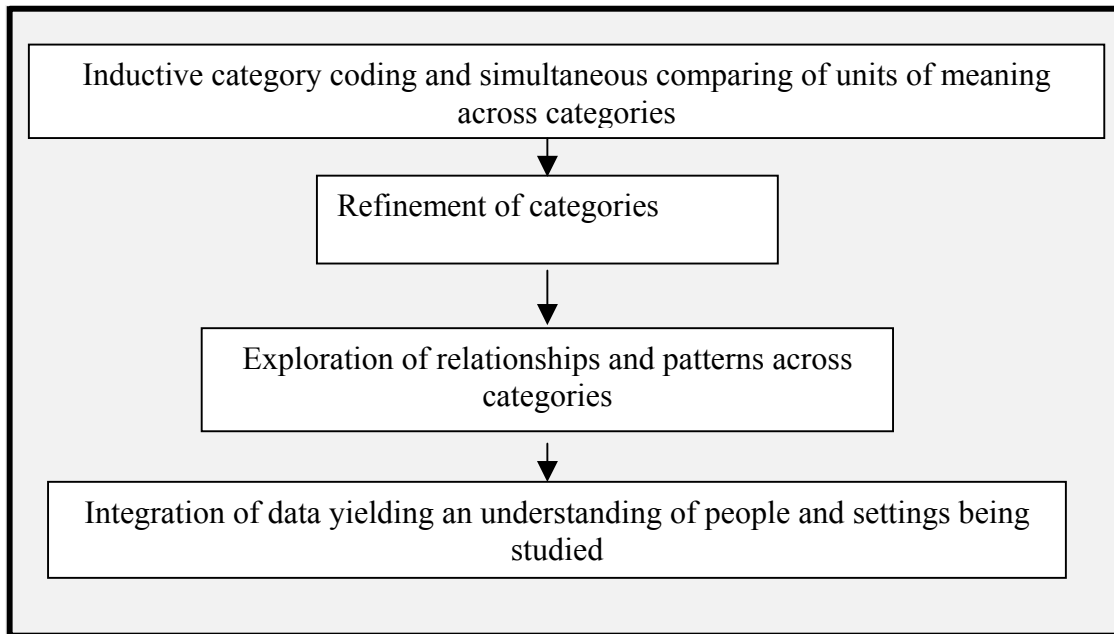
Bouma and Atkinson (1997), however, have stated that qualitative research does not seek to prove (and by implication, disprove) a hypothesis but to show whether a hypothesis is plausible or not. This approach will be taken in assessing the various hypotheses.

According to Newman (2000), a 'qualitative researcher analyses data by organising them into categories on the basis of themes, concepts, or similar features. He or she develops new concepts, formulates conceptual definitions, and examines the relationships among concepts' (quoted in Jennings, 2001, p. 196). Miles and

Huberman (1994) stated that qualitative analysis involves data reduction, data displays and a conclusion, with data reduction being associated with categories, themes and concepts, which may be shown with 'maps, taxonomies, matrices and models to visual (and textual) portrayals of the distillation of constantly reoccurring themes and motifs and relationships and processes found in the rich data' (quoted in Jennings, 2001, p. 196). Thomas (1990) summarised the five alternative units of analysis as words, themes, characters, items, and space or time.

For the purpose of this research, the qualitative data will be analysed by using the 'constant comparative method' (Glaser and Strauss's, 1967), subsequently refined by Lincoln and Guba (1985). This method enables a researcher to organise information into 'units of meaning' which are simultaneously compared before being synthesised into a conclusion. New unit of meaning is compared with other units of meaning and subsequently grouped into categories which are then coded. A new unit of meaning that has no comparison will form a new category. There is room for continuous refinement of the data. Initial categories can be changed, merged or erased leading to the formation of new categories and the discovery of new relationships. The steps involved in the constant comparative method are shown in Figure 5.4.

The presentation of qualitative results can take a number of forms (Strauss and Corbin, 1990). In the journalist approach the researcher presents the data without any analysis. The second approach entails selection and some interpretation of data. Here the researcher weaves descriptions, participants' words, field note quotations and his/her own interpretations 'into a rich and believable descriptive narrative' (Strauss and Corbin, 1990, p. 22). Word analysis can help researchers to discover themes in texts. The third approach is influenced by the grounded theory (Glaser and Strauss, 1967) which 'requires the highest level of interpretation and abstraction from the data in order to arrive at the organizing concepts and tenets of theory to explain the phenomenon of interest' (Maykut and Morehouse, 1994, p. 122). Although all the approaches have advantages and disadvantages, the 'interpretative-descriptive' analysis described in the second approach will be used to convey the findings.

Figure 5.4: Data analysis: the constant comparative method

Source: Adapted from Maykut and Morehouse (1994, p. 135)

The combination of qualitative and quantitative methods used to collect data for this research was likely to create confusion because of the incompatibilities between the two based on epistemological and methodological principles. Miles and Huberman (1994), however, have advocated the usage of both methods, beginning with a qualitative method (e.g. a semi-structured interview) followed by a questionnaire study, before the results of both are further investigated in a second quantitative attempt. Others (example Barton and Lazarsfeld, 1955 cited in Flick, 2002) have expressed the superiority of the qualitative data. Flick (2002) sees the usefulness of linking the two methods, which can be pursued with different aims: (1) to obtain knowledge about the issue of the study which is broader than that a single approach would have provided; and (2) or to mutually validate the findings of both approaches. (p. 267). The combination of the two methods, according to Kelle and Erzberger (2002) can result in three possible outcomes: (1) 'qualitative and quantitative results converge, mutually confirm, and support the same conclusions', (2) 'both results focus different aspects of an issue (e.g. subjective meanings of a specific illness and its social distribution in the population) but are complementary to each other and lead to

a fuller picture', and (3) 'qualitative and quantitative results are divergent or contradictory' (Flick, 2002, p. 268). Overall, it appears each method is complementary rather than competitive. It is hoped that results emerging from both methods will 'converge, mutually confirm, and support the same conclusions.' If this does not take place, then explanations would have to be provided. The combination of qualitative and quantitative inquiries, along with the review of the secondary data had increased the 'likelihood that the phenomenon of interest is being understood from various points of view and ways of knowing' (Maykut and Morehouse, 1994, p. 146).

While analysing qualitative data respondents' quotes were used extensively, because according to O'Donoghue and Punch (2003, p. 90), the inclusion of respondents' quotes in the reporting of data has many benefits:

...the reader is able to judge the effectiveness with which the artificially contrived categories represent the raw data. That is, the reader is able to move closer to the first-hand-experiences of the respondents rather than always relying on the researcher's second-hand interpretation of the data, thereby making their own assessments of validity. (O'Donoghue and Punch, 2003, p. 90)

The qualitative survey of entrepreneurs involved a series of semi-structured, tape-recorded interviews, each lasting an average of 59 minutes per interview²⁵. Glesne and Peshkin (1992) are of the opinion that an hour's steady effort is a useful guide for an interview before the setting in of 'diminishing returns' of both parties. Except in the case of five respondents who refused because of organisational rules, all interviews were tape-recorded. In these cases, the interviews were recorded manually.

²⁵ A list of participants and the duration of each interview are shown in Appendix Six.

The qualitative data were analysed using the Multiple Analysis test (MRA), the results of which were subjected to the z test in the Excel to assess group differences. The z test enables 'researchers to compare the mean generated from a sample with a mean hypothesised to exist in the population, and decide whether sample mean allows them to conclude that a hypothesized population mean is true' (Kinnear and Taylor, 1996, p. 578). This test involves a six-stage sequence: (1) Stating the hypothesis, (2) choosing the statistical test, (3) selecting the desired level of significance, (4) computing the calculated difference value, (5) obtaining the critical test value, (6) interpreting the test.

The secondary data collection took place at libraries in Melbourne and Fiji. In Fiji the libraries located at the University of the South Pacific, the Fiji Institute of Technology, and the Western Regional Library provided useful information. A lot of electronic data was quickly and easily collected via the 'Internet'. One of the disadvantages of the secondary data, however, is that they may not directly address the 'question' or 'problem' (Jennings, 2001). This researcher, for example, has not been able to identify any study examining the role of culture in entrepreneurship in Fiji's small tourism business sector. For this reason, the literature review considered research findings on entrepreneurship across nations.

5.3.4 Respondents' profile (entrepreneurs)

As indicated in Table 5.1, approximately 96% of the interviews were held in three locations - Nadi, the country's international gateway where most of Fiji's tourism facilities are clustered, and in Suva or in Lautoka. Suva is the largest city and national capital and Lautoka is the second largest city. Neither, however, enjoys the same intensity of tourism as Nadi.

Table 5.1: Interviews of ‘entrepreneurs’ by location and ethnic classification

Locations	Indo-Fijians	Fijians	Others	Total
Coral Coast	1	1	1	3
Deuba	-	-	1	1
Lautoka	6	3	4	13
Nadi	12	15	15	42
Suva	14	14	12	40
Total	33	33	33	99

Source: Researcher

Table 5.2 provides demographic information on entrepreneur respondents by age, gender, educational level, number of staff employed, longevity of business, ownership, and type of business. From Table 5.2 it has been found that 89% of the respondents were over 29 years old and that 74% of the respondents were male. Fijian females accounted for 58% of the respondents as opposed to only 5% in the case of Indo- Fijians. The low percentage of Indo-Fijian females may indicate some reluctance amongst the community to encourage female employment in an industry that involves shift work and long hours. The higher representation of Fijian women may have been influenced by the affirmative action policies of successive governments as well as by individual initiative, hard work, and a desire to escape from the rigours of village life.

Ninety-two percent of the respondents attained education above high school, which lends credence to the view that those with more advanced educational background have greater prospects of attaining entrepreneurial success. Most businesses (58%) were over ten years old, with 31% being family-owned, 23% under sole ownership and

Table 5.2: A profile of the entrepreneur respondents*

	Indo-Fijians (%)	Fijians (%)	Others (%)	Total (%)
Age				
Under 29 years	3 (14%)	2 (11%)	2 (10%)	7 (11%)
Over 29 years	19 (86%)	17 (89%)	19 (90%)	55 (89%)
Total	22	19	21	62 (100%)
Gender				
Male	21 (95%)	8 (42%)	17 (81%)	46 (74%)
Female	1 (5%)	11 (58%)	4 (19%)	16 (26%)
Total	22	19	21	62 (100%)
Education				
Primary	2 (9%)	3 (16%)	- -	5 (8%)
High School / tertiary	20 (91%)	16 (84%)	21 (100%)	57 (92%)
Total	22	19	21	62 (100%)
No. of employees				
Under 30 staff	15 (68%)	16 (84%)	13 (62%)	44 (71%)
Over 31 staff	7 (32%)	3 (16%)	8 (38%)	18 (29%)
Total	22	19	21	62 (100%)
Period in business				
Under 10 years	6 (27%)	8 (42%)	12 (57%)	26 (42%)
Over 10 years	16 (73%)	11 (58%)	9 (43%)	36 (58%)
Total	22	19	21	62 (100%)
Ownership				
Family business	7 (32%)	9 (46%)	3 (14%)	19 (31%)
Single owner	7 (32%)	4 (21%)	3 (14%)	14 (23%)
More owners	4 (18%)	2 (11%)	4 (19%)	10 (16%)
Partnership	3 (13%)	2 (11%)	7 (34%)	12 (19%)
Other types	1 (5%)	2 (11%)	4 (19%)	7 (11%)
Total	22	19	21	62
Business type				
Hospitality	8 (36%)	9 (47%)	12 (57%)	29 (47%)
Attractions	2 (9%)	4 (20%)	2 (10%)	8 (13%)
Transport	5 (23%)	2 (11%)	4 (19%)	11 (18%)
Retail	6 (27%)	2 (11%)	1 (4%)	9 (14%)
Miscellaneous	1 (5%)	2 (11%)	2 (10%)	5 (8%)
Total	22	19	21	62 (100%)

Source: Researcher

*Based on quantitative survey

a further 46% made up of more owners, partnerships and other types. The majority of respondents were in the hospitality sector (47%) followed by attractions (13%), transport (18%), retail (14%), and miscellaneous (8%). Most businesses were small or medium-sized with over 71% employing fewer than 30 staff. This is consistent with the common view that entrepreneurship is associated with small business (Drucker, 1985; Berger, 1991; Hansemark, 1998).

5.3.5 Respondents' profile (students)

One hundred and twenty-three students were surveyed comprising 42% Indo-Fijians, 39% Fijians and 19% Others, excluding the nineteen questionnaires which were not usable because of missing data. The response rate thus was 49%.

The distribution of student respondents is outlined in Table 5.3.

Table 5.3: Education data on students

	Indo-Fijians	Fijians	Others	Total
Fiji Institute of Technology (FIT)	22 (46%)	20 (43%)	5 (11%)	47 (100%)
Fiji National Training Council (FNTC)	10 (26%)	23 (59%)	6 (15%)	39 (100%)
University of the South Pacific (USP)	20 (54%)	5 (14%)	12 (32%)	37 (100%)
Total (Average %)	52 (42%)	48 (39%)	23 (19%)	123 (100%)

Source: Researcher

FIT students were predominantly enrolled in Certificate level courses in Hospitality Operations and Business Operations. FNTC students were enrolled in certificate-level courses in either cookery, housekeeping, accommodation, or hospitality management. Almost all USP students were studying arts including tourism, economics and management.

5.3.6 Choice of instruments

A number of scales or instruments have been used to measure the personality traits of entrepreneurs. Many have been borrowed from the discipline of psychology, and have been found to be unsuitable for research into entrepreneurship. Instruments that feature prominently in recent research on entrepreneurship include Cattell's 16 Personality Factors Test (Cattell, Eber and Tatsuoka, 1970); Jackson's Personality Inventory (Jackson, 1976); Myers-Briggs Type Indicator (Myers and Briggs, 1976); Miner Sentence Completion Scale - Form T (Miner 1986, 1997, 2000); Herrmann Brain Dominance Instrument (Herrmann, 1988); General Enterprising Tendency (Caird, 1988); Entrepreneurial Style and Success Indicator (Shenson and Anderson, 1989); Entrepreneurial Attitude Orientation (Robinson and Stimpson *et al.*, 1991); NEO-Personality Inventory-Revised (Costa and McCrae, 1992); Proactive Personality Scale (Bateman and Crant, 1993), and the Entrepreneurial Intensity (Welsch, 1998).

The assumption that entrepreneurial personalities can be identified and measured has been shown to be largely incorrect. The majority of tests used in entrepreneurship research are equally useful for personality testing across the general population. Another constraining factor is that since personality deals with intangible factors including creativity, imagination, foresight, commitment, innovation and vision, it would be unrealistic to devise an instrument capable of delving into the 'inner theatre' of the entrepreneur or explore entrepreneurial drives and motives. This difficulty may account for a proliferation of tests, many of dubious validity. As Caird (1993) has stated: 'If you cannot depend on the validity of a test then you cannot depend on the validity of results, which could be a mere artifact of the test and have no reflection on reality' (p. 16). Some instruments, however, may be important for isolating entrepreneurs with the greatest potential from those with the least. Even so, no instrument can accurately predict the success of an individual entrepreneur. Searching for a single instrument to assess entrepreneurial disposition may be akin to hunting for

the ‘Holy Grail’ (Paul Moran, per. comm, 10 September 1999), or ‘hunting the Heffalump’ (Kilby, 1971, p.1).

To counteract the various pitfalls, researchers may deploy a combination of scales to assess entrepreneurial disposition. The choice of the instrument may depend on such factors as reliability, validity, cost, ease of completion, scoring and interpretation. Measured against the relevant criteria, only two instruments were deemed by the researcher to be appropriate for the Fiji situation. Most of the less appropriate instruments focus exclusively on a few critical enterprising attributes such as the ‘need for achievement’, the ‘need for autonomy’, ‘locus of control’, ‘creativity’, ‘risk-taking’ and ‘innovation’, without enhancing understanding of those critical personality traits that motivate entrepreneurs towards success (Folger, Timmerman and Wooten, 1992). Since a key objective of the present study is to obtain a broad assessment of entrepreneurial disposition and culture amongst the three ethnic groupings in Fiji, it is essential that the chosen instrument is capable of meeting the range of criteria identified previously. These criteria were met most closely by Holland’s (1985a, 1985b) Self-Directed Search (SDS).

According to Holland’s SDS (see Appendix 4), most individuals display one of the six basic personality types or else a combination of two. The types are ‘realistic’, ‘investigative’, ‘artistic’, ‘social’, ‘enterprising’, and ‘conventional’. As outlined in Table 5.4, realistic personalities often exhibit mechanical and athletic abilities; investigative types possess mathematical and scientific abilities; artistic types exhibit artistic skills, create original work and display good imaginations; social types display social skills; enterprising types show leadership and speaking abilities, and conventional types excel in clerical and arithmetic abilities. For example, a person may be described as **R** type while another person by **S** type. Invariably a person resembles several types. For example, engineers responding to the SDS led to a depiction of those involved in this occupation as being realistic-investigative (Gillet, 1996). Figure 5.5 shows the similarities and differences of the six types. Types that are next to one another on the

Table 5.4: Holland's SDS matching people and occupation

Realistic (R) people prefer realistic occupations such as mechanical engineer, building inspector, production planner, safety engineer, and marine surveyor. The R type usually has mechanical and athletic abilities, enjoys working outdoors, and would like to work with tools and machines. The R type generally prefers to work with things more than with people. The R type is described as conforming, frank, genuine, hardheaded, humble, materialistic, modest, natural, normal, persistent, practical, shy and thrifty.

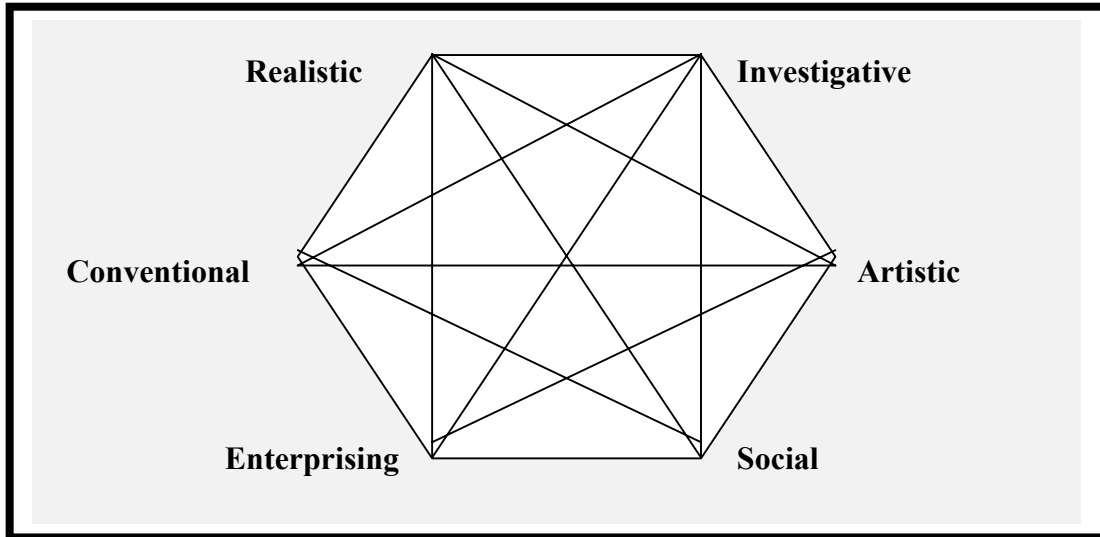
Investigative (I) like investigative careers such as biologist, chemist, physicist, geologist, anthropologist, laboratory assistant and medical technician. The I type usually has mathematical and scientific abilities, enjoys working alone, and likes to solve problems. The I type generally likes to explore and understand things or events, rather than persuade others or sell them things. The I type is described as analytical, cautious, complex, critical, curious, independent, intellectual, introverted, methodical, modest, pessimistic, precise, rational, and reserved.

Artistic (A) prefers artistic occupations such as composer, musician, stage director, dancer, interior decorator, actor, writer, and commercial designer. The A type usually has artistic skills, enjoys creating original work, and has a good imagination. The A type usually enjoys working with creative and self-expression more than routines and rules. The A type is described as complicated, disorderly, emotional, expressive, idealistic, imaginative, impractical, impulsive, independent, introspective, intuitive, nonconforming, open, and original.

Social (S) prefer social occupations such as teacher, clinical psychologist, psychiatrist case worker, personnel manager, paralegal assistant, and speech therapist. The S type usually has social skills, is interested in human relationships, and likes to help others with problems. The S type likes to help, teach, and counsel people more than engage in mechanical or technical ability. The S type is described as convincing, cooperative, friendly, generous, helpful, idealistic, kind, patient, responsible, social, sympathetic, tactful, understanding, and warm.

Enterprising (E) people prefer enterprising occupations such as buyer, sports promoter, television producer, business executive, salesperson, travel agent, supervisor, and manager. The E type usually has leadership and speaking abilities, is interested in money and politics, and likes to be influential. The E type likes to persuade or direct others more than work on scientific or complicated topics. The E type is described as acquisitive, adventurous, agreeable, ambitious, attention-getting, domineering, energetic, extroverted, impulsive, optimistic, pleasure-seeking, popular, self-confident, and sociable.

Conventional (C) prefer conventional occupations such as accountant, cost clerk, bookkeeper, budget analyst, secretary and business programmer. The C type has clerical and arithmetic ability, prefers working indoors, and likes to organize things. The C type generally likes to follow orderly routines and meet clear standards, avoiding work that does not have clear directions. The C type is described as conforming, conscientious, careful, efficient, inhibited, obedient, orderly, persistent, practical, thrifty, and unimaginative.

Figure 5.5: Explanation of the six types in the SDS

Source: Reardon (<http://www.self-directed-search.com/sdsreprt.htm>)

hexagon are most similar. For example, ‘conventional’ and ‘social’ are next to ‘enterprising’ and all three could be regarded as ‘most similar’. An E type person (one who shows enterprising skills) is more likely to embrace the social, enterprising and conventional skills. On the other hand, the E type personality remotely resembles the I type person signifying that investigative skills are not that important to an E type person.

The SDS consists of an assessment workbook, which is completed by the respondent, and the Occupational Finder. The assessment booklet starts with ‘Occupational Daydreams’, followed by a number of statements to be ticked ‘like or dislike’. These statements deal with ‘activities’, ‘competencies’, ‘occupations’ and ‘self-estimates’ (of abilities). The three types that most closely describe a respondent are placed together in descending order of importance to create a ‘personality profile’. Sometimes the RIASEC letters are used in profiling. Higher scores indicate greater perceived importance, followed in descending order of importance by other scores. Codes that do not appear in the creation of a ‘personality profile’ indicate less congruence between a person and a particular occupational type. The factor ‘enterprising’ is closely associated with entrepreneurship and it may be concluded

that the ethnic group which obtains the highest score (value) on E, C and S skills may be regarded as exhibiting greater entrepreneurial disposition than the other groups.

In the SDS package the Occupational Finder and Occupational Daydreams questionnaires were not used because they are relevant to unemployed people who wish to match their interest pattern with an occupation. In this research respondents were already engaged in entrepreneurship and in other fields. The sections dealing with 'Activities' 'Competencies', 'Occupations', and 'self-estimates' were of greater relevance. A study by Brown, Brooks and Associates (1996) has demonstrated the popularity of Holland's SDS. They concluded that over 450 findings between 1959 and 1988 have supported Holland's theoretical constructs concerning career preference (Gillet, 1996). Holland's theory has been described as 'tough, practical, compact and useful' (Norman, 1994, quoted in Frew, 2000, p. 79). Holland (1990) himself has described the SDS code as a concise means of matching interest patterns and careers. The scale does not, however, identify a respondent's ability, education, or the level of experience needed for a career. The results of SDS may also be subject to a range of environmental influences including gender, age, ethnicity, education, and the occupations of influential people (Holland, 1990). Holland's SDS is an ideal instrument for assessing whether a respondent has the necessary 'interest pattern' (entrepreneurial disposition) for a vocation in entrepreneurship. It is, however, a long scale to complete.

The search for an appropriate scale to measure entrepreneurial disposition was not difficult. It was more difficult in the case of individualism and collectivism. Despite widespread acknowledgement of the importance of cultural values and behaviour generally over entrepreneurship in particular, the relevant research has been 'hampered by problems of definition and doubts about the empirical viability of the construct' (Braithwaite and Scott, 1991, p. 661). Over the past three decades, the innovative works of Rokeach (1973, 1967) have helped to rectify this situation and have provided 'conceptual and operational synergy that had been eluding value research for so long' (Braithwaite and Scott, 1991, p. 662). More recently Schwartz

and his colleagues (Schwartz 1992, 1994; Schwartz and Bilsky, 1987, 1990; Schwartz and Sagiv, 1995) have carried out a series of large-scale cross-cultural studies and have revitalised interest in the field of research into values (Oishi and Schimmack *et al.*, 1998).

Rokeach's Value Survey (1967) is one of the most commonly used scales. Rokeach distinguished between 'terminal values' (concerned with end-states of existence) and 'instrumental values' (concerned with modes of conduct). Despite its versatility, the Value Survey has been criticised (Keats and Keats, 1974; Kitwood and Smithers, 1975). One criticism is that it uses a single item scale. Psychometric theory suggests that 'no single item is a pure measure of the construct of interest, since each reflects error, some attributable to other irrelevant constructs and some to random fluctuations' (Braithwaite and Scott, 1991, p. 655). They observed that:

Constructs are best measured, therefore, by a number of different items that converge on the theoretical meaning of the construct while diverging on the irrelevant aspects that are being unavoidably assessed. Such a strategy is the conventional approach to arriving at a reliable and valid measure of a construct. (Braithwaite *et al.*, 1991, p. 665)

To achieve optimum reliability and validity, multiple items should be used to measure the relevant constructs. Since the earliest surveys, a number of alternative scales have been devised for the measurement of values. Although these scales are suitable for measuring a variety of cultural variables, few have focused specifically on individualism and collectivism.

Cross-cultural research on entrepreneurship gained momentum with Hofstede's (1980b) pioneering study on national culture. Researchers finally devised scales that specifically assessed individualism and collectivism. Those who followed Hofstede (1980b) include Hofstede and Bond (1984, 1988); Hui, (1988); Triandis (1989, 1995); Schwartz (1994), and Singelis, Triandis, Bhawuk and Gelfand (1995).

Since the assessment of the individualistic and collectivistic values within the three major ethnic groupings is a major focus of the present research in Fiji, it would be preferable to use a scale that is short, readily available and constructed specifically for this type of research. Unfortunately, no scale met these criteria. The readily available Individualism Collectivism Scale (presented as Appendix 5) by Singelis and Triandis *et al.* (1995) focused specifically on individualism and collectivism, so it had a better prospect of obtaining data on cultural values than other comparable scales. With 32 items, the scale cannot, however, be considered short, particularly by Fiji research standards. Despite this drawback this scale was used in the present research.

The Individualism Collectivism Scale (ICS) consists of 16 items on individualism and 16 on collectivism. These are further sub-divided into four domains: 'horizontal individualism' (HI), 'horizontal collectivism' (HC), 'vertical individualism' (VI), and 'vertical collectivism' (VC). It contains seven values with 1 indicating 'strongly disagree' to 7 indicating 'strongly agree'.

Singelis and Triandis *et al.* (1995) administered this scale to 96 students of the University of Illinois and to 171 students of the University of Hawaii, Manoa. Both samples included men ($n=109$) and women ($n=156$), as well as East Indians ($n=87$) and West Europeans ($n=59$). Because this scale has undergone cross-cultural testing, the researcher had greater confidence in its use in a multicultural environment such as Fiji.

The SDS and the ICS were the instruments used in this study to answer specific research questions. The two General Questionnaires were used to gain a profile of entrepreneur and student respondents based on age group, gender, ethnicity, educational level and nature of business involvement. The General Questionnaire administered to the entrepreneurs included a number of business-related questions which were excluded from the student questionnaire. The questionnaire relating to students is shown as Appendix Two and the questionnaire administered to the entrepreneurs is shown as Appendix Three.

5.3.7 Questionnaire development and piloting

Two General Questionnaires (see Appendices Two and Three) were developed by this researcher and the remaining two were pre-existing questionnaires. Though there was no compelling need to subject pre-existing questionnaires, the researcher nevertheless decided to place all the questionnaires through three piloting sessions with a view to evaluating their effectiveness in the local environment. According to Hashim and Rimmington (1997), piloting of questionnaires leads to clarity of questions, identification of anomalies and adequate allocation of time.

The pilot sessions were conducted with students of FNTC (Nadi Campus), the Tourism Studies Programme (USP), and the School of Hospitality and Tourism Studies located at the Fiji Institute of Technology (FIT). The first pilot session took place with the FNTC students at the Nadi Campus. Prior to the administration of the questionnaire to the first batch of students, the Manager of the campus identified five male and five female students. Respondents were provided with an explanation about the research and the implications of the findings. Since the words 'entrepreneur' and 'culture' are understood differently by various people, the researcher explained these words. It took approximately an hour for the students to go through the questionnaires. This group detected a few typographical errors, which were subsequently corrected. The next pilot session of ten students was held at the School of Hospitality and Tourism at the FIT. The Head of School undertook to pilot the questionnaires and report back to the researcher on feedback from students. Nothing negative emerged from the piloting session. The third pilot session was conducted with the help of five male and five female students of tourism at USP. Some students did not understand the reverse-coded items and this feedback led to the alignment of the reverse-coded items with the values of the remaining statements within the final questionnaire. The piloting exercise improved the format of the General

Questionnaires. No amendments were required in the case of the pre-existing questionnaires.

5.3.8 The application of Western-oriented scales

Singelis and Triandis *et al.* (1995) acknowledged the dangers of using Western-based questionnaires by stating that the ‘factors that are extracted from a factor analysis may not emerge as clearly in other cultures’ (p. 242). Similarly, Matsumoto (1994) cautioned against the use of pre-existing Western-oriented instruments in developing countries as follows:

Unfortunately, many cross-cultural studies are not as thorough as they should be with regard to measure equivalence. Researchers conducting studies with other cultures often use tests developed in the United States and show little concern for these issues. They assume not only that the questionnaire measures the same concepts, but also that the items on the test, and the subfactor groupings of the test, are all the same. This is indeed a very *large* assumption. If the assumption happens to be correct, then the researchers are lucky and the data are comparable. If the assumption is incorrect, then the research findings are questionable. Perhaps the biggest problem is that we are operating on assumptions and we don’t realize it! (Matsumoto, 1994, p. 29)

Although the SDS and the ICS scales used in this research have a predominantly Western configuration, they are internationally recognised and have been used in a range of cultural settings. They were considered suitable for use in a developing country such as Fiji. In the absence of questionnaires specifically relevant to a multiracial society such as Fiji, the use of Western-based instruments were deemed unavoidable.

5.3.9 Validity and reliability of the instruments

Since their purpose was to gather basic demographic data, the General Questionnaires may be excluded from the validity and reliability investigation. The validity of the pre-existing, Western-based questionnaires is determined on the basis of the content validity established by those who originally developed the scales. Holland's theory has the advantage of being internationally recognised. Numerous "clones of Holland's taxonomy abound in the career development marketplace, testifying to the practicality of Holland theory" (Miller, 1991 quoted in Frew, 2000, p. 78). The Cronbach coefficient alpha is used to test the reliability of the ICS. This measure is widely used in research to measure reliability and is equivalent to the average of all the split half-correlation coefficients (Aron and Aron, 1999). Singelis and Triandis *et al.* found a coefficient alpha for horizontal individualism of 0.67, horizontal collectivism of 0.74, vertical individualism of 0.74, and vertical collectivism of 0.68. Correlation coefficients can take values ranging from 0 to 1; the closer the value to 1.00 the better. In the case of the ICS the coefficient alpha range between 0.67 and 0.74. Since these indices are well above average, the instruments are deemed to be reliable.

The ICS is based on a Likert-type format. Expressing confidence in this approach Oppenheim (1992) has stated that the Likert Scales 'tend to perform very well (reliability) and yield high coefficients when ranking or ordering items or people with regard to a particular attitude' (pp. 199-200). Important variables were measured using different scales with a view to enhancing the reliability of the findings. This strategy is called 'triangulation' and involves the adoption of a variety of research methods and tests so that strengths of the one strategy may compensate the weaknesses of another (Hall and Hall, 1996). According to Burns (1997) triangulation has the advantage of preventing 'the investigator (researcher) from accepting too readily the validity of initial impressions' (p. 325). In some cases, limited budget, time and political constraints may reduce the practicability of the triangulation

approach (Burns, 1997). In the case of the present research it is clear that the use of triangulation has enhanced the reliability of the findings.

5.4 CHAPTER SUMMARY

This chapter has considered some critical issues associated with the development of an appropriate theoretical foundation. A model of entrepreneurship has been proposed which shows that the entrepreneurial process has multifaceted dimensions. It has been argued that culture substantially influences entrepreneurship in Fiji while entrepreneurship amongst Indo-Fijians and Others is influenced by a range of factors including culture. The procedures and methods adopted in assessing the five hypotheses have been described. A number of technical matters have also been considered including sample size, problems of measurement, instrumentation, piloting, and data collection. Based on purposive sampling qualitative data were obtained from 99 individuals engaged in the tourist and non-tourist sectors. The quantitative data were obtained from sixty-one entrepreneurs. One hundred and twenty-three students, enrolled primarily in tertiary educational institutions, also generated quantitative data. In total, two hundred and twenty individuals including entrepreneurs and tertiary students took part in the research surveys, which were conducted over a five-month period.

This Chapter has discussed the relevant data collection methods. Four questionnaires and semi-structured interviews were used to obtain data from entrepreneurs and students. The qualitative survey did not extend to students.

CHAPTER SIX

Data analysis and results

The ideal situation is that of a researcher who is open to and familiar with both qualitative and quantitative methods. A nonpassionate decision is possible depending only on the research question, but that situation is rare. Personal interest creates an allegiance to a particular paradigm and preference for a particular approach.

Decrop (1999a, p. 340)

6.1 INTRODUCTION

This chapter has two objectives: (1) to analyse the quantitative and qualitative data, and (2) to present the results. The analysis of data and results from the qualitative survey will be carried out first, to be followed by the analysis of data and results from the quantitative survey. This sequence reflects the importance the researcher has placed on the qualitative inquiry.

6.2 THE MEASUREMENT OF VARIABLES

The important variables that were present in the hypotheses and which were subjected to measurement are: an entrepreneurial disposition, individualism, collectivism, and modernity. The importance of each is discussed below.

6.2.1 Entrepreneurial disposition

Hill and McGowan (1999, p. 8) observed that it is ‘simply too difficult to capture every aspect of the many and diffuse issues ...’ in understanding the process of entrepreneurship. However, a model of entrepreneurship as depicted in Figure. 5.3 is one approach to gain a deeper insight into the phenomenon of entrepreneurship. This model shows that an entrepreneurial disposition is generated by a wide range of psychological, socio-cultural, political, and financial factors. It will be impossible to study all these factors individually as there are too many of them. However, an analysis of a few important variables can provide a depth of understanding.

The literature survey showed that psychological traits considerably trigger an entrepreneurial disposition. The psychological traits that have been identified in the literature survey include vision, energy, dedication, hard work, tolerance of risk, ambiguity, flair and proactive behaviour. The ethnic grouping that displays greater

entrepreneurial disposition is likely to achieve greater entrepreneurial success. Conversely an ethnic grouping that displays a low level of entrepreneurial disposition is likely to display a lower level of entrepreneurship.

6.2.2 Individualism and collectivism

Individualism is associated with an entrepreneurial disposition and an enterprising culture. Generally, culture may be described as either collective or individualistic. Individualism enables the latent enterprising personality of an individual to establish itself while collectivism seems to suppress it. An entrepreneurial disposition thrives in a culture that values individualism. The former encourages a positive attitude towards entrepreneurship.

6.2.3 Modernity

As shown in Figure 5.3, the socio-cultural, political and economic environments considerably influence entrepreneurship. But the ultimate success will depend upon people's attitude – whether they want to embrace modernity or adhere to the status quo. Hofstede (1994) has stated that a person's behaviour is partially pre-determined (Morrison, 2000). This means that an individual has room to deviate from the cultural norms on expectation of obtaining some benefit. Societies that seek to deviate from the norm may so do, for example, in seeking science and technology, modern education and engage in entrepreneurship. An individual with a traditional base, but shows an entrepreneurial disposition, could still succeed in entrepreneurship provided he/she seeks opportunities, displays traits that include determination, ambition, commitment, and hard work. Without these psychological traits, and even with the adoption of modern skills and techniques, entrepreneurship is likely to elude many individuals. Traditionalism and collectivism thus may not be great barriers to entrepreneurship provided an individual possesses an entrepreneurial disposition,

exploits the financial and political opportunities and adopts the best commercial practices.

6.3 HYPOTHESIS ONE²⁶ : QUALITATIVE DATA

6.3.1 Entrepreneurial disposition

It has been claimed that Indo-Fijians dominate the economy of Fiji, but the truth is that only about 10% of the community could be considered rich. According to Watters (1969), since ‘law prevented Indo-Fijians from buying Fijian land, the only economic incentives open to them were those of a money kind’ (p. 22). The visibility of this hard working minority grouping has led many to conclude that it controls the wealth of the nation. The entrepreneurial achievements of the Indo-Fijians have little to do with extraordinary entrepreneurial skills. Europeans also control a substantial share of Fiji’s economy, but because of their small population and ‘invisibility’ they do not attract as much attention and jealousy as Indo-Fijians.

Respondents were asked to focus on the core question: ‘It has been said that Indo-Fijians and Others display greater entrepreneurial disposition than other ethnic groupings in Fiji because of individualism. Could you please respond to this statement?’ A wide range of responses to the core and associated questions were obtained from the respondents. Some of these responses are reproduced verbatim.

Responding to the researcher’s question, a European respondent associated the entrepreneurial achievements of the Indo-Fijians with hard work and psychological traits:

²⁶ The first three hypotheses are inter-related. For example, the reasons which were found to impede the entrepreneurial disposition of Fijians could be used to gain an understanding of Hypotheses Two and Three, and data obtained to assess Hypothesis Two could be used to understand Hypothesis Three.

Whether you call it individualism or what, entrepreneurship goes with hard work, commitment, dedication and a desire to change lifestyle. Why are Indians [Indo-Fijians] successful? The father runs the shop from 5am to 7am – he does his share and goes to change and then to work. The wife drops the kids at school and runs the shop for the rest of the day. The kids come back home between 3 to 3.30pm; they run the shop until the father comes in the evening. He [father] sits in the shop till midnight. Family puts in 30 hours [of free labour] a day. Here three people do the job of one. (Voss, personal interview, 22nd March, 2001)

Individualism thus stimulates entrepreneurship. Consistent with the precepts of individualism, the former have the freedom to do what they want, for themselves and for their family. The United States has been cited as an example of where freedom, independence, self-sufficiency, individualism, achievement and materialism have fostered entrepreneurial disposition and entrepreneurship, thereby giving it a claim to be an entrepreneurial society. While Indo-Fijians are generally individualistic, they are under pressure to work in a collective manner within the business environment. Some of the largest business houses owned by the Indo-Fijian community operate on a collective basis as has been highlighted by an Indo-Fijian entrepreneur:

... the majority of businesses in Fiji are collectively owned by families and sometimes it can be two or three generations of families. Quite a lot of businesses are collectively owned by uncles, nephews, and their families, brothers and their families and their wives and kids. So I think, if anything, they have more collectivity than individualism. I think, particularly if you look at commercial Indian [Indo-Fijian] families, the Gujarati community for example, you will find that several families are living on one business, and they are all working collectively. (Niranjan, personal interview, 14th May 2001)

Indo-Fijian entrepreneurship has evolved over several generations. Many of the largest Indo-Fijian conglomerates started as small village enterprises before expanding. Notable examples include Punja and Sons, Motibhai and Company, Tanoa Group of Companies, Tappoos, Vinod Patel and Company, and Niranjans. According to Niranjan:

The Punjas, Niranjans and the Motibhais [Indo-Fijian entrepreneurs] have been built over 50, 60 years, and in most cases, second, third or fourth generations. And that entrepreneurship will come around in the Fijian community, but they need to have patience, perseverance, long-term objectives; they also need to put into an organisation rather than their individual selves. If they are able to sacrifice and sacrifice in many ways – sacrifice in family, sacrifice in comforts,

sacrifice short term for long term goals, then only will they be able to do it [become successful entrepreneurs]. (*Niranjan*, personal interview, 14 May 2001)

Some of the pioneers of these business houses came to Fiji under the indenture system. They had little education, but possessed a burning ambition to succeed in business. They exhibited perseverance, commitment, hard work, made savings and invested in business opportunities. This indicates an absence of uniformity within the Indo-Fijian community. The Gujaratis were not indentured labourers. They arrived in Fiji in the early 1930s as traders and within the ensuing seventy years have gone to own a substantial share of Fiji's enterprises. The enterprising nature of the Gujarati segment of the Indo-Fijian community is described by Gillion (1962). His observations are relevant today.

The first Gujarati [sic] immigrants were the most adventurous, for after 'chains' were established, others had just to follow. The immigrants maintained close ties with their relatives, received merchandise from them, remitted money, and returned home after a few years to marry in caste and bring their wives to Fiji (the first in 1919), or settle back in India. They were often penniless on arrival, but were assisted by other Gujaratis [sic] in Fiji and by their people at home, even in lines where they had no previous experience, and those who became established brought assistants from India. The Gujaratis [sic] are thrifty and hard working, with a strong sense of loyalty to one another; in contrast, the few ex-indentured Indians who took to trade or crafts often lacked skill, business ability, and group loyalty. (*Gillion*, 1962, p. 134)

Bain (1988) has also emphasised the hard working and opportunity-seeking skills of the Gujaratis:

The Gujaratis do not waste time. Everybody else may be asleep but they are in the shop. There is a simple cost/benefit equation: if the cost is too high and the benefit too low to be endurable, they will stream wherever they are in hundreds to diplomatic missions and airline offices. ... for while the Gujarati is acquisitive of money, he is not of land and other fixed – in this case depreciating assets – assets. And he is quicker than most to perceive the winds of adverse social and thus economic change. (*Bain*, 1989, p. 119)

In contrast, Fijian entrepreneurship (on an individual basis) is a new phenomenon, but during the colonial days Fijians showed considerable entrepreneurial disposition, albeit on a collective basis. Belshaw (1964) noted 'example after example of [Fijian] enterprise emerging from almost impossible conditions' (p. 273). But these

enterprises had not been productive and sustainable because of ‘the grossly defective institutional framework within which it has to work. The would-be Fijian entrepreneur, if he is not initially destroyed by bureaucratic forces, is faced by difficulties such as those of communication and credit supply over which he has little control’ (Belshaw, p. 273). The attributes of hard work and obsession with money are lacking among the Fijians. After independence in 1970 various types of affirmative action policies were introduced for Fijians to participate in entrepreneurship. The results were not encouraging. Succeeding governments assumed that Fijians lacked start-up capital and once this need was met, Fijian entrepreneurship would take off in the community. This assumption proved to be wrong. Financial assistance certainly helps in venture creation, but the entrepreneur additionally needs enterprising skills. Fijians generally lack these skills. The post 1987 era of military-civilian nexus unleashed an unprecedented Fijian nationalism, which had to be controlled by the introduction of affirmative action policies on a large scale. A parallel development was the exposure of Fijian students to a wider range of educational opportunities. This new breed of Fijians took up the challenge of entrepreneurship despite facing the harsh realities of their social system, but their number is small. Those who have applied the modern principles of entrepreneurship, worked hard, showed total dedication and commitment to the venture, have survived while others who have operated their business in the context of Fijian culture, have failed. The slow progress of Fijians in commerce had led one Fijian entrepreneur to lament that it will take 400 years for 5% of the Fijian population to operate their own business (Fiji Times, 19 March, 2004).

Chapter Four showed that Government’s affirmative action policies for Fijians have been successful in accumulating ‘collective capitalism’. The focus on collective capitalism, however, has led to the neglect of individual Fijian capitalism. The ‘Letter to the Editor’ (see Figure 6.1) in a local newspaper shows the frustration of a Fijian at not succeeding in entrepreneurship. The letter writer was one of the respondents in the qualitative survey.

Figure 6.1: A ‘Letter to the Editor’ explaining why a Fijian has failed in entrepreneurship

Fijians in business

Semi Tuleca’s [a Fijian] letter ... seems to indicate he is involved in a commercial enterprise and compared to other earthlings, has developed a high standard, understanding and trust.

He has a good sense of balance and does not blame others for business failure.

Hard work, focus, determination and perseverance are essential requirements for business success.

I always analogise business operations and competitions to the marathon.

Those who train early will learn tactics to win the race.

They would have improved, modified and updated equipment, style and method of training to survive the race.

Some earthlings can stand the trials and tribulations of the business race because they have been in the field longer than earthlings of Fijian origin.

All they (*taukei*) need to do is experience the race, learn from others and obtain essential qualities (educational and experiences) needed for the operation of a business, manured with hard work, perseverance and determination

My customers, in the short and exciting period of my business (13 years) was made up of 52 per cent Fijian earthlings and 21 per cent other earthlings.

They still ask and urge me to continue the race.

My engine has ran out of fuel (financial resource), thanks to the FDB [Fiji Development Bank] for propping me when my engine started to dry.

I would like to continue with a new idea but only if God gives me free fuel.

My idea will beat McDonald’s hands down.

Do not ask me why I stopped because it would take as long as the distance I caravaned, kicked, pushed and pulled about and around Suva, especially the SCC [Suva City Council] depot in Samabula where I landed twice and broke my tyre.

Jake Tulele, Suva.

Source: Fiji Times, 13th April, 2004, p. 9.

Apart from Indo-Fijians and Fijians, the third category of respondents who took part in the survey were the Europeans, Chinese, Part Europeans, and Pacific Islanders (categorised as Others). The Part-Europeans and Pacific Islanders generally show the behavioural characteristics of the Fijians. The Chinese population is small in number. Although not one Chinese²⁷ was interviewed, it is possible to throw some light on the enterprising nature of the Chinese based on secondary data and the researcher's observation of them in the last forty years. The Chinese generally interact with other Chinese in a collective sense. They operate business on a family basis and women play an extremely crucial role in Chinese entrepreneurship. It is not uncommon to see Chinese women selling vegetables in markets with a baby strapped at the back, sometimes one in the front and one at the back. They generally work extremely hard and for long hours, perhaps more than the Indo-Fijians. A majority of Chinese are small shopkeepers, some are vegetable farmers and successful business owners. In a nutshell, the entrepreneurial habit of the Chinese is similar to that of the mainland Chinese. The Confucian values of hard work and thrift are evident in Fiji's Chinese population.

As for the European entrepreneurs, it was found that they share many of the psychological traits exhibited by the Indo-Fijians. Some traits which the Indo-Fijians share with the European include honesty, punctuality, respect for customers and employees, and relationship marketing. Europeans treated the human resources as a critical asset. They were found to be the most individualistic of all the ethnic groupings thereby reinforcing the generally held view that individualism may trigger entrepreneurship.

²⁷ A number of attempts were made to contact two prominent Chinese entrepreneurs for an interview, but all attempts failed.

6.3.1 Analysis of the qualitative data

The qualitative data were analysed by placing similar words and phrases into similar themes. Appendix 6 shows an example of how qualitative data were analysed into themes to assess the entrepreneurial disposition (or lack) of Indo-Fijians, Fijians and Others²⁸. The final results of these analyses are shown in Tables 6.1 and 6.2.

Table 6.1: Entrepreneurship and entrepreneurial disposition – summary by themes

Themes	Psychological traits	Capitalist mentality and material acquisition	Emphasis on education	Inadequate land	Management and financial skills	Opportunity seeking	Miscellaneous factors	Ability to raise capital	Individualism	Family labour	Planning for tomorrow	Capacity to save
Indo-Fijians	√	√	√	√	√	√	√	√	√	√	√	√
Others	√	√	√	√	√	√	√	√	X	√	√	√

Source: Primary and secondary data

Table 6.1 shows the aggregated skills and traits that have contributed to the entrepreneurial disposition of the Indo-Fijians and Others. In the case of the Indo-Fijians, the 12 major themes associated with their entrepreneurial disposition, in descending order of importance and frequency, are: (1) psychological traits, (2) capitalist mentality, (3) emphasis on education, (4) inadequate land, (5) management

²⁸ All qualitative data were analysed in this manner..

and financial skills, (6) opportunity seeking, (7) miscellaneous factors, (8) ability to raise capital, (9) individualism (10) family labour, (11) planning for tomorrow, and (12) capacity to save. All these skills also contribute to the success of entrepreneurship in Others; the exception being land which is not a major issue for this grouping. Table 6.1 shows that the psychological traits are the most important factors that contribute to Indo-Fijian entrepreneurship. This is consistent with the characteristic of an Indo-Fijian being a hard worker, one who displays persistence, commitment, and dedication to business.

Table 6.2 shows the factors that have stifled the entrepreneurial disposition of Fijians.

Table 6.2: Factors impeding Fijian entrepreneurial disposition and entrepreneurship

Themes	Poor educational environment	Do not take risk and seek opportunities	Lack of hard work, commitment and perseverance	Poor financial management	Absence of materialistic culture (socialist mentality)	Lack of financial discipline	Inability to raise capital from lending institutions	Planning for today	Lack of ability to save	Lack of management skills
Fijians	√	√	√	√	√	√	√	√	√	√

Source: Primary and secondary data

As shown in the above table, the ten major factors that have weakened the entrepreneurial disposition among the Fijians (not ranked in order of importance) are: (1) poor educational background, (2) lack of risk-taking and opportunity seeking, (3) lack of hard work and commitment, (4) poor financial management, (5) an absence of materialistic culture, (6) a lack of financial discipline, (7) difficulty of raising venture capital, (8) short-term planning, (9) inability to save, and (10) a lack of management skills. It can be clearly noted that the entrepreneurial strengths shown by the Indo-

Fijians and Others are generally the weaknesses amongst the Fijian entrepreneurs. Although these factors are not ranked in order of importance, it may be concluded that the lack of financial and management skills are the paramount problems faced by Fijian entrepreneurs.

Although education is not one of the variables that is associated with any hypothesis, the poor educational environment is one of the most important factors that has generally affected the social and economic development of the Fijian community. Figures 6.2 and 6.3 contain extracts of letters written to a local daily newspaper by Fijian correspondents. While there might be some exaggerations in these articles, the basic facts remain unchanged.

These letters explain the problems facing Fijians in educating their children. Children belonging to the Indo-Fijian and Others generally enjoy better educational facilities. The role of education in the economic development of a nation or society cannot be overemphasised. Barke and O'Hare (1991) wrote that 'education is the lubricant of development'(p.52) and it 'enhances the investment made in almost every other aspect of the development effort' (p.52). They found that agricultural production among poor farmers with four years of education was 25% higher, the family size declined with increasing educational levels and child death and child malnutrition were lower in families of women who were better educated. Education thus has an all-encompassing effect on the social and economic development of societies.

6.4 QUANTITATIVE DATA

The previous paragraph discussed the nature of entrepreneurial disposition and individualism of the three ethnic groupings from qualitative data. In this paragraph these two variables have been re-assessed, but with the quantitative data. *Individualism* has been assessed with the individualism component of the

Individualism and Collectivism Scale (ICS) and 'entrepreneurial disposition' has been assessed with the Self Directed Search (SDS).

Figure 6.2: Problems of Fijian education²⁹

Education Blueprint

During a conversation with an Indian friend, the issue of Governments blueprint policy was raised. His concern was that Indians should not be blamed for Fijians lagging behind in education.

I explained to my Indian friend that Fijians are one of the most burdened people in the world and it is also no fault of theirs.

I illustrated to him the commitments a Fijian has especially in villages.

Most Fijians are Christians and are obliged to deduct about 20 per cent of their income to finance church-related activities.

- It is compulsory for a Fijian living in a village to pay provincial levy yearly to finance provincial administration. This accounts for nearly 5 per cent of total income.
- Fijians have to pay one-third contribution to finance development projects as the policy of the Ministry of Regional Development dictates. This accounts for nearly 5 per cent of total income.

There are numerous other cumbersome Fijian customarily (*sic*) obligations which accounts for nearly 40 per cent of total income.

A Fijian is left with only 30 per cent of his total income to account for food and sending children to school daily.

With the financial predicament faced by a Fijian, they are surely destined to fail in education.

Eremasi Raivanua , Suva

Source: Fiji Times, 7 April 2004, p. 10.

²⁹ In August 2004 the Methodist Church of Fiji (members predominantly Fijian) collected about \$2million dollars (Fiji) during its week-long annual conference. An ex-President of the Church has been reported to have complained that thousands of church members 'were forced to commit financial suicide by forking out for the church when children's educational needs and well-being were neglected (Fiji Sun, 28 August, 2004, p. 1). This, however, is one indication of the robustness of Fijian collectivism.

Figure 6.3: Cultural obligations affect Fijian education**Fijian education**

At a workshop we conducted not long ago we asked four groups of participants (almost all Fijians) to discuss what they thought were the root causes of poor performances by Fijians in school.

They came up with the following:

- spending on their children's education is not only a priority for many Fijian parents. Cultural obligations (funerals, *vanua* contributions, etc) and church obligations come first and often there is not enough money left for school fees, books, uniforms, etc;
- many Fijian parents do not give adequate time to their children and do not encourage them with their studies. Often they are away at church gatherings or choir practice or fathers were drinking grog or watching sports. Some parents are poorly educated and do not motivate their children;
- sometimes the environment at home is not conducive to study. Children are taken away from their studies to do other tasks in the house or they are distracted by the noise of TV, grog party, etc;
- the culture of silence in many Fijian homes encourages passivity, dependence, over-submissiveness and does not encourage initiative, responsibility, questioning and creativity which are so necessary for educational achievement;
- children from broken families are usually severely disadvantaged in their education and often drop out of school early;
- some Fijian parents are poor because they are not employed. Some are in full-time employment but receive very low wages. Often, when both parents have to work, children are not properly supervised. Children of poor families are more likely to drop out of school.

Semiti Qalowasa
Suva.

Source: Fiji Times, 30th June 2004, p. 10.

6.4.1. Measurement of individualism using the ICS

The MRA scores on individualism is shown in Table 6.3.

The lower values (1 to 4) indicate less agreement with the statements or variables. Consistent with this, responses to the values 1 to 4 on the continuum were disregarded on the basis that they showed less agreement with the values. Values 5 to 7 signify greater agreement with values of individualism and data appearing in these columns only were analysed. Because this hypothesis implies a comparison of the entrepreneurial disposition between Indo-Fijians/Others with Fijians, it was necessary to aggregate scores 5-7 obtained by these two groupings for the purpose of conducting a z test. The aggregated scores are shown in Table 6.4.

Table 6.3. MRA scores on individualism on the ICS scale: entrepreneurs

Values	1	2	3	4	5	6	7
Indo-Fijian responses	11	27	23	55	109	127	195
% of responses	2	5	4	11	20	23	35
Fijian responses	5	23	29	48	96	135	161
% of responses	1	5	5.8	9.7	19	27	32
Others responses	6	30	25	67	118	58	67
% of responses	2	8	7	18	31	16	18
Total responses	22	80	77	170	323	320	423
Percentage	2	6	5	12	23	23	30

Definition of values: 1=strongly disagree; 2=disagree; 3=slightly disagree; 4= neither agree nor disagree; 5=slightly agree; 6=agree; 7=strongly agree.

Source: Derived from the quantitative data

Table 6.4: MRA scores after aggregation: between Indo-Fijians/Others and Fijians

Values	1	2	3	4	5	6	7
Indo-Fijians/Others responses	17	57	48	122	227	185	262
% of responses	2	6	5	13	25	20	29
Fijian responses	5	23	29	48	96	135	161
% of responses	1	5	5.8	9.7	19	27	32
Total responses	22	80	77	170	323	320	423
Percentage	2	6	5	12	23	23	30

Source: Derived from the quantitative data

The z test value between Indo-Fijians/Others and Fijians were compared for differences in individualist values. The statistical result is shown in Appendix 8. At the selected 0.05 level of significance, the result is not significant ($-1.67 > -1.96$).³⁰ This result suggests that the null hypothesis should be accepted, and that there is no difference in the proportion of Indo-Fijians/Others and Fijians who espouse individualism.

6.4.2 Measurement of entrepreneurial disposition using the SDS

The MRA scores for each of the six variables by ethnic categories are outlined in Table 6.5.

For the purpose of this research, only the *enterprising* variable was analysed because it is directly related to an entrepreneurial disposition. The 'enterprising' types of individuals tend to be creative and innovative and hence are likely to display greater entrepreneurial disposition and skills. However, the other skills, namely, 'realistic',

³⁰ The calculated value will be rounded to the first two decimal points in all subsequent z tests results

Table 6.5 MRA scores on entrepreneurs: Holland's SDS

		Realistic	Investigative	Artistic	Social	Enterprising	Conventional
Indo-Fijians.	No of responses	383	384	429	572	630	669
	% of responses	12%	13%	14%	19%	21%	21%
Fijians.	No of responses	322	273	364	451	546	481
	% of responses	13%	11%	15%	19%	22%	20%
Others.	No. of responses	313	327	331	428	423	383
	% of responses	15%	15%	15%	19%	19%	17%
Total responses		1018	984	1124	1451	1599	1533
	% of responses	13%	12%	15%	19%	21%	20%

*Indo Fijians ($n=22$); Fijians ($n=18$); Others ($n=21$)

'investigative', 'artistic', 'social' and 'conventional' significantly contribute to successful entrepreneurship. For example, the 'social' skills are associated with 'human relationships', which is one of the most important skills required for effective management. The 'artistic' skill fosters creativity which may lead to innovation and entrepreneurship.

Before the z test was carried out, the scores received by the Indo-Fijian and Others respondents under the six variables were aggregated, but in the subsequent calculation only the scores appearing under 'enterprising' were considered. The aggregated scores are shown in Table 6.6.

The result of the z test is shown in Appendix 9. Since the calculated value is greater than the critical value ($-2.01 < -1.96$), the result is considered significant at the 0.05 significance level, suggesting the null hypothesis should be rejected. This result means that there are differences in the proportion of Indo-Fijians/Others and Fijians in

displaying an entrepreneurial disposition. This result is consistent with the message found in the literature survey.

Table 6.6: Aggregation of the scores: Indo-Fijians and Others in the SDS

	Realistic	Investigative	Artistic	Social	Enterprising	Conventional
Indo-Fijians /Others						
Number of responses	696	711	760	1000	1053	1052
% of responses	13%	13%	15%	19%	20%	20%
Fijians						
Number of responses	322	273	364	451	546	481
% of responses	13%	11%	15%	19%	22%	20%
Total	1018	984	1124	1451	1599	1533
	13%	12%	15%	19%	21%	20%

*Indo Fijians ($n=22$); Fijians ($n=18$); Others ($n=21$)

6.5 HYPOTHESIS TWO

6.5.1 Measurement of Fijian collectivism (Qualitative survey)

The Fijian society is generally characterised by collectivism. In the rural areas particularly Fijians live in small *koros* (villages) and their daily lives are dictated by customs and traditions. The head of the *Koro* makes major decisions. In this collective structure the concept of ‘vanua’ is significant. Individualism is not encouraged because it is seen to weaken collectivism. Those who show an entrepreneurial disposition and streaks of individualism will be seen as an outsider. In the urban areas where many Fijians live as individuals, they have greater opportunities to unleash their latent entrepreneurial disposition. The concept of ‘vanua’, for example, signifies

that all Fijians form part of an extended family and that they should not be selfish. The prevailing cultural values demand that they 'care and share'. By comparison Indo-Fijians and Others are less strongly bonded to the community. A number of Fijian behavioural and cultural practices could be considered incompatible with modern business principles. Some of these practices and behaviours that had been identified in the literature review include 'dinau', 'kerekere', and 'communal obligations'.

Fijians generally find it expensive to comply with many obligations and commitments because they are left with little or no savings for social and economic development. The consequences of meeting these obligations have severe effects on Fijian entrepreneurship as explained by an Indo-Fijian respondent:

Their [Fijian] tradition is not good for business. If there is a death in the family, a Fijian may not be at work for a hundred days. During this time his business will be neglected. Furthermore, all the money that comes in is regarded by them as profit. Their collective ventures are more successful, but this has happened because of free rides. (Sukhdeo, personal interview, 3rd April, 2001)

The Fijian traditional obligations are burdensome and were seen as being oppressive by some respondents. This viewpoint was reinforced by Beddoes:

They [Fijians] must curtail the burden and the huge load that the customary obligations have on them as individuals, because these are unfair burdens that they carry while trying to be an entrepreneur. As an individual, the Indo-Fijians and Others do not have these customary obligations that can be huge – huge burdens that we [Indo-Fijians and Others] do not have to be subjected to, thus we choose to be individualistic. (Beddoes, personal interview, 17 April 2001)

Beddoes went on to say that:

... the problem with Fijian culture and tradition is that over the years they have not modernised or adapted to the changes, and as the result we find in today's age the traditions and the cultural responsibilities of the individual is enormous. This is creating constraints on the individual Fijians in every household. This is what is leaving them behind, it is actually the burden they have to carry. One has to look at the functions they must perform in the funeral of a chief to understand the magnitude of the burden placed on the individual Fijian. What should have happened over the years, we should have modernised it or improved it or it should have

evolved. In other words, one *tabua* and one bale of *yaqona* would be sufficient to show due respect to the passing of a particular relative or chief, whereas you can now go to a function and it is virtually a competition as to who produces the most (Beddoes, personal interview, 17 April 2001)

Some Fijians were of the view that lack of participation in entrepreneurship gave Fijians more time to unproductive activities, as explained by a senior civil servant:

Entrepreneurs can be both individualists as well as collectivists. Staying together gives them [Fijians] false pride; giving away something is a sign of pride. Fijians can run businesses, but it's the false pride that affects them. When you stay as a community, you seem to indulge in non-entrepreneurial activities – in religion, maintaining traditional obligations, funerals, etc...there is a sense of guilt if one does not participate. (Bainivalu, personal interview, 10 May 2001)

On the other hand, a number of Fijians saw the positive side of collectivism as a form of social security in times of sickness and employment, as expressed in the following quotation:

I have observed that Indo-Fijians [are] occupied individually on some aspect of life. Fijians who live in collectives are only occupied in group effort. Indians are single-minded in their approach, they cannot be dependent on anybody. In the Fijian society, there is no pressure to live individually, as there are always shoulders to lean on. *Kerekere* and sales on credit are still common. Japanese society is also collective, but the society is highly structured. (Pareti, 14 May, 2001)

Another respondent noted that fulfilling cultural commitments sometimes became competitive and would lead to superfluous expenditure. The bidding process was explained clearly by a part-European respondent:

Those Fijians who have gone their own ways are described in negative terms, such as 'showoff'. If you don't subscribe to Fijian rituals, you show that you don't want to be part of the *Vanua*. Presentation and gifts during death ceremonies turn into competition between families. If a family contributes ten gallons of kerosene, another may try to match this with fourteen drums. [Most of the time] these gifts and presentations will be made with *kerekere* [borrowed] money. (Williams, personal interview, 27 April, 2001)

A similar message was given by a manager working for a regional tourist organisation:

Our traditional way of life is the greatest impediment to entrepreneurship...Issue of personal accumulation does not arise in that environment. Our traditional lifestyle – and I speak for myself – contradicts the principle of entrepreneurship. Culture teaches how to respect our elders, brothers and sisters. Depending upon how close one is to somebody, Fijians are expected to contribute as much as possible to communal functions. (*Vuidreketi*, personal interview, 10 May, 2001)

Comparing the nature of the Fijian collectivism in terms of an extended family, a European respondent commented:

Indian [Indo-Fijian] culture is individualistic. Indo-Fijians also have an extended family, but it ends at the brother and sister level. Indo-Fijians will find it difficult to feed themselves on their own. Thus, they have to work hard. Fijians don't have to work hard to survive. (*Erbsleben*, personal interview, 14th May, 2001)

Fijians therefore do not face 'compulsory' pressure to earn money in order to survive, for there will always be 'boarding and lodging' in the collective *koros*. Non-Fijians do not have any such choice.

The analysis of the qualitative data produced nine broad cultural themes that seem to negatively impact on Fijian entrepreneurship. These themes are shown in Table 6.7.

Table 6.7: Major factors affecting Fijian entrepreneurship: by themes

	Communal ownership of land	Religious commitments	Life around the chiefly system	Intense Communal obligations	Share and care philosophy	Does not value time	<i>Kerekere</i>	Group mentality	Cultural environment discouraging entrepreneurship
Fijians	✓	✓	✓	✓	✓	✓	✓	✓	✓

Source: Qualitative and secondary data

The results of the qualitative data seem to strongly indicate that Fijian culture generally, and Fijian collectivism particularly, significantly impact negatively on Fijian entrepreneurship.

6.5.2 Measurement of Fijian collectivism (quantitative data)

The collectivism values held by the Indo-Fijians/ Others and Fijians, was assessed by the z test which used the MRA scores (values 5-7) from the 'collectivism' component of the ICS. The MRA scores are shown in Table 6.8. The result of the z test is shown in Appendix 10. The result is significant at 0.05 level of significance ($-5.68 > -1.96$). This means that there are group differences in the proportion of respondents who display collectivist values and that there may be an association between Fijian collectivism and their display of an entrepreneurial disposition.

Table 6.8 : MRA response on the ICS: collectivism

Values	1	2	3	4	5	6	7
Indo-Fijians: Number of responses	2	14	36	68	80	130	149
% of responses	0	3	8	14	17	27	31
Fijians : Number of responses	8	26	23	47	57	154	161
% of responses	2	5	5	10	12	32	34
Others : Number of responses	57	34	32	77	78	57	65
% of responses	14	9	8	19	20	14	16

Definition of values:: **1** = strongly disagree; **2** = disagree; **3** = slightly disagree; **4** = neither agree nor disagree; **5** = slightly agree; **6** = agree; **7** = strongly agree.

Source: Researcher

6.5.3 Hypothesis Three

This hypothesis was assessed using qualitative data only.

Chapter One examined the dilemma facing Fijians – a choice between preserving culture or changing lifestyle (Nayacakalou, 1975). Hailey (1985) noted that Fijians must either operate businesses as individuals and according to modern business principles, or in the context of cultural values. Fijians resident outside Fiji and away from the epicentre of Fijian cultural obligations, have performed well both socially and economically (Philips, personal interview, 25 March 2001; Motibhai, personal interview, 4 May 2001). Such observations indicate that entrepreneurism and Fijian culture are reconcilable. However, as has been emphasised by Beddoes, Fijians are still locked into a cultural ‘mindset’:

Speaking as a tourism person and speaking selfishly for the tourist industry, it is imperative they [Fijians] maintain their culture. But, I also think that we should look at the actual culture of the other communities in Fiji and use it to our own advantage because we are a rich culture. Going back to the Fijians ... I think the problem with Fijian culture and tradition is that over the years they have not modernised or adapted to the changes, and the result we find in today's age - the traditions and the cultural responsibilities of the individual are enormous. This is creating constraints on the individual Fijians in every household. This is what is dragging them behind. (Beddoes, personal interview, 17 April, 2001)

Though they are rich in ‘collective entrepreneurship’, Fijians are generally absent from ‘individual entrepreneurship’. To a Fijian, collective entrepreneurship may mean possession of substantial shares in growth companies. Fijians have a two hundred million dollar portfolio in companies that include Carpenters, Fiji Industries, Morris Hedstrom, Colonial Mutual Life Insurance, Carlton Brewery, and the Colonial Bank. (Qalo, personal interview, 23 March 2001). However, investment on shares alone is not an example of entrepreneurship according to the definition of the concept proposed by Brodsky (1996).

Since 1987, a number of Fijians have emerged either as 'managerial' entrepreneurs or as 'bonafide' entrepreneurs. Some have failed badly, apparently, unable to separate culture from business and having insufficient management skills. Those entrepreneurs who have survived have generally needed to maintain a delicate balance between culture and entrepreneurship. These entrepreneurs are well educated, urban-based, and generally live far from the focus of traditional or collectivist culture.

Fijian respondents were asked two questions focusing specifically on collectivism and the responses were then quantified: (1) Can Fijian entrepreneurship develop in the context of prevailing cultural values? and (2) Does Fijian culture need to be reformed in order to be more entrepreneurial? Responses to these questions are shown in Tables 6.9 and 6.10.

Table 6.9 shows that an overwhelming majority of respondents believe that Fijian entrepreneurship could function within the context of Fijian culture.

Table 6.10 shows - not surprisingly – that 88% of the Fijian respondents held to the view that Fijian culture needs to undergo a process of reformation if the community is to match the social and economic progress of other ethnic groupings. One female

Table 6.9: Can Fijian entrepreneurship develop in the context of their present cultural values?

	Yes	No	Not sure
Indo-Fijians (n=32)	31 97%	- 0%	1 3%
Fijians (n=29)	26 90%	2 7%	1 (3%)
Others (n=31)	29 (94%)	- (0%)	2 (6%)

Source: From research data

Table 6.10: Does Fijian culture need to be reformed in order to be entrepreneurial?

	Yes	No	Not sure
Indo-Fijians (n = 32)	31 (97%)	- (0%)	1 (3%)
Fijians (n = 29)	25 (86%)	3 (10%)	1 (3%)
Others (n = 31)	29 (94%)	- (0%)	2 (6%)

Source: From research data

Fijian small business operator stated: 'My business comes first. Business gives me money, not culture'. Though not an entrepreneur herself, another Fijian female respondent noted that Fijian culture is not as strong as it used to be:

Communal living structure is now breaking. This is expected to bring more Fijians into entrepreneurship. *Kerekere* and *dinau* practices are breaking now, but they do exist. Urban Fijians are in a better position to say 'no' to *kerekere*. [if] I oblige *kerekere*, it is more to help the person on some project, rather than to give out of communal obligation. (Pareti, personal interview, 10 May 2001)

The opportunities which have opened up for Fijians since the coups seem to have triggered a wave of Fijian entrepreneurship. This was emphasised by Ratu Tevita Momoedonu, former Minister for Labour and Acting Prime Minister of Fiji on two occasions during 2000 and 2001. He noted that the 'gains made by Fijians after the coup of 1987 is much more than the gains made by Fijians in the previous 100 years' (personal interview, 16 May 2001). He observed that this development was due to the evolution of Fijian culture over the years and that this trend is expected to result in greater Fijian entrepreneurship over the next 20 years.

As examined previously, Fijians are wealthy in a collective sense. Fijians call this wealth 'collective capitalism', or 'social capital' (Bainivalu, personal interview, 10 May 2001). Fukuyama (1995) has defined social capital as 'the ability of people to work together for common purposes in groups and organizations' (quoted in Bolton

and Thompson, 2000, p. 122). The accumulation of social capital depends on strong community bonds arising from relationships, networks, trust and co-operation. Collective societies exemplified by the Fijians seem well suited to the accumulation of social capital.

Some commentators have observed that 'collective capitalism' is suitable for societies whose culture is not attuned to the modern business ethos. Many Fijians believe that because their culture is not strong enough to withstand the pressures of large business operations, accumulation of social capital may offer a short-term alternative.

Whilst some cultures evolve quicker than others, no community can claim to possess a culture that has not evolved over time. Indo-Fijian culture is now substantially different from the days of indenture labour. The Indo-Fijian culture associated with the rigidities of the earlier period withered as it was exposed to greater economic activities. Fijian culture, on the other hand, has not changed to any significant degree over the same period because of lack of exposure to materialism and entrepreneurship. But this is likely to change over time. In this context Berno (1995) wrote:

There appears to be a shift from collectivism to individualism in many parts of the world. The major determinants of this movement is affluence, (primarily the introduction of cash based economies). As people become more affluent, they become financially independent. This may often lead to independence from their groups. Affluence is also related to industrialisation and complexity of culture; complex cultures tend to become more individualistic. In addition, affluence is related to smaller family size. Small families permit parents to raise their child(ren) individualistically; children of such families tend to be idiocentric. Social and geographic mobility also contributes to individualism. Movement from urban to rural centres, and migration to other countries is correlated with individualism. With this migration, the traditional structure of the intergenerational or extended family is often challenged. (Berno, 1995, pp. 63-64)

The qualitative data seem to suggest that rigid Fijian collectivism is a major barrier to Fijian entrepreneurship. This conclusion is reinforced by the fact that those Fijians who have moved away from the ambit of rigid Fijian collectivism into urban areas have shown considerable entrepreneurial disposition. These successful entrepreneurs have not completely discarded their collectivist behaviours but have skilfully

integrated their collectivist values with modern entrepreneurial needs. Modernity therefore has the prospect of gradually blending the Fijian culture with the needs of modern entrepreneurial needs.

6.6 STUDENT SURVEY

The following sections deal specifically with Hypotheses Four and Five using quantitative data.

6.6.1 Hypothesis Four: Analysis of the SDS data

The data obtained from the students were analysed in the same manner as those obtained from entrepreneur respondents. Firstly, the SDS data were subjected to MRA, which generated the responses for each value (realistic, investigative, artistic, social, enterprising, and conventional). The *enterprising* skills were the focus of analysis because they are considerably associated with an entrepreneurial disposition and entrepreneurship. The output of this analysis is shown in Table 6.11.

A z test was then conducted to determine the calculated value of paired students (Indo-Fijian/Fijians, Indo-Fijians/Others, and Fijians/Others. The result of this test is shown in Appendix 11. The results show that in each case the null hypothesis should be accepted at 0.05 level of significance ($1.85 < 1.96$, $1.27 < 1.96$ and $0 < 1.96$ respectively), suggesting that students from the three ethnic groupings display different degrees of entrepreneurial disposition.

Table 6.11: Multiple Response Analysis of student scores: SDS

Ethnic Groupings	Realistic	Investigative	Artistic	Social	Enterprising	Conventional
Indo-Fijians: Number of responses	1077	1302	1417	1682	1742	1652
% of responses	12%	15%	16%	19%	20%	18%
Fijians : Number of responses	991	980	1144	1291	1332	1210
% of responses	14%	14%	16%	19%	19%	18%
Others : Number of responses	313	327	331	428	423	383
% of responses	14%	15%	15%	13%	19%	19%
Total number of responses	2381	2609	2892	3401	3497	3245
Percentage	13%	15%	16%	19%	19%	18%

Indo-Fijians (n=52), Fijians (n= 48), Others (n=23).

Source: Quantitative data

6.6.2 Hypothesis Four: Analysis of the ICS data to assess individualism

The MRA scores on the individualism factors are shown in Table 6.12. Values 5-7 in the scale relating to each group of ethnic student were subjected to the z test. The scores of Indo-Fijian students were compared with Others and Fijians, and between Fijians and Others. The z test results are shown in Appendix 12. The comparative results between Indo-Fijian and Fijian ($-0.199 < -1.96$), between Indo-Fijians and Others ($1.49 < 1.96$), and Fijians and Others ($1.58 < 1.96$) are not significant at the 0.05 level of significance. These results suggest that the null hypothesis should be accepted.

Table 6.12: Multiple Response Analysis on ICS data to assess individualism: students

Values	1	2	3	4	5	6	7
Indo-Fijians: Number of responses	32	88	96	71	172	295	350
% of responses	2.9	7.8	8.8	6.5	15.5	26.8	31.7
Fijians : Number of responses	33	40	61	82	145	237	245
% of responses	3.9	4.7	7.2	9.8	17.2	28.1	29.1
Others : Number of responses	8	16	29	38	54	99	56
% of responses	2.6	5.3	9.7	12.7	18.0	33.0	18.7

Definition of values: 1=strongly disagree; 2=disagree; 3=slightly disagree; 4=neither agree nor disagree, 5= slightly agree; 6=agree; 7=strongly agree.

Source: Quantitative data

6.6.3 Hypothesis Five: Analysis of the ICS data to assess collectivism

The MRA scores on collectivism in the ICS are shown in Table 6.13.

Table 6.13: Multiple Response Analysis on ICS data to assess collectivism: students

Values	1	2	3	4	5	6	7	Total
Indo-Fijians:								
Number of responses	13	33	52	80	214	273	331	996
% of responses	1.3	3.3	5.3	8.0	21.5	27.4	33.2	11%
Fijians								
Number of responses	7	33	59	72	143	199	280	793
% of responses	0.9	4.2	7.4	9.1	18.0	25.1	35.3	100%
Others								
Number of responses	7	12	18	23	60	64	89	273
% of responses	2.6	4.4	6.6	8.4	22.0	23.4	32.6	100%

Source: Quantitative data

To obtain the z test scores for collectivism, the data were analysed in the same manner as carried out in the case of individualism. As shown in Appendix 13, the z value was not significant at the 0.05 level of significance - between Indo-Fijian and Fijian students ($1.96 = 1.96$), between Indo-Fijians and Others ($1.38 < 1.96$) and between Fijians and Others ($0.14 < 1.96$) respectively suggesting acceptance of the null hypothesis.

6.6.4 SUMMARY OF RESULTS

Table 6.14 shows a summary of the results of the data analyses.

Table 6.14: Summary of qualitative and quantitative results

	TYPE OF ANALYSIS	VARIABLES	RESULTS
Hypothesis One	Qualitative	Entrepreneurial Disposition	Supports null hypothesis
	Qualitative	Individualism	Supports null hypothesis
	Quantitative	Individualism	Accepts null hypothesis
		Entrepreneurial disposition	Rejects null hypothesis
Hypothesis Two	Qualitative	Collectivism	Supports null hypothesis
	Quantitative	Collectivism	Rejects null hypothesis
Hypothesis Three	Qualitative	Modernity	Supports null hypothesis
Hypothesis Four	Quantitative	Entrepreneurial disposition	Accepts null hypothesis
Hypothesis Five	Quantitative	Individualism	Accepts null hypothesis
		Collectivism	Accepts null hypothesis

These results will be interpreted in the next chapter.

6.7 CHAPTER SUMMARY

With a view to testing the five hypotheses respondents were drawn from the three major ethnic groupings including entrepreneurs and managers from small scale tourism businesses, senior civil servants, representatives of statutory organisations, and tertiary students. Data were obtained by using qualitative and quantitative techniques, though student participation was limited to the quantitative survey. Qualitative data were obtained through semi-structured interviews while quantitative data were obtained using the General Questionnaire, the SDS and the ICS scales. The constant comparative method was used to analyse qualitative data while the quantitative data were analysed using the MRA and the z test.

The qualitative data demonstrated that entrepreneurs belonging to the Indo-Fijians and Others groupings exhibited greater entrepreneurial disposition. This was due to a wide range of psychological factors including individualism. On the other hand, the quantitative data did not come to a similar conclusion. The qualitative and quantitative data however seem to support the statement that individualism has contributed to the entrepreneurial disposition of the Indo-Fijians and Others. The qualitative data supported the statement that collectivism has a negative impact on Fijian entrepreneurship. The qualitative data did not produce clear results on the issue of Fijian entrepreneurship and modernity, but from the available evidence it can be concluded that both can move in harmony albeit gradually. Students from the three ethnic communities showed similar degrees of entrepreneurial disposition, collectivism and individualism.

CHAPTER SEVEN

Discussion

Computers make good friends. No matter how stupid, dull or dumb we may feel, we can still feel smarter than our computer. Computers can do many things, but they cannot think – and we can. Unfortunately, that also means that the thinking is up to us. A computer can help us to analyse our data, but it cannot analyse our data. This is not a pedantic distinction: we must do the analysis.

Source: Dey (1998, p. 55)

7.1 INTRODUCTION

The purpose of this chapter is twofold: (1) to discuss the results of the data analyses presented in the previous chapter, and (2) to acknowledge the limitations of this research..

7.1.1 Discussion of Hypotheses One and Two

The objective of Hypothesis One was to assess the statement that individualism has contributed to the greater entrepreneurial disposition displayed by the Indo-Fijians and Others than Fijians. This hypothesis is related to Hypothesis Two, which proposed that collectivism 'causes Fijians to display less entrepreneurial disposition than Indo-Fijians and Others in Fiji's small tourism business sector'. On this basis, the two hypotheses will be considered with reference to each other.

Three important variables exist in these two hypotheses: an 'entrepreneurial disposition', 'individualism' and 'collectivism'. Each will be discussed with reference to each other.

With respect to Hypothesis One, the qualitative data have demonstrated that Indo-Fijians and Others show greater entrepreneurial disposition than Fijians. This result is consistent with the existing reality. In Fiji's business and commercial sector, Indo-Fijians and Others have gained a predominant influence. Indo-Fijians came to Fiji in 1879 as indentured labourers, but over a period of one hundred and thirty years their presence in the economy of the country is disproportionate to their population. Indo-Fijians work much longer hours than Fijians. Similarly, Others, though a minority, are over-represented in the field of business and entrepreneurship. As argued in Chapter Four, an entrepreneurial disposition is a precursor to venture creation. A population that displays an entrepreneurial disposition is more likely to produce entrepreneurs. There is no dearth of entrepreneurial disposition amongst the Indo-Fijians. An

entrepreneurial disposition is also present within the Others, particularly amongst the Europeans, the Chinese and the Part-European segments. The survey showed that Fijians lack an entrepreneurial disposition, which partly explains the dearth of successful entrepreneurs in the community. In Chapter 3 it was shown that an entrepreneurial disposition is associated with psychological traits, which include hard work, planning for the future, taking risks, seeking opportunities, total commitment and dedication to business. These traits are generally absent among the Fijian entrepreneurs. Moreover, Indo-Fijians stand out from other communities in one other respect, perhaps with the exception of the Chinese: they work very long hours - in the evenings, during weekends and holidays. Even the entrepreneurial Europeans do not put in such long hours.

Individualism has certainly contributed to the higher proportion of entrepreneurship among the non-Fijians, but there are other factors which should not be underestimated. The most important other factor is the presence of an enterprising culture. The prevalence of an enterprising culture is of utmost importance to the growth of entrepreneurship in both individualist and collectivist societies. The collectivist Communist China is an example of a country which has been experiencing a comparatively higher economic growth over a period of years. This has happened because the Chinese government has created an enterprising environment conducive to the creation of an entrepreneurial disposition and entrepreneurship.

A newspaper article that appears as Appendix 14 is very relevant to the issue of entrepreneurship, particularly as they relate to the Indo-Fijians and Fijians. The writer of this article, who is an academic at the University of the South Pacific, skilfully argued why there is a comparatively higher percentage of Indo-Fijian entrepreneurs. Many of the arguments, however, used by this writer have been discussed previously in other research.

Although land is not a variable that appeared in Hypothesis One it deserves some recognition, because Indo-Fijian respondents particularly had identified land as an

important influencing factor in the growth of Indo-Fijian entrepreneurship. Since Indo-Fijians own very little land, they cannot make a decent living forever on whatever land they own or lease from Fijians. To compensate for this, and avoid the sufferings of their great grandparents under the indenture system they must work hard, save for an uncertain future and provide the best education for their children. A good education for children is seen by the Indo-Fijians as a passport to employment opportunities, self-employment and migration. Fijians do not face shortage of land, but their problem is one of the effective utilisation of their land. Those Fijians who possess an entrepreneurial disposition and intend to raise capital in order to start a new venture, often face a major hurdle. Since Fijians own land communally they do not have title to any land property. As such, they cannot use land as collateral to raise funds from lending institutions. Indo-Fijians generally do not face this problem to the same extent. A shortage of land also seems to have triggered entrepreneurship among a certain section of the Fijian community. Despite representing a small fraction of the total population, the Lauans (principally of Polynesian extraction), for example, exhibit a disproportionate share of entrepreneurial activities and occupy important posts in the upper echelons of the Civil Service. Currently, over 60% of the Chief Executive Officers in the Fiji Civil Service are Lauans. Owning little productive land, government employment and entrepreneurship are the only alternatives for the Lauans to improve their social and economic development.

Entrepreneurship may be an ‘unconscious’ strategy employed by Indo-Fijians to counterbalance the Fijian monopoly over land. Indo-Fijians have to survive and prosper in this country where they have little land. Entrepreneurship enables them to achieve these objectives.

The statistical analysis of the quantitative data on entrepreneurial disposition did not produce the expected result. The result showed that differences between the proportion of Indo-Fijians, Fijians and Others in displaying an entrepreneurial disposition is not significant. The qualitative data showed that Fijians lack an entrepreneurial disposition, but the quantitative data concluded otherwise. This

anomaly may be explained by distinguishing between an entrepreneurial disposition and entrepreneurship and then relating this to Fiji's three ethnic groupings. There is no doubt that the share of Fijian entrepreneurship is comparatively low, but this research has shown that the level of entrepreneurial disposition held by them is equal to other ethnic groupings. Fijians thus display ample entrepreneurial disposition (psychological traits), but they have not been able to translate these psychological skills into successful entrepreneurship (action). There may be a strong factor militating against Fijian entrepreneurship. In other words, they are creative, but they have not been able to translate this attribute into innovation. Could this be collectivism?

In order to effectively assess Hypothesis One the researcher had to show whether a correlation exists between individualism and an entrepreneurial disposition. Unfortunately, the quantitative data were not adequate to conduct this exercise. To effectively conclude a correlation or association between these two variables, data had to originate from the same source. In this research, data on individualism came from the ICS and the SDS produced the data on entrepreneurial disposition. Any attempt to show an association between the two variables by using data from different sources would have been akin to comparing oranges with potatoes. Despite this shortcoming, the proposition that Indo-Fijians and Others display greater entrepreneurial disposition than Fijians because of the individualist values they display, seems plausible.

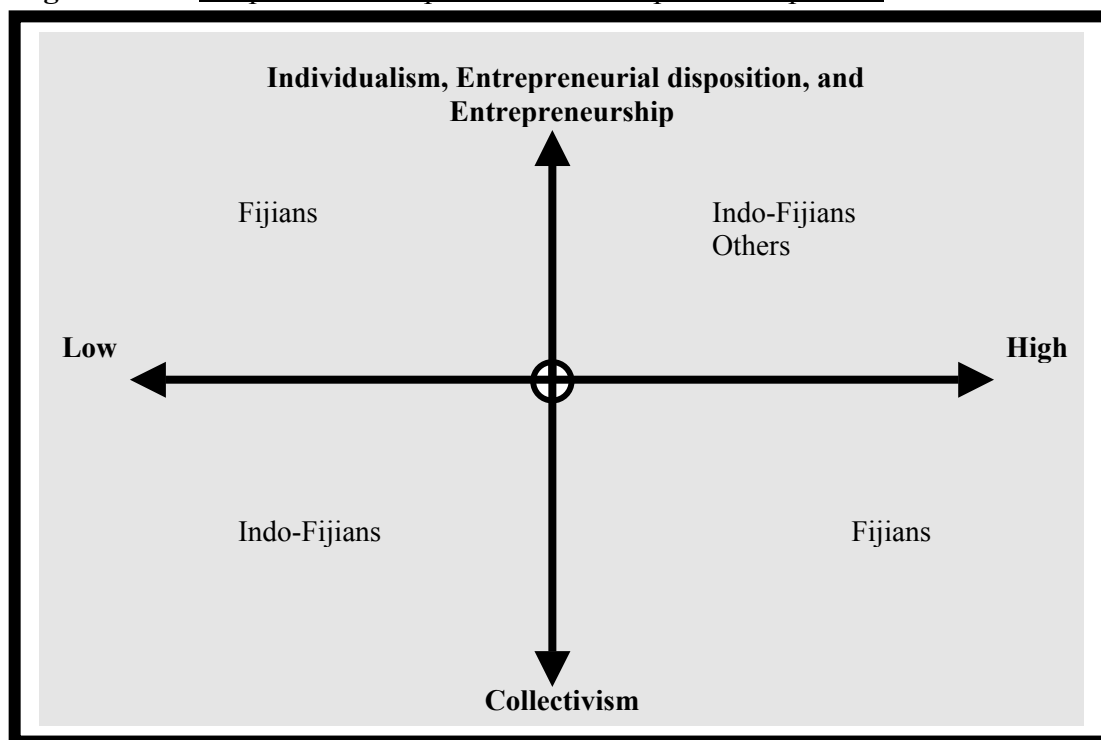
With respect to Hypothesis Two the qualitative and quantitative results diverged. As was the case in Hypothesis One, data were not adequate to establish a correlation between Fijian collectivism and entrepreneurial disposition. In any case, the quantitative data suggested that Fijians are collectivist only to the extent non-Fijians are. Despite this result, it may be concluded that collectivism does impede Fijian entrepreneurship to a great extent. However, evidence from other parts of the world have shown that collectivism is not antithetical to entrepreneurship. For example, the daily lives of indigenous Malays move around collectivism, but it must be understood

that Malaysian collectivism is not as rigid as Fijian collectivism. The Malay *bumiputeras* have been able to achieve considerable social and economic development after the affirmative action policies were introduced by the Malaysian government in the early 1970s because of 'flexible collectivism'. The rigid collectivism can be said to have significantly impeded Fijian entrepreneurship, despite the introduction of a wide range of official 'Fijian' affirmative action policies.

Despite the Fiji Government's laudable initiatives to increase the Fijian share of entrepreneurial activities, any positive results will not eventuate for many years because the rigidity of Fijian collectivism dictates that accumulation of capital is not a priority in Fijian culture. Since money and property are viewed as signifying selfishness, Fijians are expected to share wealth and property with a view to strengthening their collective structure. Money and entrepreneurship are viewed as isolating Fijians from the collective paradigm thereby weakening group cohesion and solidarity. Fijians are expected to show total obedience to God and success in entrepreneurship means less commitment to the deity. The proclamations of the Churches for regular contribution from followers, has further affected Fijian social development. The Churches, however, have clarified that such contributions are voluntary, but the ecclesiastical threats for non contribution normally leads to regular compliance. Although the qualitative data supported Hypothesis Two and the quantitative data did not produce a clear message, the proposition that culture impacts negatively on Fijian entrepreneurship sounds plausible.

Figure 7.1 shows the position of Fijians and non-Fijians on the entrepreneurship and entrepreneurial disposition index.

As shown in Figure 7.1, Fijians display a comparatively lower level of entrepreneurial disposition and entrepreneurship. On the other hand, Indo-Fijians and Others are shown to display a higher level of these two skills. What this figure shows is that there is a correlation between individualism and successful entrepreneurship, and between collectivism and low incidence of entrepreneurship.

Figure. 7.1: Entrepreneurial disposition and entrepreneurship index

Source: Researcher

7.1.2 Discussion of Hypothesis Three

Hypothesis Three examined whether an accommodation between modern business practices and culture has contributed to the success of Fijian entrepreneurship.

The literature review and qualitative data have suggested that culture is a major obstacle to Fijian entrepreneurship, but that a new generation of Fijian entrepreneurs exposed to modernity has succeeded in aligning their culture to modern commercial realities. Since the military coups of 1987 these entrepreneurs have gained greater educational and entrepreneurial opportunities and have chosen the path of modernisation. As explained in Chapter Three, these entrepreneurs may be analysed in terms of the 'traditional-modernity continuum.' According to this paradigm, cultural values are important to traditionalists because of their 'strong normative attachment' whereas modern individuals exhibit 'weak normative affinity'. The new

generation of Fijians has adapted by keeping its distance from the epicentre of Fijian traditionalism after having been exposed to modernity and exhibiting a desire to compete with other ethnic groupings. Despite such distancing, they exhibit little desire to abandon their collective environment to become individualists or to lose their Fijian identity. This accommodation appears to be workable, but may take time before becoming an ingrained behavioural pattern. The behaviour of the new breed of Fijian entrepreneurs may be akin to the Japanese who are strongly collective at home, but are fiercely entrepreneurial in business. Over time, it can be anticipated that Fijian entrepreneurship may erode the bonds that keep them within the collectivist boundary.

The future generations of Fijians exposed to modernity may be able to modify a number of cultural practices – particularly the unproductive ones – and integrate them into the modern business world. This appears to be happening already, but is likely to accelerate with exposure to education and migration of people to urban centres where the need to survive in business will have to be given a higher priority than to the preservation of cultural traditions.

The Government of Fiji has recognised the incompatibility between Fijian culture and modern entrepreneurship and wants Fijian culture to ‘evolve organically’ within the cultural perimeter, as stated in a government publication (Government of Fiji, 1993):

There appears to be a degree of conflict between certain areas of Fijian culture and tradition on the one hand and wealth accumulation on the other. The management of this apparent conflict is recognised as an important challenge. Fijians will need to allow their culture and tradition to evolve organically in the face of the transition from subsistence to the market economy, increasing de-regulation and exposure to the dynamic forces of world commerce. The Fijian culture and way of life is resilient enough to adjust to and be enriched by such an organic evolution. (Government of Fiji, 1993, p. 10)

The problem with this approach is that Fijians will find it difficult to catch up with non-Fijian entrepreneurs who are not encumbered by cultural obstructions. Countries and societies that have shown economic progress emphasise more on economic realism and less on cultural activism. Indo-Fijians and Others have shown a higher level of entrepreneurship because their cultural values do not negatively influence

their entrepreneurial activities. These two ethnic groupings have adopted modernity and hence they are able to adopt modern techniques of production. Modernity thus has the potency to change behaviour and directions of individuals to pursue a desired path.

7.1.3 Hypotheses Four and Five

Hypotheses Four and Five are closely related and were applied to the student population.

Hypothesis Four proposed that students from the three ethnic groupings based at the tertiary institutions would display similar degrees of entrepreneurial disposition. Due to exposure to the social, economic and political forces that Fijian students have encountered after the 1987 coups, their current thoughts and perceptions about various national issues would be expected to be different from those of their parents. In many parts of the world, university students have been the vanguard of change. On this basis, Fijian students were expected to display a level of entrepreneurial disposition similar to those of non-Fijian students. The research data supported this proposition. This result has defied the stable personality theory. This change of thought augurs well for Fijian entrepreneurship, since it may be anticipated that the current and future generations of Fijian students may become more individualist and more independent - qualities necessary for successful entrepreneurship. Non-Fijian students – particularly the Indo-Fijians – indicated an interest in entrepreneurship, but many also indicated that they did not wish to pursue a life focused around entrepreneurship. It may be anticipated that the current and future generations of Indo-Fijian students are less likely to become entrepreneurs.

Hypothesis Six, which is related to Hypothesis Five, proposed that students from the three ethnic groupings would show similar degrees of individualism and collectivism. It was anticipated that exposure to the current social, economic and political forces would dilute the collectivist values of Fijian students in particular, and, by

implication, shift their stance towards individualism. The quantitative data showed that there were no group differences on the collectivist and individualist values held by the students from the three ethnic communities. It seems that the future generation of students would be more individualist and show greater independence in decision making. Fijian students in particular will be more likely to get involved in entrepreneurship in larger numbers, because, as explored in Hypothesis Four, individualism and independence contribute to successful entrepreneurship.

Individualism and collectivism provide some basis for explaining the presence or absence of entrepreneurship in a society. For example, the comparative absence of entrepreneurship amongst Fijians is due to collectivism, while the comparative entrepreneurship strength of non-Fijians appears to be individualism. Overall, entrepreneurship is a complex phenomenon and a range of variables need to be explored to explain this elusive subject.

7.2 IMPLICATIONS OF THE RESEARCH

Research has shown that societies which foster individualism - such as the USA, United Kingdom and countries in Europe - have exhibited a high level of entrepreneurial disposition and entrepreneurship. On the other hand, societies that live under a collective system have not achieved a comparative level of entrepreneurship. A large number of countries situated in the African continent fall under the collectivism paradigm. Fijians provide another example of a collective society.

Although the quantitative data showed that the level of entrepreneurial disposition amongst Fijian entrepreneur respondents is almost equal to that of Indo-Fijians and Others, the qualitative component of the research indicated that Fijians have not attained the level of entrepreneurship equivalent to non-Fijians. Culture and collectivism were found to be the major reasons stifling Fijian entrepreneurship. The data have indicated that Fijian entrepreneurs can integrate both the traditional

(collectivist) and modern business practices, particularly in the case of enterprises located in urban centres and Fijian entrepreneurship is most likely to succeed in such centres. Non-Fijian entrepreneurs may, however, survive in a Fijian village environment since they are not bound by the various customary practices which have stifled Fijian economic development.

Successful entrepreneurship may be understood at two levels. The first level involves the extent to which the individual entrepreneur possesses innate talent or entrepreneurial disposition. Some people possess an entrepreneurial personality that includes strategic vision, interpersonal skills, emotional intelligence, perseverance, dedication, and emotional stability in times of adversity. Many of these traits cannot be acquired by training and education. All societies appear to have a minority who possess innate personality traits and entrepreneurial disposition. Such innate psychological characteristics, however, will not guarantee an individual entrepreneurial success. They may, however, be supplemented with managerial and technical skills that can be acquired as a result of education and training. The possession of a right mixture of entrepreneurial disposition and managerial and technical skills may increase an individual's chances of operating a successful business venture. Fijian entrepreneurs need constant exposure to the relevant managerial and technical training programmes so as to avoid failure.

The qualitative data have shown that successful Fijian entrepreneurship is being spearheaded by Fijians who have encountered the social, economic and political realities impacting on the society following the coups of 1987. This new generation of Fijians with a broader outlook in life, has proved that entrepreneurship and culture can coexist. This suggests that Fijian individuals should locate their businesses away from those centres where they will have to comply with traditional obligations thereby draining their savings. This suggests that Fijian entrepreneurship is not likely to flourish near Fijian villages, where non-Fijian entrepreneurs are more likely to set up business. There is an irony about Fijians and business, in that they have to run away from their own people to succeed entrepreneurially. A Fijian entrepreneur will not

see another Fijian as a potential customer, but as somebody who will not contribute to the growth of his business.

Nayacakalou (1975) warned that Fijians must make a momentous decision – the choice between culture and business. To achieve success, Fijian entrepreneurs should display total commitment and dedication, and this may mean dispensing with certain Fijian cultural practices. The new generation of Fijian entrepreneurs has skilfully integrated its cultural values with the needs of modern entrepreneurship. Without this approach, it is likely that Fijian entrepreneurship would have remained at the pre-independence levels.

With the decline of the sugar industry, the Fiji Government has become heavily dependent on the tourism industry for the social and economic development of the country. Making up approximately 50% of the population and owning approximately 90% of land, Fijian participation in the industry is not commensurate with their importance. A significant proportion appear to be occupying low paying jobs within the small tourism business sector such as cooking, bartending, cleaning, portering, gardening, driving and entertaining. One of the objectives of the *Blueprint* is to assist the Fijians in their attempt to increase their share of entrepreneurial activities. If properly executed, the *Blueprint* offers the prospect of a more equitable distribution of wealth.

The *Blueprint* will fail if the Fijian beneficiaries do not ‘work hard, fail to stay within their means, continually control costs, keep the cash flow moving, make the bank happy, chasing debtors and battle to pay creditors’ (Daily Post, 13 March 2002, p. 5). During the course of this thesis the researcher has adopted the view that an improved understanding of entrepreneurial disposition may advance the effectiveness of entrepreneurs and the incidence of entrepreneurship. In particular, any insight may provide government with a sense of which training programmes would be most appropriate, to focusing on those skills that have been identified as providing the greatest stimulus to entrepreneurship, and removing those that appear to stifle it. The

findings could also be used to screen the entrepreneurial students from their non-entrepreneurial counterparts to allow more targeted approaches towards training and education programmes. The SDS and ICS can identify the extent to which students display an entrepreneurial disposition, individualism and collectivism and may be used to guide students whether to choose entrepreneurship as a vocation.

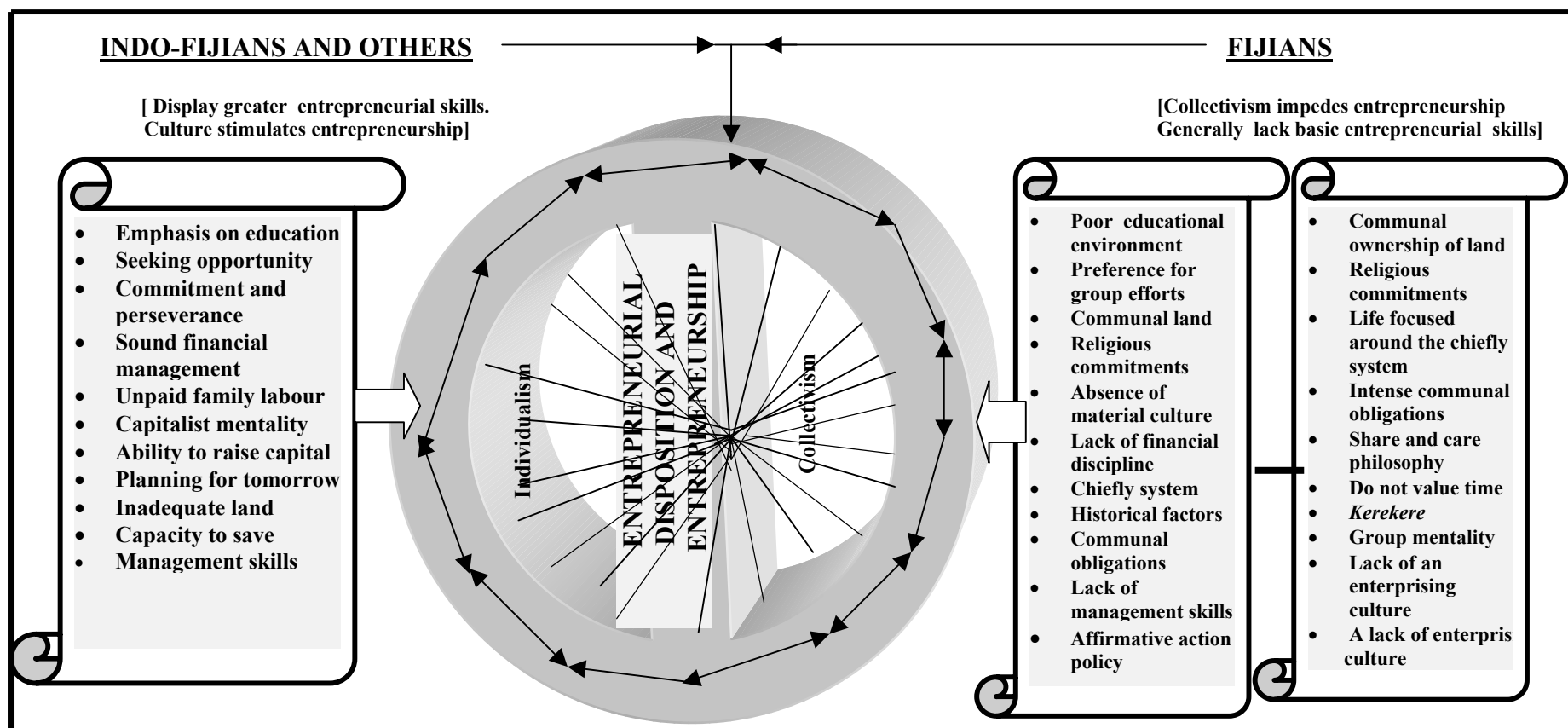
In the earlier discussion of frameworks and theories of entrepreneurship, there was a strong focus on the Trait Model which offers a biological perspective of entrepreneurship. This implies that the entrepreneurial success of Indo-Fijians and Others in Fiji's small tourism sector is attributable to inherited entrepreneurial genes. It also implies that the low incidence of Fijian entrepreneurship is attributable to the absence of entrepreneurial genes. As has been argued throughout this thesis such arguments need to be viewed with caution since they do not account for the entrepreneurial achievements of many Fijians since the military coups of 1987. Such successes appear to be less associated with genes, and more with the presence of favourable factors in the external environment. Continuing with the same logic, it may be assumed that changes in the environment may offer the prospects for fostering entrepreneurship. The environmental factors may be classified under the headings 'psychological' (trait), 'socio-cultural', 'economic' and 'political'. As was identified in the literature review socio-cultural factors appear to have a particularly substantial impact upon entrepreneurship in developing countries, notably in Fiji with the various socio-cultural factors relating to individualism and collectivism.

To be relevant to Fiji, any model of entrepreneurship needs to give prominence to cultural variables such as individualism and collectivism. The reconceptualised Timmons Model of entrepreneurship (outlined in Figure 5.2) demonstrates the dynamic relationship between entrepreneurship and a range of factors including culture. The model should have a high degree of international applicability, but the factors of individualism and collectivism are particularly applicable in the Fiji context. The model acknowledges the importance of 'entrepreneurial personality traits' which are innate to an individual such as 'cognitive elements', 'motivation',

‘expectancy of success’ and ‘skills’. The model also highlights the presence of certain behavioural characteristics which are capable of being learnt. Other influencing factors that can promote the growth of entrepreneurship include a country’s economic policies, its political system, political stability, and education system.

An entrepreneurial disposition may prompt an individual to become an entrepreneur, but it will not guarantee success. As explained before, successful entrepreneurship is most likely to occur within an entrepreneurial environment. In the case of Fiji, the environmental factors may considerably explain the inequitable share of entrepreneurial activities amongst the three ethnic communities. For non-Fijians, the entrepreneurial environment is broadly favourable while this is not the case with the Fijians.

Figure 7.2 shows an ‘entrepreneurship wheel’. It attempts to represent in diagrammatic form the factors that have promoted and stifled entrepreneurship among non-Fijian and Fijian entrepreneurs respectively. For conceptual purposes, the researcher has associated Indo-Fijians and Others with individualism and Fijians with collectivism. This model explains the reasons for a higher level of entrepreneurship amongst Indo-Fijians and Others, and a lower level of entrepreneurship among Fijians. Since the factors associated with the growth of entrepreneurship have received ample coverage reference will be made only to a few. In the case of Indo-Fijians, previous hardships and sufferings under the indenture system may have prompted many workers to become entrepreneurs following their emancipation. Under the indenture system many labourers were illiterate, uneducated, and came from the lowest caste. Whilst by no means constituting an entrepreneurial class, members of this group may have already possessed an entrepreneurial disposition. On their release from the indenture system, these workers had an option of either returning to India or staying in Fiji as free citizens. Both options were fraught with difficulty. A return to India meant alienation, prolonged social adjustment and possible ostracism by the higher classes. Staying in Fiji meant establishing a new life,

Figure 7.2: The entrepreneurship wheel

Source: Researcher

but in the context of an uncertain future. The latter option seemed the lesser evil for many. They capitalised upon their entrepreneurial disposition by setting up small businesses, often with a view to obliterating their memories of hardship and social deprivation associated with the earlier period. Since Indo-Fijians own little land, entrepreneurship has been the main alternative to agriculture for succeeding generations. It has been a practice amongst Indo-Fijian entrepreneurs to train their children, and particularly their male children, in the basic principles of entrepreneurship from a young age. Indo-Fijian Gujarati children are commonly trained in all aspects of business from an early age and, upon reaching adulthood, display an entrepreneurial disposition as well as the knowledge and skills to operate a business either collectively with family members, or independently. This experience is less prevalent amongst other Indo-Fijian communities.

There seems to be correlation between education and entrepreneurship. With a view to ensuring that children do not experience the sufferings of the indenture system, education has been and remains a top priority for Indo-Fijian parents. In the present study, 91% of the Indo-Fijian respondents in this research had a high school and tertiary education, and all respondents classified as Others possessed a secondary school and tertiary education.

Categories located towards the right side of the 'Entrepreneurship Wheel' offer a number of explanations for the lower incidence of entrepreneurship amongst the Fijians, while categories on the left side of this diagram show factors that seem to have encouraged and stimulated entrepreneurship within the non-Fijian communities. These factors do not need explanation because many of them have been previously discussed in this thesis. However, it needs to be emphasised that the absence of a 'capitalist culture' appears to be the most important factor holding back Fijian entrepreneurship. Having been isolated from the economic environment by the colonial power for over a hundred years entrepreneurship is not accorded a high priority within the Fijian community. This created a 'mindset' which is not conducive to entrepreneurship. Those who successfully overcome this 'mindset'

and become entrepreneurs, confront the frustration of operating within collective boundaries or else relocating to an urban setting.

Most Fijians are rural dwellers. In these settings education is typically inadequate and students spend a disproportionate amount of time attending to communal obligations. In these settings insubordination to the village elders is not tolerated, creating an atmosphere which is not conducive to critical thinking and entrepreneurship. Existing and prospective entrepreneurs need capital whether they intend to establish a new venture or expand an existing one. Because of the practice of *kerekere* of savings Fijian culture does not allow wealth accumulation. Since Fijian ownership of land is overwhelmingly communal, it cannot be used as collateral to raise capital to establish a new venture. Apart from rental money obtained from lease of land (most of which eventually ends up with the chiefly class) during the post-independence period, Fijians with entrepreneurial intentions have had to depend on various types of assistance including capital. Following the military coups of 1987 such assistance was accelerated under the various affirmative action programmes. Some enterprising Fijians have performed well, but many others have failed. Whilst an effectively executed affirmative action programme can enhance Fijian entrepreneurship, the success and growth of Fijian entrepreneurship will depend upon the extent to which unproductive cultural practices could be successfully overcome. An entrepreneurial culture must be present in a society. Fijians have been found to possess a high degree of entrepreneurial traits, but the absence of an entrepreneurial culture has disabled Fijians from becoming successful entrepreneurs.

The Entrepreneurship Wheel shows the factors that have influenced entrepreneurship among the three ethnic groupings in Fiji. The higher degree of entrepreneurial disposition displayed by the Indo-Fijians and Others is attributed to individualism and to an entrepreneurial culture that includes materialism, capitalism, savings and investment. Fijians seem to possess a similar level of entrepreneurial disposition, but their collective culture appears antipathetic to the basic ingredients of entrepreneurship, namely individualism, capitalism, materialism, and investment. An

entrepreneurial disposition is no guarantee of entrepreneurial success in the absence of an entrepreneurial environment. The arrows within the wheel in opposite directions, however, indicate that entrepreneurship can thrive within the collectivist and individualist environment.

The Entrepreneurship Wheel offers a better understanding of entrepreneurship in Fiji, and may have some applicability to multi-ethnic societies across the world, particularly in the collectivist societies in the rest of the Pacific and in Africa.

7.3 LIMITATIONS

Like many similar studies, this research has some limitations.

It is a truism to state that wrong data will produce wrong results. To prevent this from happening, it is incumbent upon the researcher to take all practical steps to ensure that the data are collected efficiently. However, having taken all precautions, a researcher may still find that the data were not collected accurately. This research was no exception. A number of factors could have impacted negatively during the data collection phase. Some of these important factors are discussed below.

The field survey was conducted in Fiji at a time of heightened ethnic conflict. Participants may have responded differently during normal circumstances. During the recent parliamentary debate about entrepreneurship, Fijian leaders spoke of their marginalisation in their own country, and the urgent need for the government to help Fijian society to increase its share of the national economy. Subsequently, the Interim Government introduced the *Blueprint* to facilitate greater Fijian entrepreneurship. A number of Fijian respondents in the present research may have been influenced unconsciously by the political debate. It also seems likely that Fijian respondents may have misinterpreted some variables in the questionnaires to mean what they wanted them to mean, rather than what was intended. Influenced by the political debate, some non-Fijian respondents may also have indicated higher scores on the value index. The

exercise of concentrating responses to the higher values in a questionnaire is known as ‘cultural response sets’. For example, in one of the tests, Indo-Fijians gained high scores on collectivism when one would have expected them to have scored less; Fijian students scored high on individualism when a lower score was expected. According to Matsumoto (2000),

Cultural response sets are tendencies for members of a given culture to use certain parts of a scale when responding If cultural response sets exist, any differences found among cultures may reflect these response tendencies rather than actual differences on the items the researcher intended to measure. (Matsumoto, 2000, p. 126)

Consistent with a cultural reluctance to be conspicuous, members of collectivist cultures may hesitate to use the extreme end points of a scale (Matsumoto, 2000). Similarly, other non-Fijian ethnic groupings may also have committed this error. Cultural response sets can contribute to ‘non-equivalence in the data, making valid comparisons difficult’ (Matsumoto, 2000, p. 126). The cultural response sets may have been prevalent in the questionnaires completed by the Indo-Fijians and the Fijians.

Finally, the use of imported questionnaires in the Fiji cultural context may have produced distorted results. For example, ‘equivalence’ is an important concept in cross-cultural research. This concept means ‘a state or condition of similarity in conceptual meaning and empirical method between cultures that allows comparisons to be meaningful’ (Matsumoto, 2000, p. 115). If words do not have the same meaning across cultures, then a comparison of the results will be tantamount to comparing oranges with apples. The meaning of entrepreneurship to many Fijians is undoubtedly subtly different from its meaning for non-Fijians. Similarly, the concepts of profit and time carry different meanings for Fijians and non-Fijians.

7.4 CHAPTER SUMMARY

Indo-Fijians and Others appear to exhibit a greater incidence of entrepreneurship because of their cultural values including individualism, materialism, hard work, savings and success. These attributes are lacking in Fijian society with its collectivist ethos. Custom and tradition are broadly inimical to Fijian social and economic development. However, Fijian entrepreneurs located outside the traditional environment have achieved considerable success because of their isolation from the epicentre of Fijian communal obligations. They have successfully aligned their cultural orientation to the needs of modern entrepreneurship.

Successful entrepreneurs should normally exhibit entrepreneurial disposition which then leads to entrepreneurial action. Fijians appears to possess a considerable amount of entrepreneurial disposition, but their cultural values will prevent them from becoming successful entrepreneurs. Similarly, Indo-Fijians and Others display a considerable amount of entrepreneurial disposition, but since they are not so much influenced by collectivism they will be able to attain a high level of entrepreneurial success.

The tertiary students from the three ethnic groupings displayed similar levels of entrepreneurial disposition, individualism and collectivism. While Indo-Fijians and students from the Others category would continue to show interest in a variety of careers including entrepreneurship, Fijian students are expected to show an increased interest in entrepreneurship relative to their parents' generation, but they will find their path to entrepreneurship frustrated by their collectivism.

CHAPTER EIGHT

Conclusions and opportunities for further research

An exploratory study was conducted in Fiji to test the individualism, collectivism and entrepreneurial disposition values of entrepreneurs and tertiary students. Both qualitative and quantitative data were gathered on two hundred and twenty entrepreneurs and students to find whether individualism contributed to the entrepreneurial disposition of the Indo-Fijians and Others; whether collectivism stifled the entrepreneurial disposition of Fijians, whether successful entrepreneurship could succeed by aligning collective cultural values with the modern principles of entrepreneurship; whether tertiary students belonging to the three major ethnic groupings displayed similar degree of entrepreneurial disposition, individualism and collective values. Qualitative data were analysed using the Constant Comparative Method while quantitative data were analysed with the z test. Overall, the results showed that individualism contributed to the entrepreneurial disposition of the Indo-Fijians and Others. It was also found that Fijian collectivism is rigid and that it has negatively influenced their entrepreneurial activities. Despite being influenced by collective values, some Fijians particularly in the aftermath of the military coups of 1987 have become successful entrepreneurs, especially in the urban environment. These successful Fijian entrepreneurs chose modernity and cleverly fused their collective values to the needs of modern business organisations. It was found that tertiary students exhibited similar degrees of an entrepreneurial disposition, individualism and collectivism.

In trying to explore the phenomenon of entrepreneurship it is important to distinguish between an entrepreneurial disposition and entrepreneurship. The former signifies a psychological state of mind to engage in business. When an individual with this mental state actually starts a business then entrepreneurship is said to have taken place. The fact that an individual possesses a high level of entrepreneurial disposition does not mean that he/she will automatically decide to engage in entrepreneurship. Neither does this indicate that the individual will be successful. It is acknowledged, however, that an individual must possess a certain amount of entrepreneurial disposition which triggers an interest in entrepreneurship. Those individuals who start a business venture without displaying an entrepreneurial disposition (which includes hard work, dedication, commitment, perseverance, risk-taking, opportunity seeking, and strategic planning) are less likely to succeed in entrepreneurship. Even those who display a reasonable level of entrepreneurial disposition may not ultimately succeed, because successful entrepreneurship depends further on a wide range of favourable political, economic and political factors that exist in the environment. Currently, the political and economic factors are favourable to Fijian entrepreneurship, but their socio-cultural environment is a stumbling block. On the other hand, the political and economic factors are not favourable to entrepreneurship for the Indo-Fijians and Others, but their entrepreneurial strength lies in their socio-cultural environment and in their enterprising culture. Despite the economic and political obstacles non-Fijian entrepreneurs have been facing to exploit their entrepreneurial potential they are likely to continue to dominate the economy for several generations, because Fijian collectivism will prevent any serious challenge to their domination. However, if Fijians seriously take up the entrepreneurial challenge by modifying their rigid social structure, then it seems likely they can succeed in loosening the grip of non-Fijian entrepreneurs earlier than predicted. The fact that collectivist societies such as China and Japan possess a comparatively robust economy is an indication that collectivism should not be a serious barrier to the economic development of any society or population.

It is important also to understand why Fijian collectivism particularly is more deleterious to the growth of entrepreneurship than other types of collectivism that exist in various parts of the world. This is because Fijian collectivism is very rigid, so much so that a Fijian entrepreneur first has to meet the cultural obligations required of him before attending to the problems of his business venture. Collectivism practised in South East Asia may be described as being 'loose', which allows an individual to respond to different types of situation. The people of South East Asia have been influenced by the Chinese culture and the Confucian values, and their work ethics are similar to the hard working Chinese. The Indo-Fijian and European cultures have not been able to 'loosen' Fijian collectivism because for hundreds of years there was little social interaction between the communities. This situation led to the growth of collective capitalism at the expense of individual capitalism. The focus of the Fijian society on the accumulation of communal capitalism means that Fijians will become richer and richer, but collectively. At the same time, individuals within the non-Fijian population may continue to prosper socially and economically. For this reason, it is unlikely that individual Fijians will be able to catch up with other ethnic groupings in the domain of entrepreneurship. This being the case, it seems that the economic disparity between Fijian and Other ethnic groupings at the individual level, is likely to widen over several generations. The statement of a Fijian entrepreneur who recently stated that it would take 400 years for 20,000 Fijians to become entrepreneurs, is not frivolous, because it was made at an important gathering. Such conclusions highlight the critical problems Fijians face in competing with other ethnic groupings in the field of entrepreneurship. Despite the effects of modernisation, the social and economic changes occurring in the Fijian society will be very slow. The traditionalists are not likely to countenance rapid changes which may lead to the dilution of their power and influence over the common people. Such being the case, it seems likely that non-Fijians will dominate Fiji's economy for many years to come. Fijians may, however, vicariously dominate the economy, by continuing to increase their shares in entrepreneurial companies owned and operated by non-Fijians. Thus collective capitalism in the Fijian community will be augmented. One problem though is that

accumulation of shares or collective capitalism cannot be described as being entrepreneurial.

It is clear that because of modernisation the current and future generations of Fijian students will be motivated towards entrepreneurship, but their entrepreneurial activities will not be totally detached from the socio-cultural environment. Students from the Indo-Fijian and Others groupings will continue to show less inclination towards entrepreneurship and focus on other opportunities.

Holland's SDS is an ideal instrument for assessing whether a respondent has the necessary 'interest pattern' (entrepreneurial disposition) for a vocation in entrepreneurship. Further attractions of SDS are availability and simplicity of completion and analysis. The researcher, however, has not been able to locate any study that has used Holland's SDS for the specific assessment of entrepreneurial disposition, suggestive that the current research investigation is innovative and has the potential to make a wide contribution to literature.

The proposed reconceptualised Timmons model and the framework of entrepreneurship are unique contributions to the literature on entrepreneurship. They will help one understand why the three ethnic groupings have performed unevenly in the country's tourism business sector. The model can also be applied across all sectors of the economy of the country and many traditional societies.

Although it has been argued that individualism and collectivism provide an explanation for the incidence or absence of entrepreneurship in individual countries and societies, this research, however, has shown that entrepreneurship is a complex subject and that a multifaceted research approach is needed to gain a thorough understanding of this phenomenon. The model proposed in this thesis shows that an entrepreneurial environment and culture fostered by psychological, socio-cultural, political and economic factors have led to the presence or absence of entrepreneurship amongst the three ethnic communities in Fiji.

The results of this research suggest the need for further studies. Future similar studies should consider a longitudinal approach that employs a larger sample so as to ensure greater accuracy of the findings. Though Fiji citizens generally have a high level of English proficiency future researchers may, however, wish to provide Indo-Fijian and Fijian respondents in particular with an opportunity to respond using questionnaires translated into their native languages of Fijian and Hindi. This might enhance the data collection process by ensuring equivalence of meaning.

Future researchers are urged to give serious consideration to deploying methods other than SDS to assess entrepreneurial disposition. Given the absence of a strong research culture in Fiji, using lengthy questionnaires may intimidate respondents and be ultimately counterproductive. In view of the reluctance of entrepreneurs to complete long questionnaires, future researchers are advised to deploy questionnaires containing less than 20 factors or statements. This would enhance the probability of on-the-spot responses.

In view of the Government's affirmative action policy for Fijians, training institutions are urged to introduce training and education programmes targeted at current and prospective Fijian entrepreneurs. Areas of particular concern include financial management, services marketing, budgeting, human resources, strategic management, product development, and cultural management.

The *Blueprint* set out to propel Fijians into the twenty first Century and to rescue them from social and economic stagnation. No previous assistance to the Fijian community can compare with the proactive manner in which the *Blueprint* has been promoted, and the aggressiveness with which it is being planned and implemented. The prolonged timeframe will involve millions of dollars of government money. In view of the large scale of investment it is essential that government delineates the benchmark against which the objectives of the *Blueprint* will be measured. Once these have been formulated, it is recommended that a longitudinal study be undertaken on the effectiveness of the *Blueprint*. This must overcome the tendency amongst researchers to avoid longitudinal studies because of the long period of time that must

elapse before the relevant data could be analysed. It should be borne in mind that the period between the first and second survey schedules, however, may encounter changes to the micro and macro environments which may affect causality.

Another potential area of future research is gaining insights into individual entrepreneurship. Research has been undertaken widely in Western countries, but much work remains to be done on entrepreneurship in multiethnic island nations such as Fiji. The topic of communal entrepreneurship or communal capitalism is another field of potential research which would have particular application for Fiji. Another field of potential research with particular applicability for Fiji is communal entrepreneurship or communal capitalism (commonly practised amongst the Fijians). Communal entrepreneurship is particularly relevant in countries with ethnic groupings which display a collectivist orientation. In countries which have a mixture of citizens who display a range of individualist and collectivist orientations, it may be difficult for those with a communal entrepreneurial orientation to gain economic parity with ethnic groupings that exhibit individualistic and capitalistic orientations.

A third area of research is the potential application of the model of entrepreneurship proposed in this research in a variety of settings. Contrasting with the tendency of Western models of entrepreneurship to neglect the influence of cultural values, the proposed model shows that culture influences entrepreneurship to a considerable degree. Further confirmatory research is needed to provide a degree of possible universal recognition thereby encouraging other researchers to use the model in future entrepreneurship research.

An examination of the incidence of entrepreneurship within larger tourism organisations would be another worthy area of future research. The major focus in the present research has been the role of individualism and collectivism on entrepreneurial disposition. Within a society the presence or absence of either individualism or collectivism alone cannot explain the incidence or absence of entrepreneurship.

Finally, it would be instructive for tourism researchers to investigate the comparative profiles and critical success factors of new tourist ventures in Fiji. Once they have been identified, such factors may inform struggling businesses about practices which appear to have been successful elsewhere. In extending the findings of the present research, it would be useful to investigate the extent to which cultural practices can be integrated into the management of tourist enterprises and constitute a critical success factor. This would build upon the emphasis of the present research on individual entrepreneurs, venture creation and development.

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