

The Impact of Culture on Indigenous Entrepreneurship in Fiji



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In Fiji

- Mainly mass tourism – integrated multi-national owned resorts e.g. Sheraton, Radisson, Hilton, Sofitel, Intercontinental, Shangri-La Fijian
- Ecotourism/Community owned indigenous tourism promoted to develop marginalised rural communities e.g. Yasawas, Kadavu, Mamanucas, Viti Levu, Vanua Levu, Lua
 - Problems with affordable, reliable access

Ecotourism – Fiji case study

The Fiji definition...

- “Community-based activities that create secondary attractions for tourists” (Fiji Tourism Development Plan 1998-2005: 42)
- Generally what is considered ecotourism in Fiji could be considered community based tourism, backpacking or budget tourism in other countries.

Community based tourism in Fiji focused in the Yasawas





Wayasewa Island – Namara village

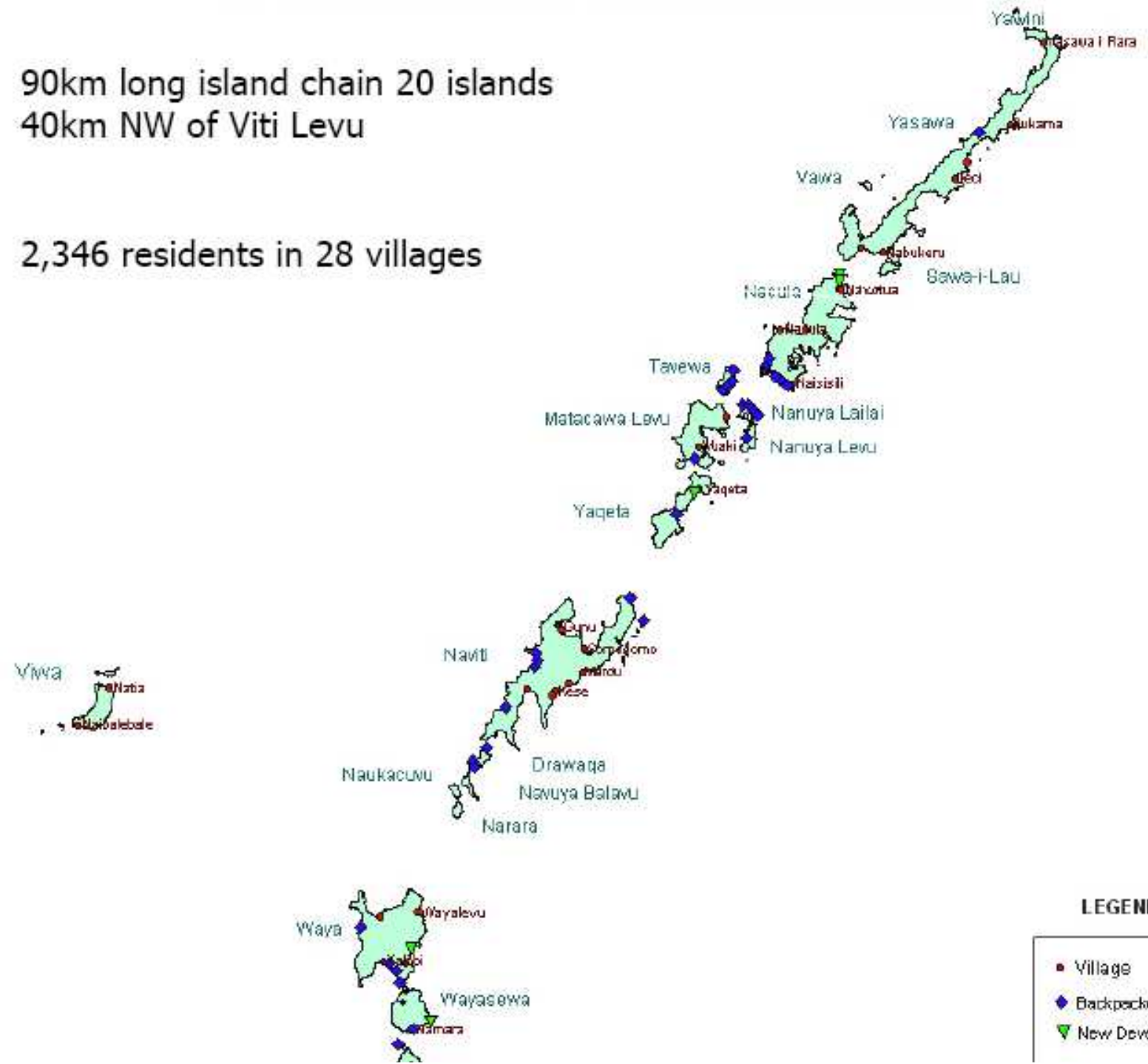
Viseisei Village



SCALE
mm : 0.4 km

90km long island chain 20 islands
40km NW of Viti Levu

2,346 residents in 28 villages



Yasawas statistics

- At least 120,000 tourists pass through the Yasawas each year
- Over 50,000 stay the night. (10% of all visitors to Fiji)
- Over 30,000 stay in village linked local 'resorts'
- Average stay is 5 nights
- Total economic value p.a. estimated as \$100 million (International Visitor Survey, 2012)



Two ethnographic case studies

Wayalailai Ecohaven

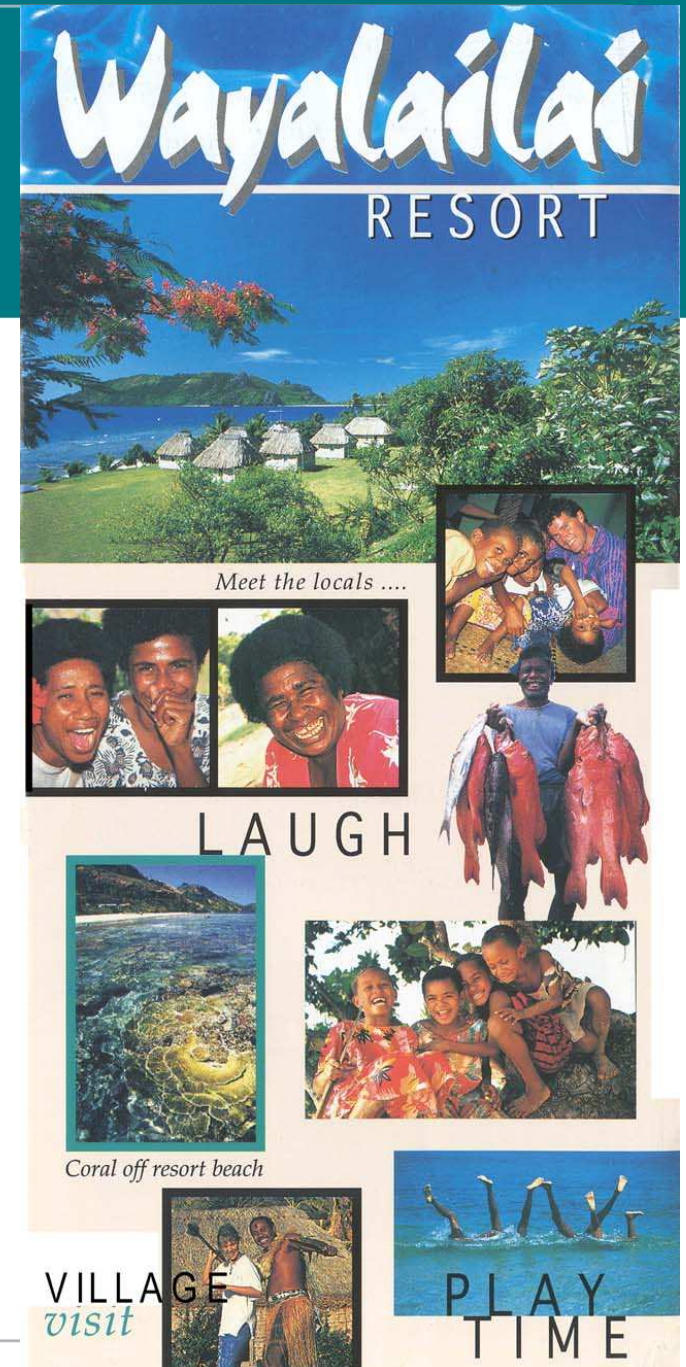


Naqalia Lodge



Case Study: Wayalailai

- Opened in 1996
- Owned by 3 clans – Botolu, Tagova & Yaubola
- Caters for young backpacker market
- Opened with zero outside finance – social capital
 - Turned old school into dorms & dining room
 - Built bures from natural resources & ‘free’ village labour
 - For first 2 months all meals provided by donations from local families & served by women & youth



Case Study: Naqalia Lodge

- Built in 2009
- Traditional Indigenous/Cultural tourism product
- Owned by Tagova Clan
- Built using local resources & indigenous Fijian artisans
- Clan members gave their time & labour free
- Donated \$\$\$ and food for feeding workers & initial guests



Benefits

- Village development and housing
- Churches built in 3 villages on island
- Village power available from 6.00-10.30pm
- Running water in villages – (showers & toilets)
- Kindergarten & primary school built at Naboro
- All primary school fees paid by Wayalailai resort
- Pays family Methodist church tithe - \$75
- Employment
 - P/T staff rotation ensures each household has someone employed at resort each fortnight

Challenges – universal to both SMTES



- Lack understanding of tourist behaviour, motivation & needs
- Lack marketing skills
- Business skills
- Bureaucracy, cost & difficulty getting loan approval from FDB & other government institutions
- Access – guests, supplies – F&B, fuel, building materials
- Power (electricity) & refrigeration
- Community participation – everyone has a say – can take ages to get a consensus
- Delivering a consistent quality product



Challenges - cultural

- Lack of planning – ‘live in the moment’
 - Food & drink supplies, fuel, ice, replanting of gardens
- Subsistence attitudes to food & décor
- Traditional obligations – church, community, school, extended family
- *Kerekere/Dinau* systems – good & bad
 - *Kerekere* – borrow without repayment
 - *Dinau* – loan to be repaid
 - Bad when *dinau* becomes *kerekere* & not repaid
- *Kava* consumption – regulated – due to high absenteeism

Challenges - cultural

- Death of paramount chief
 - Resorts closed down or short staffed for funeral preparations
 - *Tabu* – No water based activities - 100 nights
 - No fishing – 1 year
 - Women in mourning for a year



Challenges - Cultural

- Religion – Methodist
 - No alcohol – unwilling to pay for liquor licence
 - Or lack understanding of beverage service – no ice or refrigeration
 - Encourage guests to bring their own
 - Major revenue earner in backpacker market



Challenges – lack marketing skills

- Who are the visitors?
- What are their needs?
- Marketing knowledge and funds
- No strong internet presence & online booking facilities



Challenges – mixing markets



Family



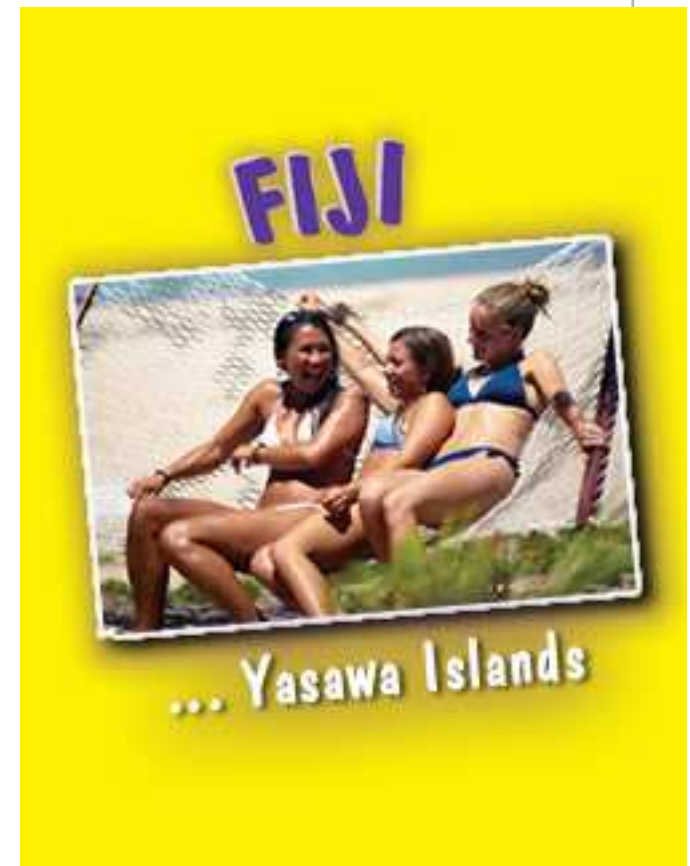
Couples



Party - singles

Challenges - Transport & Marketing packages

- Awesome provides excellent reliable consistent transport
 - Opened up access to Yasawas
- Reliant on Awesome for marketing & main supply of guests
 - Pay 30% commission on Accommodation & Meal packages affects profit margins
 - Other resorts pay commission on accommodation only and sell meal package separately



Overcrowding – last minute bookings



Challenges – bureaucracy of starting a business

- Access to funds
- Difficulty fulfilling Fiji Development Bank requirements e.g. Preparation of business plan, 20% deposit
- Great difficulty paying bank/consultants fees
- No working capital
- Costs of travel to Lautoka/Suva for meetings
- Social capital not considered



Challenges - Where does the money go?



- Youth work the resort & have hospitality & hotel management training but Elders have power over financial decisions
- Younger managers have difficulty speaking out against elders out of respect
- Money spent on traditional obligations
 - Chief's bure
 - Weddings
 - School
 - Funerals
 - Church
 - Loans to clan members
- Elders have the power and final say – reinvestment in business not necessarily highest priority e.g. Wayalailai

Possible solutions

- Negotiate allocations with clan members

EXAMPLE:

- Allocate % of Profits to traditional obligations and community development e.g.50% - Education; Church; Youth; Other – Marriages, Deaths, Visits
- 50% of profits reinvested in company as working capital, future developments & repair and maintenance

Training & Knowledge

- Tourism and business are foreign concepts
 - Must be learned
- Hospitality is not – indigenous Fijians have been welcoming people to their lands for many years
- For community owned businesses to succeed must be given the knowledge through relevant training & mentoring – which considers the needs & motivations of the local community



Possible solutions - Training

- Provide training workshops on tourism, tourist behaviour, motivation & needs, business & financial management, food & beverage
- Community (including elders) included in training
 - may improve understanding of business and financial management
- Financial institutions, & Ministry of Tourism staff also involved in training workshops
 - Promote awareness of new trends e.g. Flashpacker, Volunteer tourism and Cultural tourism

Potential Solutions – Awesome Expectations and Standards

- Provide experts to advise on interior decorating, food & beverage, activities to raise standards & provide quality products from the start

Botaira Resort, Yasawas



Or.....



Financial institutions e.g. FDB

- Facilitate the process
 - Forms in Fijian, Hindi etc.
- Recognition of social capital – labour, natural resources as some of borrower's contribution to loan applications
- Advisors who speak Fijian and able to explain forms, expectations, regulations etc. to stakeholders especially elders and decision makers and answer queries
- Provide advice on how financial management could balance traditional and business obligations
- Support systems e.g. National Centre of Small Microenterprises – how do they find out where to go?

Challenges – profit maximisation vs community expectations

- **What is success?** To Financial Institutions, Public sector.... Profit, money in the bank & repayment of loans
- **To clan** – ability to fulfill traditional obligations e.g. more houses built, schooling, personal loans, contribution for funerals, weddings etc; regular paid employment



What is success? Maybe....

- Success of indigenous entrepreneurs should be considered in the context of traditional community expectations, and not necessarily in accordance with western concepts of entrepreneurial individualism.
- Success should not be solely measured on financial or economic terms.
- Should also be measured on ability to balance traditional and business obligations, and maintain status within local society. (Supports Fairbairn 1988, & Baileys 1985 research findings)

**VINAKA VAKALEVU
– THANK YOU**