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CULTURE, GENDER AND SMALL BUSINESS:

HONIARA, SOLOMON ISLANDS.

**Presented in partial fulfilment of the requirements of the
Degree of Master of Philosophy in Development Studies at
Massey University**

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A B S T R A C T

The common assumption in regards to indigenous Solomon Islanders owning business is that most of these businesses will fail because of cultural constraints. These appear in the form of the *wantok* system and cultural obligations that place an extreme financial burden on small business owners (SBOs) and restrict the potential of potential small businesses.

This study has been carried out in the formal business sector in Honiara to ascertain the effects of cultural obligations on small business (SB) and to determine the role of women in business.

The research findings lead to the conclusion that with education/experience cultural obligations can be managed within small businesses, and that women, despite the gender restrictions rooted in traditional culture, can manage small businesses successfully. However, it is evident that the *wantok* system and the commercialisation of some aspects of culture, places a financial burden on Solomon Islanders. In order to promote the development of indigenous small businesses, the government, pending adequate research, will need to ensure that suitable financial loan assistance schemes, and advisory offices are introduced to allow for easy access to start up business resources. Furthermore, as the research has shown that if women are to be successful in business these schemes must target all groups of women and not favour one group, for example rural women. It is also evident from the research that more professional women are entering into small businesses, and that they can manage cultural obligations and still assist relatives both in the urban and rural sectors.

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ABBREVIATIONS

ADB	Asian Development Bank
BOs	Business Owners
DBSI	Development Bank of Solomon Islands
GDP	Gross Domestic Product
MFAT	Ministry of Foreign Affairs and Trade
NAWBO	National Association of Women Business Owners.
NZODA	New Zealand Overseas Development Assistance
OECD	Organisation for Economic Co-operation and Development
PI	Pacific Islands
PICs	Pacific Island Countries
PNG	Papua New Guinea
SB	Small Business
SBEC	Small Business Enterprise Centre
SBOs	Small Business Owners
SI	Solomon Islands
SIG	Solomon Islands Government
SME	Small and Medium Enterprise (s)
SOE	State Owned Enterprise (s)
UNDP	United Nations Development Program

FIG 1.1 MAP OF THE SOLOMON ISLANDS

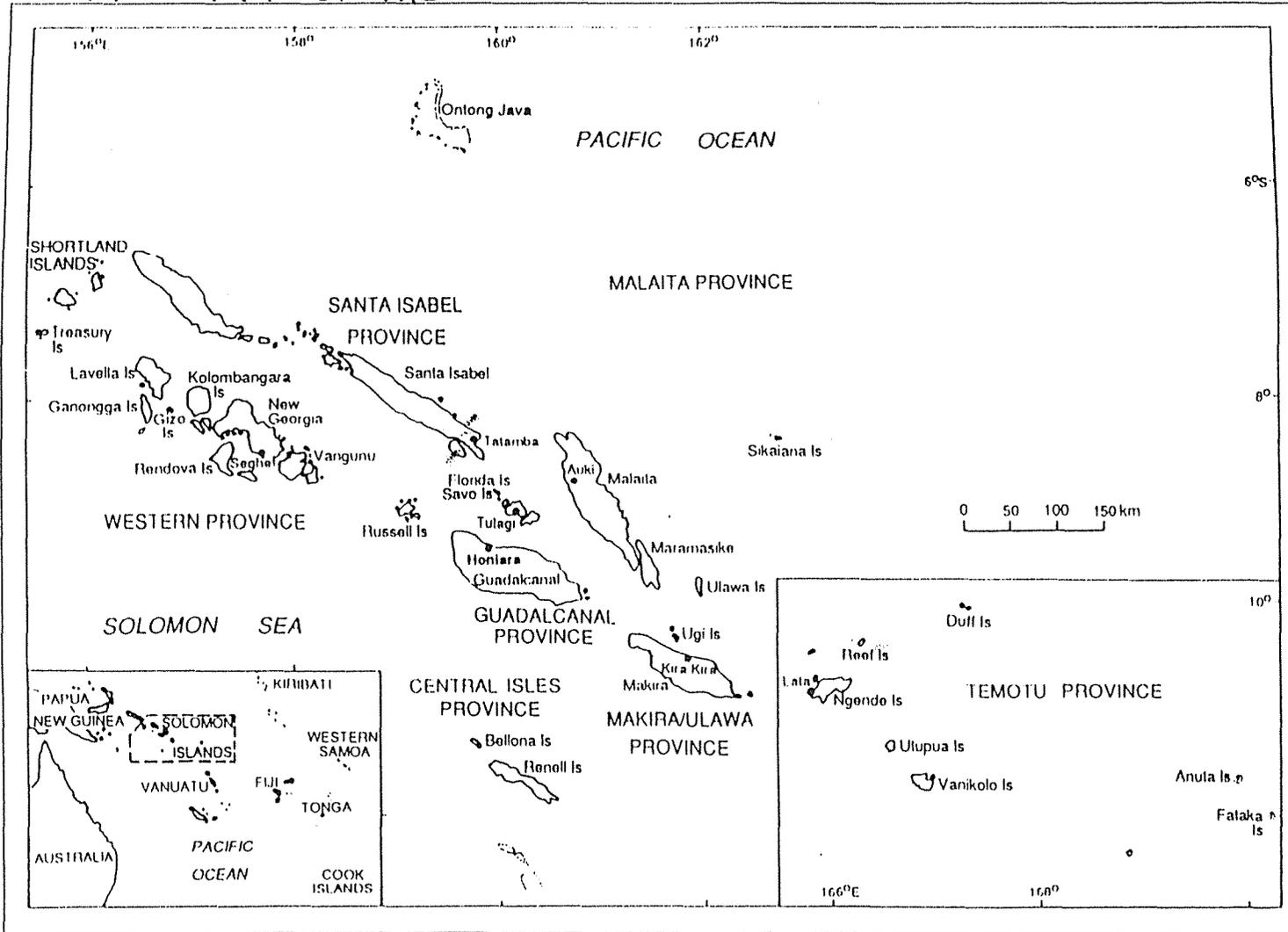
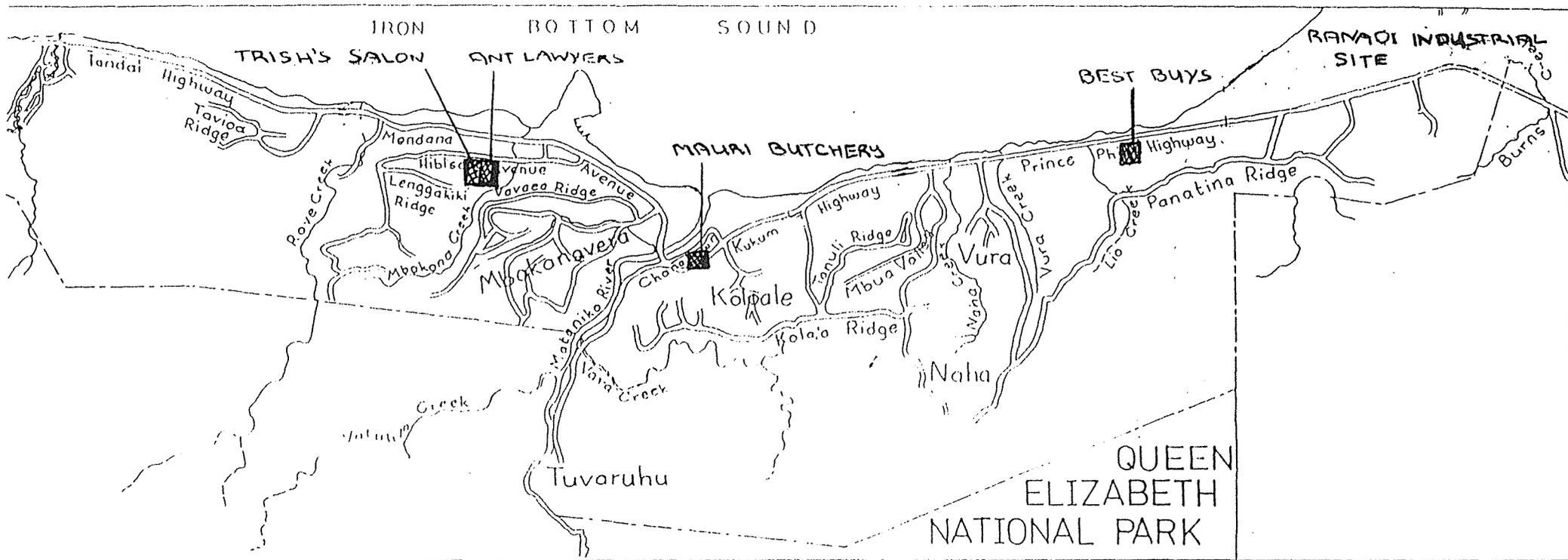


FIG. 1.3 Map of Honiara showing research sites



CHAPTER ONE: INTRODUCTION

1.1 Problem Statement

Most of the Pacific Island countries (PICs) have achieved political independence but they are still very much dependent on foreign aid. Most of the people are reliant on the government for employment and basic services or on the environment for their basic needs. Faced with acute problems like a shortage of land, growing populations, un-equal development with much business in the hands of non-indigenous populations, and strapped for cash, most Pacific Island governments have been forced to focus on developing indigenous businesses.

It is hoped that the development of small business will contribute to the country's economic growth as well as achieving social objectives including a more balanced pattern of development and employment expansion (Fairburn, 1998, p.xi). It may also narrow the gap between the non-indigenous and indigenous owned businesses (Fairbairn, 1988). In most PICs trade and commerce was concentrated in the hands of Europeans and Asians but is now becoming more concentrated within the Asian community. Though many attempts had been made to introduce commercial systems cultural differences have made it difficult for indigenous business to flourish (Crocombe, 1998). As Hooper states;

the decay of custom and impoverishment of culture are often seen as wrought by development, while failures of development are haunted by the notion that they are due, somehow, to the darker, irrational influences of culture (Hooper, 2000, p1).

However, people of the PICs strongly believe that these failures are due largely to inappropriate businesses that have been introduced with complete disregard to the local culture of the society. For example, James (2000) explains how a fishing project based on Western-style individualism, introduced in a Tongan village in the late 1980s to assist the people was unsuccessful. This is because it failed to take into account the specific cultural aspects of society, especially the extended family and

their interrelationships. Firstly, the fishing techniques and training introduced were to prepare village men to set up small businesses an activity the village men were not prepared to do. Secondly, the training given was on the assumption that they would become solely commercial fishermen, which was also not true. These assumptions led to some failures in the repayment of bank loans, loss of boats and even a breakdown of relationships within the men's extended family. The project did not achieve the desired development according to the donor's goals (James 2000).

The terms 'culture' and 'development' continuously crop up throughout the Pacific, in the news media, political debates, in sermons, in policy reports and in ordinary life, and people must know how to resolve the contradictions between the two in order to achieve a good/modern life without sacrificing tradition (Hooper, 2000).

The Melanesian countries have been trying to explore cultural issues over the last decade, with the most recent workshop held in Honiara, Solomon Islands in August 1992¹. This workshop was an attempt "to regulate and promote aspects of culture by means of formalised, official policy" (White and Lindstrom, 1994, p1) because of accusations that some development projects were eroding custom. This gave the countries and peoples an opportunity to formulate policy governing the utilisation of resources, the bulk of which are owned by the people, and to protect custom.

Finally, development economists and aid donors such as the World Bank and the Asian Development Bank are also becoming aware that, for development to take place in the Pacific, attention must be given to 'the social patterns' and the 'cultural endowments' of any society. Both institutions are very influential in terms of aid and policymaking in the Pacific and have had very 'economic mindsets' but are now beginning to

¹ Workshop on *Developing Cultural Policy in Melanesia* held at the USP centre attended by participants from PNG, Vanuatu, and New Caledonia as observer.

pay serious attention to social and cultural issues. Pacific Island governments and policy makers hope that cultural impact studies will now be done for all development projects that are undertaken (Hooper, 2000).

1.2 Objective of the Research

The objective of the research was to investigate the common assumption that businesses owned and operated by indigenous Solomon Islanders, are more likely to fail due to cultural and social obligations. Further, this thesis explores gender roles and issues in relation to small business, knowing that strong cultural and social barriers exist in the Solomon Islands against women.

The fieldwork involved the study of four small businesses in the formal sector in Honiara and was concerned with the way business owners (BOs) managed cultural and social obligations alongside their businesses. The culture of the Solomon Islands, like most other Pacific Islands (PIs), is based on the principle of sharing with the family and extended family rather than on individualism, which is said to be the key factor for a successful business (Hailey, 1988). These

obligations and commitments are inherent to the communal societies of the South Pacific and these social norms are often at odds with the demands of successful commercial activities (Briscoe, Godwin & Sibbald, 1990, p5)

The research hopes to answer the following questions; can small business owners (SBO) today with more education and experience manage these two systems that are built on opposite principles? Can cultural obligations be managed by BOs or are they an absolute obstacle to the development of small business? How have gender roles been affected? Can women operate small businesses successfully and become equal partners in development? Is there potential in developing small business in the Solomon Islands as a way of improving life for the people in general and women in particular?

1.3 Outline of Research

The first chapter discusses the method and limitations of the research. The single most limiting factor was the ethnic tension (explained in Chapter 3), and civil unrest in Honiara, which led to the closure of some businesses, and the relocation of others to their home provinces. Those remaining were very suspicious of being questioned, or were hesitant or embarrassed about being interviewed because businesses at this stage were not doing very well (as observed on various trips into those shops). There was also a sense of urgency of completing the research as quickly as possible before anything further happened to disrupt the fieldwork.

Chapter 2 defines some of the key terms used and briefly outlines the growing importance of small business globally and its growing importance to economic development in the world. It discusses the emergence of women in formal business, which is a break with traditional culture, and the changes in the roles of women in relation to small business. Some cases from both the developed and developing countries will be used to show how women especially, through education and experience, have become successful despite the problems they face.

Chapter 3 discusses the development of small business in the Pacific Island Countries (PICs) commencing with a general background to problems that are unique to PICs, and how Pacific Island (PI) governments with the assistance from aid donors are trying to develop the private sector as it is a growing belief, that the way forward is through the development of the private sector. While a lot of effort and aid has already been poured into the development of small business the results have not been very encouraging. Many authors like Mannan (1993), Wolfgang Kasper (1991), Briscoe, Godwin & Sibbald (1990), acknowledge that failure is partly to do with ignoring cultural issues, but there has been very little discussion or investigation into this assumption in practice, and the key factors involved. This could have stemmed from a bias that developed during colonial regimes where culture was seen as a stumbling block to

progress and modernisation. Also the people were made to feel that culture was backward (Simet, 1998).

While the problem was important enough to attract the attention of the United Nations, which in 1988 established the World Decade for Cultural Development, the concept was never really promoted in subsequent global conferences from Rio de Janeiro to Barbados. At the Barbados conference, which was specifically to focus on the problems and needs of Small Island Developing States, culture was only mentioned once (Hooper, 2000).

However, as can be seen in *Culture and Sustainable Development in the Pacific* edited by Hooper (2000), and *Island Entrepreneurs: Problems and performances in the Pacific* edited by Fairbairn (1988), there has been some attempt at analysing 'culture' and 'development' in the Pacific. The main theme outlined in Hooper (2000) is that in order for development to take place there must be a very good understanding of both the historical, economic and cultural issues of that society. Furthermore, while Pacific countries share many similarities there are also significant differences between and within the PICs, which have seen some recent conflicts. Fairbairn (1988) sets out for some of the PICs exactly what these historical, economic and cultural issues are and how they affect small business. Some of these examples from the Pacific will be described to show that despite some very strong social and cultural obligations, with experience/ education the Pacific peoples are slowly learning how to manage culture and business. Some indigenous BOs especially in Papua New Guinea (PNG) have emerged to become very successful in business.

This chapter will also show that similar to the developed countries and other developing countries, women in the Pacific, especially with education/ experience have gradually overcome cultural and gender barriers to become successful in business.

Chapter 4 takes a closer look at the Solomon Islands (Fig 1.1), with a brief introduction to the political, economic and social issues of the country. Attention focuses on explaining traditional cultural obligations towards one's family (kinship group) and how these obligations, while still underlining today's society, have been commercialised (Gegeo, 1994). Gender roles in both traditional and contemporary society will also be described. This description will provide the basis for understanding the difficulties of promoting small businesses. This is in preparation to the next chapter that will show how, against all these difficulties, some indigenous SBOs have emerged.

Four case studies were undertaken in Honiara (Fig 1.3) with the objective of investigating what happens in practice, in terms of culture and gender, in order to gain a better understanding of their impact on small business development in the formal² sector. As it turned out, against my initial expectations, women wholly or jointly owned all four businesses. The cases are described in Chapter 5, under the headings of 'Culture', 'Gender' and 'Small Business'. These themes have been selected, as they are central to understanding and investigating if culture is a problem to the development of small business, can they be managed and what were the key gender issues.

At this present time, there are unlimited numbers of accounting manuals and 'start your own business' manuals but none that includes or teaches one how to take culture into account. Therefore, this study may indicate that more research needs to be done into suitable ways of promoting successful small businesses and how business principles can be adapted to suit local conditions.

Chapter 6 will conclude that examples from both the developed and developing countries have shown that with education and experience,

² The informal sector "functions outside the organised formal sector and is normally not subject to the rules and regulations that govern businesses operating within the formal sector of the economy" (Fairbairn, 1992, p24).

culture can be managed to coexist with small businesses in the formal sector. That, as the people of the Pacific, especially the Solomon Islands, become more educated and gain more experience, they become better equipped to manage their business alongside their cultural obligations. However, the main constraint to start-up business in the Pacific is the general lack of finance due mainly to the strong social and cultural obligations that prevents savings. Therefore some means of assisting the rural population as well as the urban population must be found if the private sector is to be developed at a faster rate.

Contrary to popular cultural views that business is for men, it has been shown that women have emerged, and are succeeding, in the small business sector right around the world including the Pacific, and in Honiara. That with education and experience women are empowered to enter into self-employment, and as they succeed economically, they gain social status and independence. Thus, if small business was promoted, especially amongst women in the Pacific, there will be a greater chance of success and of bringing more equal development to the extended family both in the urban and rural areas.

There is a future in the development of small business in the PICs, but each government has to formulate relevant policies. This means taking into account the specific history, social, and economic, conditions of the country, and of particular areas, and of ethnic groups within a country. This can only be done through more thorough research, as most PICs, like the Solomon Islands, lack basic data on the specific needs of the people. It is more than just distributing easy money to people!

1.4 Methodology

This research consisted of two parts. The fieldwork, which involved the collection of primary data, and the literature review (compilation of secondary data). The primary data was obtained through four case studies while secondary data was collected via the library.

Primary data was through the case study method, which is mainly a qualitative method, was chosen to provide an in-depth understanding of how four small businesses managed cultural obligations and resolved gender issues. This format was selected as it provided a more relaxed atmosphere and allowed the BOs to speak freely. As Pratt and Loizos (1992) point out, there is no perfect research model that can be used for all situations but instead research must be tailored to fit the situation. In social science there is no fixed theory or formula to analyse social and economic change but there needs to be several levels of enquiry and analyses (Allen & Truman, 1993).

Fieldwork was based on semi-structured interviews rather than on a direct question and answer situation, which can sometimes be too formal and restrictive in the questions and answers given. Each premises was visited at least twice, which provided the opportunity for both parties to feel more relaxed and allowed the researcher to observe first hand the operations of the premises overtime.

Generally speaking, when people talk about Melanesians in business, it is often with a negative view that these businesses will eventually go bankrupt. This is due to the bias that has steadily grown with the collapse of numerous locally owned businesses through either the lack of financial or cultural management. This research is therefore restricted to investigating only those small businesses owned by indigenous Solomon Islanders, which narrows down the total number in the selection pool as foreigners, mainly of Chinese and Asian origin, dominate the business sector in Honiara. Even though most of the Chinese businessmen are second and third generation Solomon Islanders they were not included in the survey as they have a different cultural background to the indigenous Solomon Islanders.

The intention was to get a mixed gender group of BOs as well as a cross section from the different islands, but that was impossible with the

prevailing ethnic tension. Therefore the selection of candidates was completely random as it was not possible to obtain a list from the Department of Commerce or the Small Business Enterprise Centre (SBEC) in Honiara, as such a list did not exist. The situation in Honiara was unpredictable so BOs were interviewed as soon as they agreed to be part of the survey. This was to ensure that at least some part of the fieldwork would be complete in the event that I might have to leave the country before my due date. In fact I was always on stand-by in case I had to catch the next flight out especially in the third week when there was a shoot out in town and everything shut down for a day.

Before leaving Palmerston North a list of five BO's was drawn up, representing different types of businesses, but on arrival in Honiara this list had to be altered as two BOs (a male and female) had gone out of business, and one business location (male BO) was considered unsafe. Of the two remaining (both female BOs), one immediately agreed to be interviewed. While another agreed, she could not make time until the Friday of week three (of the fieldwork). In the meantime, other BOs, both male and female, were contacted with the unpredictable end result of four women BOs. However, three were married and had assistance of some sort from their husbands so one could say that there was indirect male representation.

Somewhat typical of research in many third world countries, there was no way that interviews could be arranged and confirmed before my arrival in Honiara because phones are too expensive and unreliable. Even when in Honiara it was difficult to use the phone because no one answered or the lines were down. Consequently, each BO had to be personally approached. In one case it meant sitting outside an office on two different days for at least three hours before a meeting could be arranged with the BO. In this day of modern technology where email is so cheap in developed countries, most local businesses in the Solomon Islands would still be lucky to own a computer let alone the email services which is so

expensive that only the large firms can afford it (in April 2001, the first Internet café, partly funded by the UNDP, opened).

Due to the civil unrest, BOs were very suspicious and reluctant to be interviewed, especially the men. This could be due to men's protective nature that prevents them from discussing their business; especially as some thought that the survey was to do with business profitability even though the purpose had been explained. Another reason could be due to cultural bias where men are supposed to be on a higher level than women and so did not feel obliged to be discussing business with a woman. Pollard (2000) during her fieldwork in Wasisi village had the same problem where not a single man came forward to participate in her fieldwork. One owner went to great lengths to explain that his business was very slow and that he may be closing down, so did not want to be interviewed. Another said he was very interested, but would consult his business partner (male). However, contact was not made indicating his unwillingness to participate.

Confidentiality was also an issue. Many of the BOs approached wanted to be certain that the research was not for publication or for the government. For each interview conducted, at least an hour was spent (usually a day or two before the interview) assuring the interviewee of confidentiality, explaining about the fieldwork and discussing generally about other issues to establish a relaxed and productive atmosphere.

Absolute neutrality or anonymity was impossible in this research as I grew up in and with Honiara, maintaining regular contact while living abroad. Therefore, because I knew the four final respondents, this may have affected their responses and the information may not be free from biases. In a small town like Honiara, this sort of problem cannot be avoided.

All the interviews were semi-structured, allowing the BOs to speak freely and at the same time allowing for various questions to be asked. Each

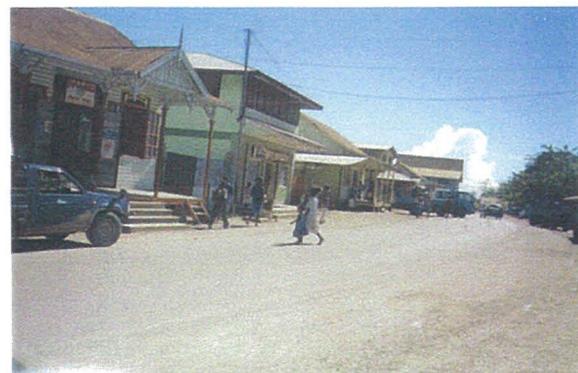
PLATE: 1.1



Burnt out house



Guadacanal Provincial Office



Deserted streets of Chinatown

interview session lasted about one and a half hours. A small tape recorder was used and proved unobtrusive. (Note taking during the interview made the respondents nervous so this was avoided). As well as the four case studies, and in view of the lack of written data available, the Manager of the SBEC and a senior officer, of the National Planning Office, were also interviewed as a means of validating the information collected (Pratt and Loizos, 1992).

The main source of secondary data collection was through Massey University library. However, data specifically on cultural obligations in relation to SB is difficult to come by simply because there has been very little written on the subject. Most of the material on small business development deals mainly with the management and financial operations of SB, occasionally mentioning cultural constraints, but not discussing the matter in any detail.

In Honiara, it was also difficult to gather much in-depth material mainly because many offices just did not function during the crises. Even though some opened, subsequently, there was no sense of commitment to work. Half the government employees were on forced unpaid leave and (apart from the High Court offices), those who were supposed to be working did pretty much as they pleased. This was observed on Monday 15th January 2001, when I made my first trip to town, and it remained that way up until I departed on 13th March 2001. It was indeed a very marked change to what Honiara used to be like.

I visited the New Zealand High Commission office, to obtain information but was informed that the SBEC (funded by the New Zealand Official Development Assistance programme) was the best place to go. Immediately, the ladies made an appointment for me to see the manager, Mr Sale, for the next day. The interview with Mr Sale was interesting but he did not have any written data that could be taken away and the photocopier was not working so photocopies could not be made. He said

that they did recognize the need to compile some sort of Register of small business (because currently one could not obtain this information from government) but the project was on hold till the situation in Honiara returned to normal.

The Honiara Library was closed because it was used as an Eagle Force³ base during the crises and was in very bad condition. The University of South Pacific Centre Library opened in the final week of my research but it lacked any adequate data. The only interesting article could not be photocopied as the photocopier had broken down too and I was asked to return the following week (I would not be there). As the article was from the reserved section of the library it could not be photocopied anywhere else.

The major limitation to the actual fieldwork was the civil unrest itself, and the lack of adequate preparation and fieldwork time. The situation contributed to making many people suspicious of being questioned, limited the number and diversity of possible indigenous BOs that could have been interviewed, and did not allow for a proper random selection process to take place. It also affected the quantity and quality of data that was available.

It was very difficult to concentrate and feel relaxed about the research because the environment was just so tense. One had to take care while moving around town and in what topics were discussed and with whom. To make matters worse Honiara was very hot and dusty, there was water rationing so one could not have a shower after a hot frustrating day out. These conditions were very testing.

In summary the case study method was very successful as it made the respondents feel relaxed and in control of the situation, allowing them to talk as freely as possible.

³ The Malaita Eagle Force is the illegal 'army' formed in response to the Guadalcanal Freedom Fighters. The Eagle Force had camps throughout Honiara town.

CHAPTER 2: SMALL BUSINESS, CULTURE AND GENDER GLOBAL PERSPECTIVE

2.1 Introduction

Chapter 2 will commence by defining some of the common terms that will be used in this context. The chapter will then proceed to give an historical background to the growth of small business on a global perspective, focusing on the changing culture of business where business was once a man's world, now women are entering this sector. The review of literature shows that women through better education, experience and their own management style (learnt as a housewife, daughter or mother), have overcome cultural barriers and are entering and becoming successful BOs, in the formal sector.

The changing role of gender in business will also be described to show the progress women have made despite the many difficulties encountered. However, it must be noted that research is still lacking on male and female gender roles of SBOs, in relation to business, and family responsibilities.

2.2 Definition of key terms

Small businesses are usually small in scale and simple in structure (Dwyer, Rose, & Sowman, 1985), and can be defined both qualitatively and quantitatively. However, there is no one agreed definition. Cameron and Massey (1999), in studying the many definitions of small business settled on the following as a qualitative description,

a small business can be defined as a business that is independently managed by the owners, who own most of the shares, provide most of the finance and make most of the principal decisions (Cameron and Massey, 1999, p5).

A quantitative definition includes some measure of number of employees and assets, (capital or scale of turnover) for example,

small businesses are those which employ fewer than 50 people in the manufacturing sector, 25 in the wholesale and retail sector, and 10 in the service sector. In terms of turnover, the limits are set as \$1 million in wholesale, \$250,000 in the retail and \$100,000 in the service sector. The size definitions are small by international standards but appropriate in the New Zealand context where most businesses are small⁴ (Dwyer, Rose & Snowman, 1985).

However, the description of number of employees and capital limits, in the different business categories, (micro-business, small-business and medium-enterprise) varies within and between countries (Johns, Dunlop, & Sheehan, 1978), especially in third world countries, where small businesses exist in all sorts of shapes and forms. Therefore definitions are best set according to the purpose being undertaken. For example, governments and aid donors usually prefer to use a quantitative definition (to exclude larger enterprises) in order to set guidelines for financial assistance (Harper, 1985). Likewise “researchers have often devised their own operational definitions keeping in view the objectives of their study” (Mannan, 1993, p13).

For PICs, quantitative definitions are usually not suitable as “many small business in the Pacific rely on relatives who work on an irregular or part time basis” (Hailey, 1998 p41) and in many cases for no pay. So number of employees does not truly reflect the size of a business. On the other hand, one cannot use company figures like sales turnover or profits because in most cases bookkeeping is incomplete.

Therefore, for the purpose of this thesis, the term small/medium enterprise (SME) will be used to cover small business from the developed to the developing countries with the definition as given by the Wiltshire committee, where

⁴ Definition as set by the Australian Development Finance Corporation’s Small Business Agency and cited in Dwyer)

one or two persons are required to make all the critical management decisions: finances, accounting, personnel, purchasing, processing or servicing, marketing, selling without the aid of internal specialists, and with specific knowledge in only one or two functional areas (Williams, 1984, p4).

To date, not enough research has been done into the psychological and sociological factors that influence the entrepreneur, apart from the right economic factors, that makes some societies progress while others lag behind (Cameron & Massey, 1999).

Cultures of the world are always changing either slowly or dramatically over time and are usually based on the "legacies of the past, the ideas of the present and the hopes for the future" (Kavaliku, 2000, p22). Culture is defined here as,

the whole complex of distinctive spiritual, intellectual and emotional features that characterise society or social groups. It includes not only the arts and letters, but also different modes of life, the fundamental rights of human beings, value systems, traditions and beliefs⁵ (Kavaliku, 2000, p22).

No one is without a culture and one cannot lose culture, but culture can change acquiring new characteristics. For example, instead of referring to village leaders in Melanesia as "big man", they are now called chiefs as done by the Solomon Islands Broadcasting Service, which in two separate news items referred to Chief Selerino Kaliu of south Guadalcanal and Chief Labota, who represents two tribes from the Bina Harbour area of Malaita (SIBC news 10/08/01).

The accepted culture or way of life in one society influences how the people of that society make decisions. In terms of success in small business, this means weighing up elements of traditional culture against the small business culture and deciding the best course of action. This is very difficult in the Pacific countries because this imported business

⁵ Adopted from the Mexico Conference in 1982

culture is in contrast to the traditional economic culture based on reciprocity. The decisions made can contribute to or hinder development. Furthermore, how does one control what behaviour becomes part of culture? For example, drinking alcohol, and gambling are now part of the culture in most PICs and it is causing a lot of problems but who is to make a policy to control these two lifestyles from becoming part of culture?

Custom and tradition usually refer to those aspects of culture that can be seen and can be defined as “all conspicuous cultural forms and practices that people talk about and incorporate into their sense of identity” (Lindstrom & White, 1994, p5). These are the aspects like dancing, arts and crafts that Gegeo refers to as being commercialised. Tradition refers to all these customs that are handed down from the past from one’s ancestors and it is also part of tradition, that people know their genealogy (Lindstrom & White, 1994).

Cultural obligations are based on reciprocity. Each culture defines the expected behaviour of society, for example, members of the family, extended family, and the tribe. Today, cultural obligations have high costs and include: bride price, funeral and death feasts, compensations, school fees, hospital fees or any other needy requests from relatives. One feels obliged to assist knowing that one day, if needed, such actions will be reciprocated.

Today this network of cultural obligation is widely referred to as the wantok system (PNG Tok Pisin). Although the word may have originated in PNG, it is used widely throughout PNG, Solomon Islands and Vanuatu. Where it used to mean people of the same language group it is now used to include friends of both local and international origins. The wantok system acts as a social security system. Instead of the state looking after the people, the people look after each other; this includes one’s own extended family group as well as in-laws and friends. In these times of economic hardship, low wages and high cost of living, the wantok system is fast

becoming a burden forcing individuals to make choices about their cultural and family obligations.

Development, for the Pacific, is currently a hot issue as governments and aid donors along with their economic and social advisors struggle to find ways to solve the 'poverty' or economic dependency of the PICs. In the past, development focused on economic issues completely ignoring culture, (Hooper, 2000), consequently many of these project initiatives failed to achieve the desired results. Development can be defined in many ways but here it means an improvement in human development through formal and informal education to enable the indigenous people to make a choice about what sort of development is suitable for them. For example at present most of the people in PNG and the Solomon Islands think that development is earning income from logging because that is what they have been exposed to. They need to be shown or educated on other more sustainable means of earning an income. It is hoped that small and medium enterprises (SMEs) if successful, can increase people's affordability of the basic needs in today's life without destroying the resources for the future generations. Now in the 1990's most of the aid donors like the World Bank, New Zealand and Australia are moving away from "public enterprise and physical investment, towards human development (education and health) the dismantling of government economic controls and support of the private sector" (Hooper, 2000, p10). With sustainable small businesses introduced in both the urban and rural parts of the country there could be more equal development and the gap between the rich and poor could be narrowed. SMEs can also contribute to the over all economy of the country, as has been the case in other countries.

2.3 Small Business: Historical background

Britain, since the war had experienced poor economic growth and the economists and politicians, believed that the solution was in large-scale units of production was necessary because of the efficiencies of scale

(Scase and Goffee, 1980,). Small business at this time was "generally regarded as inefficient and unproductive" (Scase & Goffee, 1980, p15), as well as an obstacle to growth. However, by the end of the 1970s the large industry strategy was seen as a failure as it was unable to solve Britain's economic problems and by the late 1970s the politicians were searching for a new direction.

Around this time, worldwide interest in the subject of SMEs was growing and there was a need to understand the valuable contribution that SMEs could make to the economic and social health of nations, as well as define what correct policies the government could formulate to promote the growth of SMEs. This prompted, two highly influential government sponsored inquiries, the Bolton Report (1971) in Britain and the Wiltshire Report (1971) in Australia (Cameron & Massey, 1999). This was followed by E.F. Schumacher's book; in (1973) *Small is Beautiful*, which saw the aim of small business to obtain the maximum well being for minimum consumption rather than profit maximisation.

In 1979, Britain under the leadership of Mrs Thatcher, introduced policies to foster a "new entrepreneurial culture maintained by a reinvigorated sector of small business owners" (Scase & Goffee, 1980, p16). By the 1980's the Reagan administration in the United States and the governments of many countries in Western Europe, Australia and New Zealand, were developing policies to foster the growth of SMEs as a possibility of lowering the levels of unemployment (Scase & Goffee, 1980). These governments wanted to change the culture of dependency on government for the provision of extensive personal, social and welfare services to one of self-reliance, and an ethic of self-responsibility.

2.3.1 Advantages of small business

SMEs are favoured because they are labour intensive, do not need huge capital outlays and they can adapt easily to the environment. They also do

sub- contracting for larger industries, which means savings for the large industries and a safe venture for the SMEs.

As SMEs rely on teamwork and cooperation between the employees and the owners, a lot of time is spent by the owners cultivating good work relationships with their employees to avoid many of the problems of the large-scale enterprises. They realise that profitability relies on the work efficiencies of the employees. Usually SMEs have less industrial relations problems typical of large firms, particularly, those of absenteeism, poor employees motivation, low-quality production and frequent industrial disputes (Scase & Goffee, 1980, p18).

Over the last decade in both Britain and the US, it has been found that SMEs have assisted in providing employment. Governments therefore know it's in their interest to promote a small business culture as entrepreneurship, and SMEs are often seen as the answer by the politicians to the "economic and cultural ills of present day western countries" (Scase & Goffee, 1980). Today SMEs are also seen by the western world, especially the aid donors, as a solution for the developing nations.

Australian aid for 1998-1999 to the Pacific recognises the "importance of public sector reform as a prerequisite for improved economic performance and social development" (AusAid, 1998, p1). The Australian Foreign Affairs Minister Alexander Downer said this was in direct response to the Pacific Forum leaders Action Plan.

The Action Plan accords high priority to improvements in government accountability, trade and investment policy and the environment for private sector activity (AusAid, 1998, p1).

Australian aid to most of the PICs has been on the development of the private sector/economic reform and governance.

Likewise New Zealand also recognises the importance of developing the private sector through education as the bases of alleviating poverty and enabling people, both men and women, to make informed choices. New Zealand aid to the Pacific, Asia, Africa, and Latin America is mainly on human resource development, gender and development and private sector development (NZODA, 2000).

2.3.2 Restructuring of the Public Service

Related to the growth of the SMEs, is the restructuring of the public service. By the 1980's most governments had grown very large public service sectors that had become difficult to manage, expensive to maintain and inefficient. So partly forced by the recession and by the financial institutions like the World Bank and IMF (Bangura, 2000) these countries undertook a major restructuring of their public service in order to make them more lean and cost and effective. This is because the level of expenditure did not match the level of economic development. In the industrialised countries the highest expenditure was on social security and social services (IMF1996 cited in Bangura, 2000), while in the developing countries (except for Latin America) it was on capital expenditure, government administration and wages. This restructuring (varying policies between countries) often resulted in a large retrenchment exercise, along with privatisation/subcontracting/outsourcing of some government services. It was hoped that those made redundant would utilise their experience and skills in forming SMEs to fill the gap. Indirectly the restructuring of the public service along with the other government policies to promote SMEs, would contribute (with other policies) to the growth of the private sector.

New Zealand, under the Labour government of the mid to late 1980's, introduced some major changes in the restructuring of the public service. For example, the Employment Contract system and the State-Owned Enterprises (SOEs) Act 1986. The new Employment Contract system meant fewer jobs for life and stiffer competition to keep one's contract.

The SOEs Act led to contracting out of services like the post office and electricity services which meant lot of redundancies with more people looking for jobs (Cameron & Massey, 1999). This partly led to a rapid increase in the growth of the small business sector. In a business census undertaken by the New Zealand Department of Statistics, it was estimated that small businesses “employ almost half the private sector workforce” (Dwyer et al 1985, p8). While a small business on its own is insignificant together they now play a major role in the economy, as has been seen in New Zealand, Britain and America.

2.4 Small business and culture

In most countries of the world, there have been two cultural beliefs associated with small business. One is that it is a man’s domain and secondly, that poor and/or uneducated people who could not find proper paid employment went into business usually in the informal sector.

Historically in the C18th or even earlier in England, the entrepreneur was portrayed as a “self-made man, a paternalist employer working initially beside his employees and becoming a captain of industry, through his own enterprise and hard work” (Allen et al, 1993, p5). The culture was that men had the ‘real jobs’. They were employed on a full time, permanent basis in both the blue and white-collar jobs. As jobs became scarce with the closure of a lot of factories during the recession years after world war two, and the restructuring of the public service during the 1970s, men found part time jobs in the service industries, as did women. However, many people mainly men went into small-scale business as a means of survival (Allen et al, 1993). Therefore business was associated with men.

In Britain, the term entrepreneur went within a space of a decade from being regarded as mild abuse to seeing enterprise as central to regenerating a declining economy (Allen et al, 1993). It was an experience that seems to be shared by most cultures, that is, it was formerly an embarrassment to be self-employed or a confirmation of one’s poverty or

of being incapable of securing employment. Now there is prestige associated with self-employment in SME's as confirmed by the trend beginning in the 1980s, in Britain where those with jobs gave them up in favour of establishing their own businesses rather than those people without jobs (as in past) going into business (Scase & Goffee, 1980). For example, people in large organisations who felt that there was insufficient reward for their skills or no further room for promotion or chances to fully utilise their capacities, would resign and start their own business.

Today, there are many reasons why people go into business, some to make money, others to get rich quickly or to make a living. Others see it as offering better reward for skills especially if there is a blocked career path or if they feel disadvantaged in the labour market because of prejudice, for example, the minority ethnic groups. In New Zealand it was also found that many people enter as an alternative to the unemployment benefit (Cameron & Massey, 1999). "Whatever the strategy, entrepreneurship offers the promise of greater self-fulfilment through the more complete use of individual skills and talents" (Scase & Goffee, 1980, p13). These findings were also confirmed by (Cameron & Massey, 1999, and Ward & Jenkins 1984).

Though women were always 'employed' as such, their work and contribution had always been ignored by men who did not take women in business seriously (Welsh, 1988). The culture was that women were seen as performing a part time job with the husband as the real wage earner although they had always been the unpaid helpers in business. For example, doing the books in their spare time or promoting the good name of the business. Women were also assisting the family income through business conducted from home like selling cooked food or taking in laundry or sewing. So women were associated with the informal sector only.

5.2 Small Business and Gender

2.5.1 Growing importance of women in business

The 1990's have been labelled the decade of women entrepreneurs⁶ (Erickson, Ernst & Young, 1999). Women are now in the forefront because they are important. They are now seen as leaders and not followers and they are no longer viewed as confined to certain businesses but as innovators across the full range of business and commerce (Erickson et al, 1999). Their emergence is a worldwide phenomenon, as noted at the fifth Global Summit of Women in 1998 by Sakiko Fukuda-Parr of the U.N. Development Program. "The growing economic power and the influence of women owned businesses are changing the shape of the global economy" (Fukuda-Parr 1998, cited in Erickson et al 1999, p Vii).

By 1997, in the US, 8 million businesses owned by women employed one in five US company workers and contributed nearly \$2.3 trillion annually to the economy (Erickson et al 1999, OECD 1997). They have not only succeeded in areas that have been traditionally regarded as women's domain (nursing, home products, home and office) but in traditionally male sectors such as real estates, restaurants, professionals and finance. Table 2.1, shows that "the number of firms created and managed by women has grown twice as fast as those set up by men" (OECD 1997). These women, in the US in 1975, formed the National Association of Women Business Owners (NAWBO) to serve their interests and assist new women BOs. As well they are assisting the government in setting up policies to assist women who cannot help themselves.

⁶ EE&Y produced this report because as auditors they were impressed by how American women advanced in business so told the story of 100 women.

Table 2.1: Women-owned enterprises in the United States, 1987-96

	1987	1992	1996	Variation 1996/1987	Average annual change
Number of enterprises (millions)	4.47	6.41	7.95	+77.6	+6.6
Employment (millions)	6.55	13.21	18.54	+182.7	+12.2
Turnover (billions)	681	1574	2288	+235.8	+14.5

source: NFWBO (1997) (OECD, 1997,p20).

Shigeko Mitsuhasi (1997) reported that the percentage of women entrepreneurs in Japan had increased from 2.4 per cent in 1980 to 5.2 percent in 1995, as shown in table 2.2, below (OECD 1997).

Table 2.2: Women as a percentage of entrepreneurs in Japan, 1980-95

	1980	1982	1984	1986	1988	1990	1992	1994	1995
Number of women	11 612	17 553	23 021	28 007	34 836	41 171	46 958	50 712	51 911
%	2.4	3.2	3.7	4.0	4.4	4.7	4.9	5.2	5.2

source: Nikkei Research Institute and Markets (OECD 1997, p21).

In New Zealand, in 1988, there were 26,000 women who were self employed. "The women surveyed employed an average of 9.2 employees and created almost one million dollars turnover" (Welsh, 1988, p5). Women in New Zealand, where the culture was that women were not supposed to work as it portrayed a bad image, women broke through the cultural barriers as the society and family needs demanded two income families, the women worked (Welsh, 1988). Where traditionally women ran hotels, farms, shops, and made produce and clothing they were now also engaged in jewellery making, publishing, software development, and running tourism and fitness centres (Women's Loan Fund Network). Table 2.3 shows the distribution of women entrepreneurs by industry sector for Australia.

Table 2.3: Australian women working in their business by industry division

Industry division	Women	%
Mining	600	0.2
Manufacturing	17 900	8.7
Construction	19 000	10.1
Wholesale trade	10 000	4.8
Retail trade	51 600	28.1
Transportation and Storage	7 600	3.7
Finance, property & business services	31 900	12.8
Community services	28 000	11.6
Recreational, personal & other services	37 000	20.1
TOTAL	203 600	100.0

Source: Australian Bureau of Statistics. 1993, reported in The Flinders University 1995

Research also shows that women are entering into self-employment at a faster rate than men in the United States (Allen & Truman, 1993) in New Zealand (Cameron & Massey, 1999) and Australia. Research (Walker 2000) in Australia found that today women are entering business for the same reasons as men and women are better educated and younger than in the past. Today women who owned business are seen in a new light with a 'good image' (Welsh, 1988) and women now realise that there is money and power in owning your own SME.

Box 2.1: Comparative data.

It needs to be highlighted here that data on small business is not always comparable across countries because of the differences in defining a small business and in the means of conducting surveys (Allen et al, 1993).

"In 1987, for example, an additional 10 million women, either non-salaried but working in a partner's business, or earning an income as self employed, increased the total of women officially recorded among the self-employed in the European countries from 3.2 million to 22.5 million" (EEC 1987 cited in Allen et al, 1993).

The other most important problem is simply collecting data on women entrepreneurs and their business. There is a need to raise their visibility and create awareness about their economic and social role in society (OECD Conference 1997).

It is now part of present day culture in developed countries such as the US, Britain, New Zealand and Australia, for women to be in SMEs.

However, there is a lack of data comparing men and women in business in regards to their role in business and their role in family obligations or non-business obligations (Allen et al, 1993) It is not known for example, what percentage of men are actually taking up family roles while their partners are engaged in business. Gender roles in relation to business has undergone a cultural change where women have moved from being the wife who undertook the clerical work for her husband or maintained good relationships in the community to promote her husband's business, to being owners of business.

2.5.2 Reasons why women enter business

For women, especially professional women, they are usually 'pulled' into business rather than being 'pushed' into business like most of her rural or unemployed sisters, because they see more chance of earning better salaries and of being independent. Usually the rural women and the urban unemployed women are 'pushed' into business because of poverty and lack of income earning opportunities. "These women are 'pushed' out of their environment and lack income earning opportunities (Epstein, 1992).

Entrepreneurship will occur only to a woman who becomes dissatisfied with the state she is in, who has the energy to effect a dramatic change in the state, and who has insight into how to change it" (Silver, 1994, p11).

A growing number of women now consider business start-up as a potential for bypassing the 'corporate glass ceiling' (Cameron & Massey, 1999) in their current employment. This is an invisible barrier that goes up to prevent women from being promoted to higher, levels especially to those senior positions traditional held by men. This is because senior males continue to question if women are capable of these positions, or if they can balance husband and family obligations with work. Also they are afraid that women may take over their jobs. It seems that the career women has to be more highly qualified and demonstrate a greater competence to occupy the same position as men (Scase & Goffee, 1980, Cameron & Massey, 1999).

In research conducted by Epstein in 1987-9, on successful women entrepreneurs in the city of Bristol, found that women enter business because of many reasons including: frustration at the lack of opportunities or of promotion in present employment, survival after a personal crises, limited career and employment prospects, lack of suitable qualifications and the need to fit work hours around the home and family, dissatisfaction with how men run business, realising a gap in the market, and taking advantage of opportunities.

In New Zealand, even though there has been government legislation introduced to improve the life of the workingwoman, she is still discriminated against in the workforce. For example, the Equal Pay Act 1972 was designed to ensure that women and men receive equal pay for occupying equivalent position for doing the same jobs. However, the majority of the time this does not happen as when women are appointed the job position suddenly takes on a new name for the same job description for a lower pay rate (Welsh, 1988). Men, who are better educated and hold top positions in their employment, control the unions; therefore, women's issues do not get discussed.

The Parental leave and Employment Act of 1987 gave parents equal right to leave during pregnancy. While the job should be kept, the employer had a right to fill in the vacancy if it was a disruption to work. "Overall, having children may have prompted many women to cut ties with their employer and begin business moulded around the needs of their families" (Welsh, 1988, p18). So business is an option for women who want to have a greater control over their lives (Women's Loan Fund Network).

2.5.3 Reasons given for women's success in business

There have been some surveys conducted to investigate the reasons for women's success in business, of which some of the results are outlined below.

The 100 successful American businesswomen in Erickson's (1999) survey said that the "immediate lesson is not who you are but how you meet customer needs and wants that makes a difference" (Erickson et al 1999, p ix). Their most important qualification is their experience as daughters, wives, and mothers and a history of combining work and family and knowing how to balance the two. They built good personal relationships with their customers and added a family touch in the conduct of their business just like looking after their family as the following example by Erickson et al, (1999) shows.

Ruth Fertel owned the Ruth's Chris Steakhouse in New Orleans. A former lab technician, she was divorced with two teenage sons, for whom she could not care for adequately on her salary so she bought her business in 1965. She went to her bank that was owned by her attorney, who was also her friend, who advised her to see his bank president. Both men advised against her buying the restaurant which was selling at \$18,000, with the president saying, "Ruth I'll lend you the money because you want it and you've got collateral, but I strongly advise against it" (Ernst et al, 1999, p49). (Ruth had won the house in the divorce case.) Ruth says she was so naïve that she forgot to add anything for the purchase of resources to start off and the bank president had to remind her and add \$4,000. to her application.

She did not have business skills but had learnt from her mother to "treat others the way you want to be treated". So in her business she extended warmth and hospitality to all her customers making them feel at home. She never rushed them. When a client had a tooth pulled out she ground his meat and shaped it like a steak and fed it to him.

Though she had three employees she used to butcher the meat herself until she could no longer lift the 30 pound loins, she did the books, (usually in the dining room), attended to the reservations and seating of the people. She did whatever was necessary including the dishes when

the dish washer did not turn up or the cooking when the chef was on a day off. She would then leave the kitchen door slightly open so that the customers could see how hard she was slaving at the hot stoves and would appreciate their food.

When things started getting expensive she told one of her regular customers that she might have to cut the size of the meat down. The customer told her that people came because of the meat and told her not to change. From that day on he brought a new customer everyday, with each customer bringing in new customers, increasing the clientele rapidly enabling Ruth to keep the size of the steak as well as making a profit.

Three years later hurricane Betsy struck. The electricity went off so Ruth quickly cooked all the food before it went off and distributed it to the people with nothing to eat. Her act of kindness did not go unnoticed and many of these people became her customers and word spread through the grapevine. As well "the lunchtime business executives who brought associates and customers started coming back in the evening with their wives" (Ernst et al, 1999, p55). Even Mohammed Ali went to eat a steak there making the place more popular. It became the place to go.

By 1969 she had to open another steak house across the river as she just had so many customers. Now she teamed up with a close friend and that steak house became a success from the first steak it served. She renewed her 10-year lease and when fire gutted her restaurant she changed location.

One of her loyal customers who became her first franchisee said that Ruth's steak house was different. It was fun to be there and one felt special and privileged as if she had invited you into her home.

After 33 years, Ruth is now a millionaire, with 66 restaurants (franchised and company owned) serving 15,000 steaks a day and grossing \$230

million a year as the largest upscale restaurant company in the United States.

Ruth's story demonstrates that entrepreneurs are made rather than born. She had a combination of training, skills and personal qualities that enabled her to be a success. She had "sound judgement, determination, hard work, and the capacity to keep learning" (Ernst et al, 1999, p62) that enabled her to succeed. While she is a nice person she is also very competitive in achieving her goal. She probably learnt this through her father who was an insurance salesman. Women who enter business and become more successful are usually those who had fathers in business and so were socialised in a business environment (Watkins & Watkins, 1983 cited in Wees & Romijn, 1995). While higher education is not necessary, it assists in making the business more successful.

She has proved that a woman can start a small business and grow it into a big business relying mainly on one's own personal attributes and experience. Silver (1994) researched 100 of the greatest women entrepreneurs in the US, nearly all of who began with small amounts of money and had also grown their businesses to multimillion-dollar ventures.

A woman entrepreneur, therefore may be defined as one who is able to observe the environment, identify opportunities to improve it, marshal resources and implement action to maximise those opportunities - in other words, someone who is able to organise manage and assume the risk of running an enterprise (Wees et al, 1992, 44)

Cameron and Massey (1999) confirms that women have an advantage in that most appear to possess good qualities that make them good managers and they are comfortable using a network system of family and friends for advice. Men find this difficult to do. Women too are usually good communicators and organisers. They usually have good relationships with their clients, suppliers and their staff. They are also flexible and

understanding. They are good at quality control and do not throw money away like men who usually want a modern office, fancy car and latest cell phone to enhance their status (Women's Loans Fund Network, 1998). Also Hisnich ((1986) cited in Wes et al, 1995) notes that women entrepreneurs in the United States generally had supportive husbands.

It is believed, that women's success is due to her management style that is more democratic compared to men who are more autocratic (Vokins 1985). They seem to work better in a flat organisation rather than in a hierarchy type preferred by men. As well they are prepared to actually do the work like assist in washing the dishes, while the men prefer to give orders (Vokins 1985).

Women's determination is strongest when there is no other alternative for example after the death of a husband. Rose Blumkin went to the Midwest from Russia in 1917. Her husband died when she was 43 and left her with two children and \$500.00. She started selling furniture from her living room and basement and ended up with a 250,000 square foot Nebraska Furniture Mart (Silver, 1994, p10).

2.5.4 Gender related issues: New Zealand Experience⁷

New Zealand businesswomen attribute their success to their ability to work within the rules of the business system, perceive their own differences and act upon market needs. They are good managers having learnt from running a home.

They run their business through team effort and feel disinclined to employ men who seem too preoccupied with the win/lose mentality. "They always have to be right or the best in the office and if they aren't then they sulk" (Welsh, 1988, p22).

⁷ Much of this section is based on Welsh (1988)

Although New Zealand businesswomen are generally forthright, confident and persistent, they felt that sometimes the bank manager, or industry associates or suppliers or even clients do not take them seriously. Some of the bank managers or loans officers appear to be biased against women. Women also felt that suppliers tended to use technical language to deliberately confuse them. However, most difficulties were experienced with clients who would regularly ask to speak with the manager and were rude and unwilling to deal with women (Welsh, 1988). This prejudice, despite advances made in recent years persists in many areas (Women's Loans Fund Network, 1998). Following are two examples of how women in business manage in New Zealand.

Patricia and Kari took over an egg distribution company and had to learn the ropes of the business and after operating the business for a while remarked that it actually helps to be a woman in the food industry. They employ men but they have to choose carefully because one must be sure that the man is prepared to take orders from a woman. The women handled all the business negotiations with the clients. They have a conservative approach to finance, ensure that the accounts are kept up to date and that the bills are paid promptly. At first they went to work everyday but now they only need to go half a week as everyone and everything is under control.

Rayleen Burrowes and her husband own a Jam factory where the husband makes the jam and Rayleen does the marketing. She says that some of the supermarket managers have been rude and unhelpful and have not taken her product seriously. She has had to keep calm while being persistent. She says that she has had to work very hard to be accepted in a man's world.

While many women made use of the education and experience of previous jobs, including home management, they did lack business skills and had to learn the business as they went along, especially in financial

planning and budgeting, business plans and letters, marketing, and taxation. However, it is clear that New Zealand women have overcome most of the major cultural and gender issues.

In terms of marriage, Welsh found that 57% of the women turning over one million dollars or more were either single or divorced. As one woman said, "I was married once and now I'm not. I don't believe I need a husband now. He would be one more demand in my life and my business takes my time now" (Welsh, 1988, p42).

In regards to management of the family, women usually prefer not to expand because they still want to have time with the family. "Money is not the motive but independence is" (Welsh, 1988, p27). (This is in line with Schumacher's theory of SB). Cameron and Massey (1999) also found that the most common reason given for women in New Zealand becoming self-employed is to combine family and work commitments. One woman organised her business during the day and only took on clients willing to do business during her schedule times. She said that her kids are extremely important and that she has to have a healthy balance (Welsh, 1988).

Fifty-six (56) percent of the businesswomen were married with half of those opting to have no children. How did the other half manage? They employed full time or part time nannies, childcare and gardener help. "While divorce can destroy a business, a successful relationship between husband and wife can be a vital base for business growth" (Scase & Goffee, 1980, p91). However, while women had the advantage of relying on the family for financial and moral support, family could also place demands on a women especially cultural obligations (Women's Loans Fund Network, 1998).

In regards to financial matters, women (34%) said they were not prepared to take risks. "Unlike men, women are socialised to play it safe" (Welsh,

1988, p28). So its not surprising that women do not often want to borrow large amounts of money to set up business. "They tended to enter low risk businesses with few capital requirement and started only when they felt ready" (Women's Loan Funds 1998, p7).

However, women felt that some of the bank managers or loans officers were biased against women and those whose husbands co-signed, had more chance of getting a loan because the fact of the matter is that women starting business usually had no assets of her own to use as collateral. Women usually turned to relatives for financial assistance or start very small (Women's Loans Fund, 1998).

2.5.5 Problems faced by small business

Despite international studies that suggest that women face different problems to men, Cameron and Massey (1999), concluded that men and women face the same barriers to business. For example, irrespective of gender, banks are reluctant to give loans to small business without a proven track record. In most cases the owners must come up with the start-up capital themselves. Lending institutions feel that owners are more committed to the success of their business if a substantial part of their own funds are at risk.

Other common causes for the failure of small business (Cameron & Massey, 1999,) irrespective of gender of ownership include,

- Many small businesses do not have the support structure for advice and Finance possessed by their larger and more experienced counterparts.
- New owner managers are not always capable of learning quickly all the functional skills necessary for operating a business.
- The business is not commercially viable, sales or margins are not high enough to support expenses.
- there is insufficient capital to cope with set up costs as well as working capital so the business, although potentially profitable,

simply runs out of money. The “overall reason is management inefficiencies” (Cameron & Massey, 1999, p74).

2.6 Small Business: The situation in developing countries

Many Third World countries are burdened with very large poor populations, high unemployment, and weak economies. These governments have seen that countries like Japan, the United Kingdom, Canada, New Zealand, Singapore, Taiwan, South Korea, Thailand, the United States, Malaysia, Philippines, China and Pakistan have benefited enormously from the small business sector. The sector contributes to the economy, employs a large portion of the labour force, and contributes towards achieving a more equal income distribution in the society (Abdullah, 2000).

Today many third world countries, especially in Asia-Pacific, small and medium enterprises (SME) form an important part of the overall development strategy.

The recent economic recession due to financial turmoil arising out of currency depreciation in the region has indeed raised different issues and challenges for SMEs. All these provide different prospects with respect to policies, programs, and institutional frameworks that are conducive to mobilising the development potential of SMEs in Asia-Pacific in the new millennium (Abdullah 2000, p xvix).

This was the objective of the recent International Conference on SMEs organised by the Centre for Policy Research, University Science Malaysia, Penang, Malaysia held from 28th to 30th September 1999. Fifteen countries were represented where the most important topic discussed was prospects for growth and development potential of SMEs in the new millennium.

The meeting focused mainly on the economic problems and constraints of developing the small business sector. For example lack of access to credit, technology; management; skilled labour; raw materials; and a

shortage of suitable sites and premises for SMEs operation (Abdullah 2000). There was discussion on what policies were in place, how effective they were, and what could be done in the future.

Nowhere was there any discussion of cultural (including religious and social) factors affecting business, or of gender issues in relation to business, or how family affects business⁸. Likewise, Mannan (1993), in his book on, Growth and Development of Small Enterprises: the case of Bangladesh, also avoids any discussion of culture or gender in relation to small business apart from saying that it would allow women to work at home or near the home. This is despite the fact that his research was to “find out ways for the policy makers that might enable them to adopt appropriate strategies for a sustainable development of the sector” (Mannan, 1993,p11). That is, the promotion of small business development as a means of providing employment and alleviating poverty. Bangladesh 's population in 1992 was 110 million with the labour force growing rapidly at 1.3 million, which means over 23 million additional people that have to find non-farm work. The problem of poverty would remain overwhelming in the near future (Mannan, 1993).

Hashim and Abdullah, point out that research into SMEs should be at “five different levels of analysis: individual, group, organisational, industry and societal”. They acknowledge that most of the research on SME in Malaysia has been on one level only and that they should really be studied at different levels to provide a better understanding.

Future researchers need to examine more than one of the individual, group, organisation, industry and society levels of analysis. Such multi-level studies provide a much richer understanding of the SMEs phenomenon and should therefore be encouraged in future research projects (Hashim et al. 2000, p205).

⁸ *However, research conducted in Malaysia, showed 26.8%, as female business owners and that 78% of Business Owners were married. One would have thought that in discussing policies for the future these issues would be investigated.*

2.6.1 Filipino women in business

At the OECD conference that was held in (1997), Zenaidu Gonzales, President of Gordon Enterprises Philippines, spoke on SMEs in the Philippines. Gonzales reported that Asian women are making a difference in the South East Asian Economy where “women account for as much as 70 percent working for their own account in manufacturing, trade and social/community and personal services” (Gonzales, 1997, p241). Originally women used their basic skills like sewing firstly, for extended family then graduating to buying sewing machines to sew for friends as well as family and finally employing a few women to cope with the work load, thus growing a small business. Women in the Philippines have excelled in business associated with homemaking skills, in restaurants and hotels and trading as trade stores and supermarkets. They are now moving into the male dominated areas of real estate, technology, and in consumer electronics.

Like women in developed countries, over the last 50 years a few Filipino women have started their businesses from humble beginnings and have successfully brought their companies to fame and fortune through hard work, sheer determination and excellence in production, marketing and exports.

An example of women’s active participation in business can be seen in the Meycauayan Jewellery Industry Association, which has 90 members, 75 are small firms and 15 are medium sized firms. Women own 40 of these firms, with women managing 24 firms and even though 26 firms have men at the top of the organisation women are ‘making it happen’.

Women’s efforts are being recognised as seen in the awards given to 22 women in small business. As well ten women have now become symbols in the industries and business they have started. This is an indication that

women in the Philippines are overcoming the cultural barriers and progressing in business.

In terms of family obligations, the extended family system provides the support that enables women to succeed in their business while still fulfilling their domestic obligations. "The strength of Asian family ties is a major factor in the success of women entrepreneurs" (Gonzales, 1997, p241). Many of the businesses are family businesses and there are no longer barriers to women taking over and running major businesses. In the Philippines, according to Gonzales, business is open to both males and females; just whoever is interested and willing can enter into business. The only limitation is the ability of the individual.

2.6.1.1 Reasons for their success

The most favourable factors that have facilitated the progress of Filipino women has been their access to education, increase in travel, and communication and participation in technology. Also men have seen the benefits of having two incomes and have allowed their wives to work.

Filipino women also succeed because they have the potential and ability to make use of their skills and opportunities, as they are the ones always on the look out to earn extra money for the family. They are also well known for their "innate artistic skills, sense of balance and colour, and their innovativeness in transferring indigenous materials into products marketable on local and international markets" (Gonzales, 1997, p 242).

As seen in the developed countries another major ingredient for success is their ability to attend to family duties and obligations despite her heavy work schedule, and at the same time attend to her business commitments (Gonzales, 1997). Finally the most important factor contributing to the rise of women in enterprises is the greater self-confidence and empowerment of women themselves.

2.6.1.2 Development

SME's in the Philippines are not limited to the creation of wealth or capital but they also stimulate gainful employment, and they are more innovative in developing indigenous or appropriate technology. In the Philippines SME's have been skilful in maximising use of scarce capital resources and able to partner larger firms to supply raw materials or parts. Their smallness makes them able to adapt easily and can develop and process new goods quickly.

A strong and vigorous SME sector is therefore vital to moving forward the Philippine economic development agenda, particularly in towns and barangays where SMEs can inject activity into rural areas and thus become the necessary agents of change in raising income equity among the population (Gonzales, 1997, p242).

While the Philippines portrays an example of a success story where women in a developing country have overcome cultural and gender barriers to excel in business, India on the other hand portrays a country where women are still struggling very hard to break through cultural and gender barriers to enter into SMEs.

2.6.2 Women in India

Uma Reddy (1997) reported at the same conference that of a total of two million small scale industrial (SSI) units, less than 10 percent are owned by women and the move by women towards entrepreneurship is still slow. This is despite the fact that in 1991 the Indian government introduced a new program introducing policy, mainly at donor's insistence, (though not actually implemented) emphasizing the promotion of entrepreneurship among women. By 1997,

the number of women entrepreneurship has not reached the critical mass necessary to make any impact on the system in either absolute or relative terms (Reddy, 1997.p251).

India does recognise that efforts towards economic development need to address the gender dimension of poverty as a priority issue. Poverty

alleviation policies today look at special policies and packages for women to promote economic growth like micro financing.

However, the cultural barriers and bias against women is very strong as seen in the following statement.

The female psyche, combined with limiting social, economic, educational, financial and legal factors, together with cultural constraints (milieu) contribute to the gender bias found in industry today (Reddy, 1997,252).

The biggest social constraint to women in business is the attitude that the women's place is in the home and that her first priority should be marriage, home, and family. Girls are socialised accordingly, so very few are interested in higher education and employment. In India it was found that women whose families were established in business had more chance of being successful in business and that usually, older women with grown children or widows go into business. Women generally do not enter into business because of fear of failure and if they do they keep them very small because they do not want to be a threat to the husband's ego if the business expands.

Like most poor third world countries small business start up problems are similar for men and women but more so for women, because of cultural beliefs, family obligations and lack of education and knowledge, on how to go about obtaining finances and setting up a business. In India women often rely on men for the surety or collateral, which restricts access to capital. Bias against women is so strong that it is difficult for women to interact with men, which is essential if one is entering into business.

2.7 Summary

Chapter 2 has shown that in the developed countries SMEs have become important to the economy and as a means of providing employment. It has also shown that with experience and/or education women have overcome cultural and gender barriers to become successful in SMEs. Furthermore

women are also entering business in the more professional areas traditionally only open to men. Where women lacked the financial experience they have been willing to learn and take advice from others. Women also rely on their own skills learnt as a daughter, mother, and housewife, to make their business successful and have generally been able to combine business with family responsibilities.

It has been shown that in some developing countries like the Philippines women through experience and education have been able to excel in SMEs while in other developing countries like India where cultural barriers are more marked against women and where women are generally less educated than the men, progress of women owners of SMEs is slower.

Another clear message is that while most BOs face similar problems, women, depending on country and level of education generally faced more hardship because of her gender and the culture of the society.

Box 2.2: American Women's Tips For Success in Business

"Business is Common Sense" Sheryl Leach – Barney

"I've always had a lot of Confidence" Jenny Craig – Jenny Craig, Inc.

"Treat Others the Way You Want to Be Treated" Ruth Fertel – Ruth's Chris Steak House

"The Product Is Always King" Joy Mangano – Ingenious Designs

"Owning a Business Is Like Owning the Greatest Toy in the World" Mary Sheets – Two Men and a Truck

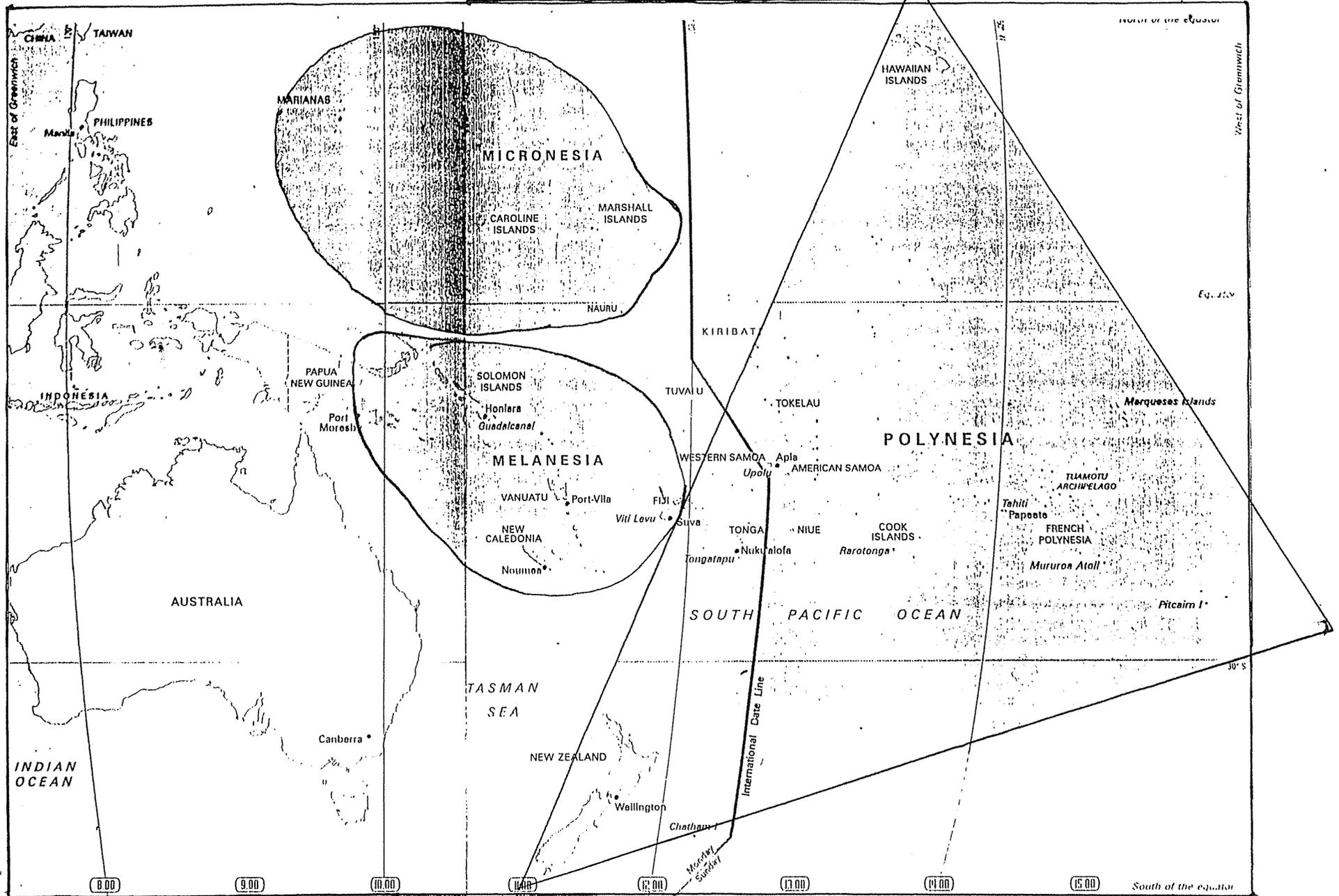
"The Kitchen Store that Comes to Your Door" Doris Christopher

"If You Do a Good Job, Someone will Notice" Dorothy White

"The best Coffee in the World is Service with a Smile" JoAnne Shaw

"We've Made Service our Priority" Ebby Halliday

FIG 3-1: PACIFIC ISLANDS



CHAPTER 3: SMALL BUSINESS, CULTURE AND GENDER:THE PACIFIC PERSPECTIVE

3.1 Introduction

Chapter three discusses the development of SMEs in the Pacific Island Countries. It will be preceded by a general description of the geographic, historical and socio-economic background to the PICs to provide an understanding to the development of SMEs in relation to culture and gender. Examples, will be given that illustrate that while culture and social obligations were more of a hindrance in the early history of the PIC's, over the years with education and experience, people have learnt to manage cultural obligations, while maintaining their businesses. Many of these obligations have become a hindrance because they have been commercialised but they are not absolute obstacles. Examples will also be given of women who have been able to overcome cultural and gender barriers to become successful in business.

3.2 Background to the Pacific Islands

The Pacific Island countries (Fig: 3.1) can be divided into three major groups, Polynesia, Micronesia and Melanesia. These three groups of people are normally divided into two major divisions the Austronesians which includes most of Polynesia and Micronesia, and the non Austronesians that includes most of Melanesia (Lal, 2001). They are two very distinct groups of people with the Austronesian societies being more structured like the western societies while the other tends to lack formal rules. The Austronesians settled in the Pacific only within the last several thousand years and their societies are based on a hierarchical, chiefly system and they share similar languages and cultures. The Chiefs normally occupy a formal position, which is often hereditary, and have the authority over certain resources and can allocate and redistribute them (Lal, 2001).

People recognise their legitimate right to collect tribute, sponsor ceremonies, organise labour, adjudicate disputes and punish wrongdoers (Lal, 2001,p430).

The non Austronesians came some 50,000 years ago and settled mainly on Australia, Papua New Guinea and most of the larger islands of Melanesia (Lal, 2001) and have a diversified number of languages and culture. These societies were more egalitarian with the political system based on achievement, the "big man"⁹ model, and the social system based on reciprocal relations. Unlike the Polynesian chief the "big man" did not have formal authority and the position was not hereditary but based on how enterprising one was. Their role in conflict resolutions was to negotiate and mediate to make a consensus decision, which was generally accepted by the village people. While the early Europeans found it easier to understand, document and apply the traditional legal system in most Austronesian societies they found it difficult to understand the legal system of the Melanesian societies and so applied the Western legal system which caused a lot of problems as the two systems had a lot of differences.

While the shared customs and traditions can symbolise the national community and can help to create or maintain sentiment of national identity (like Polynesian or Melanesian) (Lindstrom & White, 1994), it is the differences within a country or between countries that have caused problems. For example, in the Pacific: in Fiji, between the ethnic Fijians and the Fiji-Indians, in Papua New Guinea, between the Bougainvilleans wanting to be independent from Papua New Guineans because they felt they were different, and in the Solomon Islands between the Malaitans and the Guadalcanal people because the Guadalcanal people felt that the Malaitans were taking over their land.

Historically, the early Europeans, in most PICs, set up plantations or mining concerns employing the indigenous labour for very low wages. At

the same time they operated little trade stores where the labourers could buy their goods. So trade stores were associated with foreigners. Gradually, formal business was set up in the major towns around the Pacific, by the early foreigners like the Chinese in Solomon Islands and the Europeans, Indians and Chinese in Fiji. This cemented the perception that business could only be owned and operated by foreigners who were mostly men, and also “endorsed the cultural mythology in Melanesia that men were superior to women” (Prendeville sm, pers comm., 12.7.01).

This trade culture existed through the years without question until well after independence in most PICs. governments have only recently started questioning why indigenous populations have not entered into business. For indigenous populations they never saw the need to enter into business as their economies were subsistence and not futuristic and profit was not a major factor in transactions (Prendeville sm, pers comm., 12.7.01).

Most of the PICs now believe that the way forward is through the development of SMEs as a means of providing employment and making the people more self reliant. Listed in (Box 3.1) are some examples of some policies from the PICs in regards to the development of SMEs.

Box 3.1: Business Development Policies of some Pacific Island Countries
Cook Islands Policy on development of the private sector is to restore and enhance the production capacity of the economy, because of the desire for greater national self-reliance. Also to stem the emigration process in order to foster greater participation in the growth process (Fairbairn 1985).
Papua New Guinea is paying attention to developing the small-scale industries as part of its overall effort towards industrialisation, and development. Needs to provide employment for its rapidly growing workforce and to further strengthen indigenous participation in development to achieve a balanced growth (Fairbairn 1992).
Western Samoa government wanted small business to be encouraged in a vital strategy for achieving economic growth (Croulet 1985).

⁹ The "big man" model was the traditional form of government found mainly in the Melanesian countries of PNG, Solomon Islands, Vanuatu, New Caledonia and Fiji.

However, the PICs face many problems like their poor economic performance, large populations with high fertility rates (see Table 3.1).

The

annual per capita growth in GDP, taken over the 14 year period from 1982 to 1996 for which consistent data from the World Bank are available, has ranged from a maximum of 2 percent for Papua New Guinea to less than one per cent for Fiji, Samoa and Vanuatu (Chand, 2001, p97).

Furthermore the Pacific have been affected by natural disasters like cyclones which affect the agriculture production and more recently political problems like those in Fiji, PNG and Solomon Islands which all affect the economy.

Table 3.1: Land area, Population growth and GDP

	Land Area km ²	Population (’000)	Population growth (% p.a)	GDP per capita (US\$)	GDP growth % p.a.
Cook Islands	237	19	.65	4521	"
Fiji	18 272	825	1.24	1982	-3.7 (1998)
Kiribati	811	91	1.42	594	5.2 (1998)
Marshall Islands	181	62	3.21	1509	5.3 (1995)
Micronesia, Fed. States	701	118	2.03	1841	.03 (1999)
Nauru	21	12	1.85	2900	"
Niue	259	2	.90	2250	"
Palau	488	19	2.41	6448	"
Papua New Guinea		4807	2.22	756	0.9 (1999)
Samoa	2 935	169	1.43	1255	5.2 (1998)
Solomon Islands	28 330	448	3.14	712	6 (1999)
Tonga	747	100	.28	1614	6.2 (1999)
Tuvalu	26	10	2.69	1215	"
Vanuatu	12 190	200	2.41	1276	-2.0 (1999)

Source: (Chand, 2000, p96) The population figures are projections for mid 2000; population growth data is for 1999; and GDP-per capita data is for 1998.

At a glance it is clear that the Melanesian countries have the biggest land area, the largest populations and the lowest education and literacy rates. Some basic statistics about the PICs is shown on Table 3.2.

Table 3.2: Basic Statistics PICs

	Infant mortality per 1000 live births	Life expectancy	Adult literacy (per cent)	Secondary school enrolments % of age group*	Aid per capita (current US\$)
Cook Islands	25 (1998)	69 (1991-93)	100 (1994-97)	85	"
Fiji	19 (1998)	72.7 (1998)	92 (1995)	57	46.1
Kiribati	58 (1998)	60.9 (1998)	97 (1999)	32	200.8
Marshall Islands	26 (1998)	62.8(1994-97)	91 (1999)	53	811.3
Micronesia, F. S.	28.5 (1998)	67.3 (1998)	81 (1999)	57	705.6
Nauru	26 (1994-97)	60.8 (2000est)	90 (1999)	na	"
Niue	18 (1994)	66 (1994-97)	99 (1991-93)	na	"
Palau	19 (1995)	71 (1996)	98 (1999)	na	4814.1
Papua New Guinea	59.4 (1998)	58.2 (1998)	72 (1995)	na	78.5
Samoa	25 (1998)	68.7 (1998)	98 (1999)	70	215.3
Solomon Islands	22.2 (1998)	70.8 (1998)	62 (1999)	14	102.4
Tonga	21.3 (1998)	70.6 (1998)	95.9(1991-93)	99	259.6
Tuvalu	29 (1997)	65.6(1991-93)	99.5(1991-93)	60	"
Vanuatu	35.5 (1998)	65 (1998)	70 (1989-90)	17	221.8

Source: (Chand, 2000, p96) the data on adult literacy rates are for the most recent year available as indicated in the parenthesis. Data in Column with * from AusAID Pacific Program Profiles (1998-99)

PICs share many similar problems that make it difficult to promote SMEs. Some of these include capital shortages, high transportation costs, the constraints of a weak domestic market, discrimination against small business and negative consequences of government regulations e.g. price control, lack of skilled personal and lack of proper advising. Furthermore, there are problems related to culture especially land and compensation

issues. These problems will be summarised briefly here while the next section will look at cultural obligations and small business in more detail.

Capital shortages are

due to poor access to formal credit institutions, most notably commercial and development banks. This problem is highlighted by evidence that shows up to 70 percent of total start-up capital is raised from the entrepreneur's own savings, income from other sources or family (Fairbairn, 1992, 8).

In smaller countries like Cook islands and Tonga its because they have only one or two commercial banks while in larger countries like Fiji and PNG its because the indigenous business individuals lack the knowledge of preparing business proposals (Fairbairn, 1992).

On the other hand in most of the PICs, banks and other financial institutions play an important role in the economy (Lal, 2001) They mobilise savings from the local residents and business and allocate them to those best qualified to use them. This usually means those that are well educated or already in business.

As well there are claims that banks in the Pacific are not completely neutral in assessing claims for example, Fijian men found it more difficult to secure loans than men of other races in Fiji. This is due to bias against indigenous Fijians not being able or capable to run business so a greater risk in the repayment of loans. However when Fiji (Fairbairn, 1998) introduced Business Opportunity and Management Advisory Service (BOMAS) in 1975 to provide training and advice exclusively to Fijian entrepreneurs the reality was that while BOMAS carried out the feasibility studies for prospective Fijian Businessmen about 70% ended up not getting loans.

Fiji through the Fiji development bank has now introduced its small business equity scheme where "government has allocated \$2m as equity grants. Of this 1.5m are for indigenous Fijians and Rotumans, and .5m for

other races” (The Review, 2001, p21). This is to cater for people interested in small business but who cannot meet the bank’s 20 percent equity contribution requirement. Under the scheme the government will assist the borrower by contributing 10 percent of the project cost as equity cost.

The high transportation costs are a real burden to the PICs as the island people rely on international as well as inter-island and intra-island transport (Fairbairn, 1992), which makes trade and tourism very difficult and expensive especially for the remote island countries like Cook Islands and Kiribati. Shipping and air services are usually expensive and unreliable. Inadequate and unreliable transport is costly and disruptive.

As vast oceans surround the PICs they are miles away from most significant international markets and face stiff competition. They are also constrained by a weak domestic market. At the same time most PICs government policies have not been favourable to the promotion of SMEs.

As well there is a general lack of education of modern business, lack of previous business experience, lack of training in business skills, lack of confidence when dealing with financial institutions, a failure to understand market forces leading to inappropriate pricing stock levels and credit policies. There is also a tendency to underestimate the working capital needs of business with a resulting failure to ensure adequate capitalisation.

Furthermore the government has been relaxed about getting the information to the people about subsidies and concessions available to promote small business due mainly to lack of and poor quality advising services (Briscoe, Godwin, Sibbald, 1990).

A major cultural constraint is that the ownership of most and resources are concentrated in the hands of the people, on clan bases, which makes it

difficult for both government and private companies to negotiate for land. While smaller island nations may find it easier to implement land registration it is a very difficult problem on larger Melanesian countries. Attempts in PNG by the government to talk about land mobilisation have met with strong opposition from the people.

Associated with land is the problem of compensation claims. "Compensation claims, is one of the most rapidly growing business in Melanesia" (Chand, 2001, p102). This is a major constraint to both public and private development of infrastructure. For example in PNG on the 24th August 2001, the Koiari landowners shut down the Sirinumu Dam which supplies water to the Rouna power stations and the Mt Eriama water treatment plant, in demand for a K15 million compensation claim (Post Courier, 27/08/2001). This meant that Port Moresby city and Central Province were without proper water and electricity supplies for several days, which also disrupted business. By Monday 3rd September 2001, the President of the Manufactures Council, Wayne Golding said that this type of activity was a disincentive to business and industries could no longer absorb these costs, which would now be passed on to consumers. The increasing cost of electricity (it had gone up by 20 percent with a possible further increase) hurts the manufacturing and the commercial sector (Post Courier 04/09/2001).

Law and order problems, are also not conducive to doing business and is a major problem especially in PNG and now in the Solomon Islands. For example in PNG every time there is a strike there is massive destruction to properties and looting of shops. Furthermore almost daily people are attacked while going about their daily business. This makes the place unattractive for business.

Most PICs still rely on foreign aid to keep them operating. Most goes into the public sector and infrastructure development (Lal, 2001). This access to money has not pushed the public service to be efficient. Currently the

IMF and the World Bank are calling for more stringent measures to be taken. Almost all PIC's are receiving aid for the restructure of the public service.

Some Pacific Island countries-Fiji and Papua New Guinea in particular-have attempted to deregulate their economies via instituting ambitious privatisation agendas and lowering barriers to international trade (Chand, 2001, p105).

These have been very difficult exercises with minimal success. For example in Fiji there was strong anti-liberalisation lobbies against the relaxation of import controls on some of the basic foods while in PNG the labour unions strongly opposed the privatisation agenda (Chand, 2001) even mobilising support from the University of PNG students. These students led a demonstration that turned violent and to the death of four students.

While the restructure of the public service was long overdue it might have been beneficial to also undertake a cultural investigation which may lead to an understanding of why the public service was not performing and what measures can be taken to make it more efficient rather than restructuring departments and retrenching public servants to save x amount of dollars. For example, part of the PNG government's plan was that the restructure of the public service would promote small business, and government would assist retrenched public servants start their own business (Government of PNG, 1991, cited in Fairbairn, 1992). However, other conditions were not in place like easy access to loans or skilled labour to operate the business. It is more like recycling people without curing the disease because the disease has not been fully analysed. Restructuring may have stimulated privatisation in New Zealand but the PICs have a different set of circumstances, which must be considered before implementation of the restructure.

The major aid donors to the PICs have recognised the difficulties and are assisting to find solutions by providing funding to assist research into the

problems and solutions to the development of small business in the Pacific. For example the ADB and East - West Centre provided the funding for such a report called *Enterprise Support organizations for the South Pacific: Problems and proposals* by Briscoe, R., Godwin, S. N., and Sibbald, A. (1990) which made many useful findings. The Pacific Islands Development Programme, (PIDP) also provided the funding for case studies to be conducted in the Pacific, compiled in the *Island Entrepreneurs*, edited by Fairbairn, as requested by members of the Pacific Islands Standing Committee at its inaugural meeting on the development of small business, because they wanted to gain a better understanding of the problems and where aid should be directed.

The focus of aid to the PICs is now focused on the development of the private sector. For example the NZODA policy frame work key strategies includes private sector development, as a means towards reducing poverty through “Public policy which provides an enabling environment for private enterprise and programmes which encourage the private sector” (NZODA Policy, p7). While the “Australia’s aid is responding to emerging priorities.” Regional governments have recognised the importance of public sector reform as a prerequisite for improved economic performance and social development” Thus it has set its action plan “high priority to improvements in government accountability, trade and investment policy and the environment for private sector activity” (A. Downer, Minister of Foreign Affairs, Australia, December 1998).

Both aid donors' philosophy towards Small Business Development (SBD) in the Pacific is seeing development as being people centred. Great emphasis is placed on human resource development as trained people add value to the country's efforts to promote economic and social progress. (NZODA Policy). Participation is one of the guiding principles and New Zealand especially is committed to greater participation of both men and women and disadvantaged groups in economic, social and political life (NZODA Policy).

However as Harper (1985), states, that development and promotion of small enterprises is agreed to be one of the most difficult and important fields of aid and administration in the third world.

Small businesses are said to need more credit, more training, more advice, more technology, more buildings, more raw materials and more markets, as if external assistance alone can solve all their problems and enable them to employ the growing workforce that can no longer be absorbed on the land, by government or in large scale industry (Harper, 1985, p1).

3.3 Business and culture

There are two major cultural constraints to the development of SME in the PICs. Firstly, custom controls most of the economic resources and secondly, the principles of modern business are foreign to the Pacific Island cultures.

As Hooper (2000) correctly points out, in every Pacific country there is a large traditional sector and in most cases 80/90 percent of the land and resources is under customary tenure. Land is owned by the tribe or clan and not by one person so this means that no one person can use land to secure a bank loan to start up his business. Here then is the first major obstacle - how to secure cash. Furthermore if the resources are sold how are the benefits divided fairly among all the many owners of the resources? Also because most PICs had no written history how are disputes to the same piece of land resolved?

The other issue is that the principles of modern business are often foreign to many PI cultures where society is based on sharing with and between the family kinship group. Business stresses individualism and acquisitiveness, with success measured in financial terms and the entrepreneur's role is seen as a change agent (Hailey, 1998). These values are totally alien to Pacific cultures as summed up by Ratu David Toganivalu (1979): "commerce is about selling; Fijian society is all about sharing" (cited in Hailey, 1998, p.39). The Fijian society, is based on

“communalism rather than individuality, reciprocity rather than acquisitiveness and social gain rather than financial profit” (Hailey, 1998 p.39). This is true for most Pacific Island cultures where one would go to any length to meet cultural obligations because indirectly it could increase one's status in the society. It is these commitments that one has to learn to manage and in the early, short, history of SMEs most indigenous businesses went bankrupt because cultural/social obligations were not managed. It was a new culture and people just did not understand fully the financial mechanics and how to operate SMEs successfully while maintaining cultural obligations. One must bear in mind that most PICs especially in Melanesia people were only educated after the second world war and for women it was even later. As well some villages in PNG have only had contact with the outside world in the last 50 years. However, with experience/education more successful BOs are now emerging as these examples from the PI show.

Research in the Cook Islands by Fairbairn (1988) showed that the BOs were educated with about 50% having overseas experience or going into business for which they had experience. This could account for the higher success rate of indigenous business. However at the same time BOs acknowledged that certain elements of traditional culture could have hindered the efficient operation of the business if they had not been managed. For example, pressure from relatives for credit. In many PICs relatives often then fail to repay this credit knowing that it is not acceptable practice for the owner to ask for the payment of the credit. However, in the Cook Islands survey, Fairbairn (1988) suggests that socio-cultural aspects did not significantly undermine the operation of the sample business. These respondents attributed their success to their confidence, their personality, hard work, reliability, motivation, able to see good possibilities and the capacity to be ruthless at times in pursuing goals, and proper financial management. Very important too was their ability to maintain good relations with their employees and their customers. Fairbairn (1988)

survey suggests that respondents had a high level of education and training.

In Fiji research conducted by Belshaw (1964) (cited in Hailey, 1985) showed that Fijian entrepreneurs succeeded because of their education, or religion. The successful ones became isolated from society and extended family obligations and therefore were able to prosper. (In return they were treated like outcasts.) Later research by Rakoto (1979) and Hailey (1985) contradicted this. They found that those that maintained strong links with family, community and village tended to be more successful than those that isolated themselves. This could mean that the BO knew how to manage cultural mores and communal obligations, or that the particular group of people worked together with the BO and were not so demanding.

There was a reluctance among the Fijians surveyed by Hailey (1998) to enter into business with their family members (*mataqali*) because of “jealousies, expenses of meeting communal obligations and conformity purposes” These could be major stumbling blocks in most Pacific societies where one does not want to appear more well off because of black magic¹⁰ or because one must not be seen as being better off than the big man or the chief.

On the other hand, it was usual to employ family members in the business because it allowed long hours of work, low pay keeping costs down, and avoided the expense and time associated with employee insurance and tax. This is essential if business is to survive. It is normal for family members to be happy with a low cash wage because in most cases they receive free board/lodging.

However, one of the common problems in Fiji (Hailey, 1988) was not

¹⁰ People especially in Melanesian countries have a real fear of black magic like Vele on Guadalcanal that can kill a person, and so did not want to go against the mores of society.

cultural but the lack of business expertise and experience, where even though Fijian men spent long hours in their business their profits were very low. Usually it is because of the failure (through lack of knowledge) to keep personal and business expenses and profits separate. Therefore many of the businesses found that they could not afford to buy goods in bulk, as a result their goods were over priced which made the people shop elsewhere. The prices in the Fijian operated retail shop were up to 20% higher compared to the shops owned by the Indians and Chinese. This usually led to more loans, (mostly from extended family because of the claimed discrimination by banks) or bankruptcy.

Success is often attributed to education level and/or experience either in a similar occupation or exposure to business. In Fiji the Indian BOs were the least educated but they more successful at business. This could be attributed to their early exposure to business and that business was their only means of livelihood, as in most cases they did not own land.

In Samoa, society is strongly based on the kinship system under the *pule* or authority of the *matai* which basically formed the *fa'asamoa* or the Samoan way of life. The subsistence way of life was basically organised in these kinship groups under a *matai*. In Samoa, the culture, or way of life is the duty to share with the family and the community.

In a survey conducted by Croulet (1985) among 70 entrepreneurs, it was found, among other characteristics, that the entrepreneur was more likely to be a Samoan but if the BO was part European then success and growth is more likely to occur. The BO was more likely to have collected start up capital from family members and would have had more formal education than the average Samoan. The entrepreneur is also more likely to be male and a *matai*. The BO is likely to succeed if he can "take commercial advantage of the *matai* traditions to increase business" (Croulet, 1985, p.84). The bulk of the entrepreneurs interviewed said that culture had no

positive or negative effect on business performance except those operating trade stores found that the family members would purchase goods on credit but almost never repaid their credits.

By the mid 1990s, some changes in the Samoan culture occurred as reported by Shadrake and van Die'men (1998) from information that had been gathered in three different surveys between 1994 and 1995¹¹. Indirect evidence showed that more people who were not *matai* or directly under the authority of *matai* were entering into business, then as earlier discussed. Also the survey conducted in 1995, interviewed 100 women whereas in Croulet's (1985) survey most of the BOs were men. Shadrake and van Die'men (1998) research shows a change in cultural attitudes that allow women to do business.

The direct findings of the Shadrake and van Die'men (1998) survey found that there were five factors that affected small businesses. These included the *matai pule*, status and communal obligation, donations for *fa'alavelave*, donations to the church, and government regulation" (Shadrake and van Die'men, 1998, p.10). Only the first four factors will be discussed as they directly relate to culture.

In regards to the *matai pule* even though his authority was slowly being eroded in the rural areas, as a result of increasing individualism and state regulation, it was still strong and could be a hindrance to small business (Shadrake and van Die'men, 1998). Unlike Melanesian culture where any clansman could make a garden or build a shop on clan land, in Samoa, especially in the rural areas, the *matai* has to give permission before an untitled man could use the land to start a business. An example is given of an untitled man who returned from New Zealand with his wife to settle in his wife's village. He then wanted to start a business on family land but the

¹¹ A survey in 1995 of 100 women throughout the country conducted by female Samoan researchers, a survey of graduates of the SBEC training, Interviews conducted in Western Samoa during 1994-95 with a variety of people in business and government.)

senior *matai* objected, and it took him one year to obtain permission (Shadrake and van Die'men, 1998).

Furthermore, land titles, apart from freehold land in Apia, were held by the *Matai* so BOs could not register the land in their name or use the land as collateral for bank loans. Where, for example, a couple owned a shop on clan land someone else could be awarded this land on the death of the *matai* who granted the initial permission. Also where a partner is from a different village the shop could be lost on the death of the partner from that village (Shadrake and van Die'men, 1998). These issues cause insecurities and provide a clear example of how customary land ownership can be a hindrance to small business.

Status and communal obligation go hand in hand where as your status increases so does your obligations, like giving free gifts to family and friends. In the late 1990s, *Matai* were feeling the pressure of these obligations and untitled men in business said that they did not want to become a *matai* because of the obligations that came with the position (Shadrake and van Die'men, 1998). For example, Elena and her husband had a successful shop in Upolu, and Elena's husband was soon made a *matai*. As he was a generous man he extended credit to other *matai* and to entertain them at business expense. Soon the shop became bankrupt and had to close. Elana then obtained money from family overseas and started another shop. This time she ran it, and tried to ensure that her husband did not deal with customers, as it was hard for him to refuse credit. She did not give any credits and the local people respected this, knowing what had happened before (Shadrake and van Die'men, 1998).

Donations to *fa'alavelave* are a custom followed by the majority of Samoans but which has now become a burden because the traditional *fa'alavelave* has become commercialised (O'Meara, 1993, and Shadrake and van Die'men, 1998). People now expected larger gifts-especially if you own a business. The research found that the obligation to contribute

to the *fa'alavelave* was so strong that people even borrowed from overseas relatives or the bank to contribute. One lady had said that even if one had no savings at all, they have to give, even if it meant no bread and butter for today (Shadrake and van Die'men, 1998). Some said there were *fa'alavelaves* nearly every week and that if it weren't for *fa'alavelaves* Samoans would be rich people.

Some educated Samoans, like the Secretary of Women's Affairs, had a different view that one did not have to contribute in cash but could contribute in kind or not contribute at all if they could not afford to. They would not be ostracised (Shadrake and van Die'men, 1998). However, she did say that the donations today were excessive - a view confirmed by staff of the Bank of Western Samoa.

The people of Samoa also feel that they are obliged to contribute to the church for the pastor's salary, or anything else that he required like a washing machine. Because of the practice of reading out names and amounts contributed in church every family, rich or poor, tries to contribute more than the next person to maintain their status. BOs feel pressured to contribute more than ordinary people.

These cultural and social obligations are a financial burden to the people and reduce their capacity to save or for BOs to grow their business. Many people expressed that they wished there were regulations controlling a lot of these activities (Shadrake and van Die'men, 1998).

However, in some parts of Samoa like in Savaii, O'Meara (1993) found that because of the new economic conditions, Samoans were becoming more individualistic in terms of the land, labour and income. It is now understood that if a man works on a block of land then he owns it and owns the fruit of his labour instead of sharing the produce. Today, the search for money is profoundly changing Samoan culture (O'Meara, 1993).

In the early 1980s, Tonga had a growing number of businesses owned by both expatriates and indigenous people in the manufacturing, retail service, tourism-related, and commercial farming ventures. However, it was clear that the failure rate among the indigenous owned businesses was higher than for the expatriates¹². Ritterbush (1988) found that most indigenous businesspersons had less formal education, fewer management skills, and their businesses were less financially stable than the expatriate or part Tongan BOs (Ritterbush, 1988). The more successful indigenous business entrepreneurs had

inherited their businesses, had been or were government employees, were closely related by marriage or blood to government employees, had been trained in accounting (or rudimentary bookkeeping), or had worked closely with a relative or trusted friend who had received such training (Ritterbush, 1988, p.147).

Today more university graduates are entering into business because they can earn more than working in the government (Ritterbush, 1988). Generally the more educated and/or those who have travelled out of the country did better but some of the commercial farmers who were not well-educated but learnt through experience and sheer hard work have succeeded in making a better life for their families. Successful BOs have also been able to make customary obligations work for them through careful management of finances, and being able to combine individualist principles with the traditionally communal principle (Ritterbush, 1988).

The socio-cultural customs that impact on business the most are

Tonga's system of customary obligations and status hierarchy, the land tenure system, and the nation's religiosity unparalleled in the Pacific islands region even today, with its well-entrenched system of tithing, religious hierarchy, and code of moral and church ethics" (Ritterbush, 1988, p147).

¹² In 1983, Ritterbush conducted 185 interviews in Tonga in an effort to find out the reasons for business failure especially among the indigenous business owners: financial, infrastructure, socio-cultural or technical.

Nearly all indigenous entrepreneurs as well as some foreigners with Tongan wives were affected by the *fua kavenga* which is the customary obligatory contribution in connection with the Tongan family, the church, and the government (Ritterbush, 1988). As one BO commented “without *fua kavenga* I would be a millionaire by now” (Ritterbush, 1988, p.151). (This is like Samoa's *fa'alavelave* obligations). While a few BOs disregarded this practice altogether a few more educated ones found ways to make the system work for them and devised financial strategies that allowed them to fulfil their customary obligations and generate business profit at the same time.

Business owners faced problems of the individualist concepts of business and the communal expectations to family, the village, church, and the King. Business owners had obligations to hire relatives and school children during holidays and give credit to relatives - an act most likely to cause bankruptcy. In some cases in Tonga it was found that in family businesses where members felt part ownership of the business, they tended to work harder and have less credit.

Another cultural obligation is found in the various forms of reciprocity; *kole* - to make a request, to borrow, to ask, *fatongia* - duty or obligation, and *takitaki* - social obligation with ulterior motives (Ritterbush, 1988, p.153). The principal of 'I'll help you if you will help me' underlies the society where traditional practices among people with social ties have spilt over to the business and government. It is therefore not uncommon to have 'under the table' financial transactions not just between BOs but also with civil servants.

A very strong obligation is that to the church. The two main churches are the Wesleyan and Free Church, which, require constant tithing, and the Mormon Church to a lesser extent and provided in-church financial management such as bookkeeping (Ritterbush, 1988). In the earlier example by James (2000), on the unsuccessful Tongan fishing project,

the project officer was pondering over what went wrong because initially the men were making money and repaying their loans but then they stopped paying their loans because of family, community and church pressure for financial assistance. The project officer then concluded that,

We should include the wife and the church minister (*faifekau*) in the training, and tell the church minister that after his loan repayment, the man has this amount of income left. He has a child still in secondary school, fees, food, clothes, and that we think this is the amount he can afford to give to the church. Can we ask you (the church minister) for your help? If he gives more than this amount (that he can afford), will you tell him in church that he is doing the wrong thing (James, 2000, p138)

Here the expert laughed as he knew that no way would the *faifekau* ever endanger church revenue by doing this.

The status system is still strong and encourages preferential treatment. Business owners of the lower status ranks find it more difficult to obtain loans or get any sort of technical assistance from the government. Most BOs relied on their family for start up cash (Ritterbush, 1988).

As land is becoming scarce more Tongans are motivated to go into business whereas before the 1970's people were happy with their subsistence life.

In Papua New Guinea the early attempts that were made by the indigenous population at business, were not recognised. For example "the 1965 World Bank report on PNG largely ignored the possibility of indigenous entrepreneurship and focused instead on the necessity for Australian and other expatriates to continue operating their plantations and businesses in PNG and to develop still more enterprises there in order to build up the economic base of the country" (World Bank cited in Finney, 1988, p.103)

The highlands of Papua New Guinea (PNG) only came into contact with outsiders in the 1930's and were only linked with the world economic system after WW II (Finney, 1988). While some of the earlier attempts at business had failed others with more experience/education have seized opportunities and have developed major commercial enterprises including the multimillion dollar coffee industry. Today they grow, buy and sell coffee, proving that culture is not an absolute barrier to business.

Finney found that there was a shortage of business entrepreneurs in Goroka affected by social and cultural factors. When questioned they said that they were uninterested in starting and running businesses because of their cultural values, which favour sharing, and equality. This very value was responsible for many of the early failed attempts at business around the Pacific. However, as mentioned at the beginning there are societies with specific differences, like the highlanders of PNG. Finney (1988) found that the highlanders of PNG stressed individual wealth accumulation and exchange and the translation of success in the economic sphere into social status seemed ready made for entrepreneurship. Like most Melanesian societies leadership was through the "big man" who gained repute through war, oratory and above all through economic success. They strove to become wealthy and used wealth to gain prominence in ceremonial exchanges system. This is mainly with pigs and root crops and valuables like feathers and shells.

The early Goroka business men or in PNG pidgin *bikpela man belong bisnis*, had some sort of formal schooling, and/or had extensive work experience in the cash economy before they started their own enterprise. They began with minimal resources, built up their holdings through hard work and skilful recruitment of support from clansmen and others and then converted their economic accomplishments into enhanced social status (Finney 1988). For the early Goroka business men it was difficult to obtain bank loans as the bankers saw them as having no collateral so they solicited cash from their clansmen. Clansmen were willing to assist as

they also saw the opportunity to gain materially and felt pride in being associated with the businessmen.

While many of these early BOs in PNG, especially in Goroka (Finney 1988), gained from the support of their clansmen, the businessmen also supported their clansmen in

contributing significantly in money as well as pigs and other traditional goods to feasts, bride wealth payments, and inter-group exchanges, which still dominated the life in the 1960s' and that he would also help them pay school fees for their children as well as the annual head tax (Finney, 1988, p173).

Many businessmen, probably through lack of experience in business, floundered because profits were squandered, credits were not called in, or trucks were used for joy riding (Finney, 1988). Also because of lack of proper skills in accounting and management and skills in the business they were operating for example coffee plantations or trucks or trade stores.

Box 3.2: Bimai Noimbano's Story

Bimai Noimbano, a Gorokan, became interested in planting cash crops in 1949 when he worked on Manus Island as a plantation labourer. He then moved back to the eastern highlands working at the Aiyura Agricultural station. When he left he took some coffee seedlings and seeds with him to plant on his land. This failed so he went into raising chickens to sell to the expatriates in Goroka. He then sent some boys to Aiyura for some more coffee seedlings. At this time an Australian extension officer happened to come by who showed Bimai how to set out a nursery to grow the seedlings and how to transplant these into a carefully laid out plantation.

Bimai had no land rights, as he was an adoptive member of the clan he was living with. Likewise he needed assistance in planting his coffee but had no money to pay for labour. His clan seeing that he had potential which could benefit the whole village, made available some land for his use, assisted him with his work and even donated cash.

"By the early 1960's Bimai was well established. His plantation was thriving, he had purchased several trucks and was buying coffee from small producers and selling it to the processing factories, and he was operating several other small enterprises. Bimai had, in effect, made himself into a prominent "big man of business (Finney, 1988p169).

The case study (Box 4), on Bimai Noimbano by Finney (1988), shows how someone born in the 'stone age', but who had some outside education

and experience, could operate a business making use of his kinship group when needed and reciprocating when his assistance was needed.

The next group of businessmen had more years of primary schooling for example Akapite Wamiri, who showed determination when as a young boy he walked all the way to the port of Lae to look for a job to pay his school fees. He then became a teacher and resigned in 1970 to go into business. From his savings of A\$1,600.00 and A\$200.00 from a clansman, he bought a Toyota Land Cruiser for hauling passengers. Within a few years he owned several trucks including one for hauling freight between the coast and the highlands.

By 1974, with his savings of K42, 000 and K8, 000 collected from 50 of his clansmen, he bought a coffee plantation. (This was the year of mass exodus by expatriate planters.) He was able to secure a loan of K60, 000 from the Westpac Bank to complete the transaction. Shortly afterwards, due to a sharp increase in coffee prices (severe frost in other coffee growing regions), Akapite was able to repay his loan within the year.

Akapite went on to build coffee processing factory, purchase a hotel in Lae and started a cattle ranch in Madang. He then went on to buy land in Goroka to start another coffee plantation and has developed a sugar plantation in Markham Valley in partnership with a local man. Most recently he has invested profits into property located in coastal PNG and in Australia.

By 1984 he had become the landlord of the Westpac Bank that gave him his first loan. He has also bought property in Goroka on which he plans to build a major shopping centre.

All these enterprises and properties are worth in excess of K4, 000,000, a substantial increase over the K50,000 down payment used to buy the original plantation, and a tremendous increase over the A\$1,800 he paid in 1970 to buy a Land Cruiser and start his business career (Finney, 1988, p181).

He now employs experts to manage his business but he closely supervises all his enterprises. He has not forgotten his clansmen who own about 25% of the shares.

These BOs lived in large modern houses with electricity and plumbing. "Their enterprises are well run and highly profitable and they seem to be able to strike an acceptable balance between traditional obligations and business activities" (Finney, 1998, p183). As wealthy men they were still expected to contribute to funeral and bride price payments and assist their clansmen in various ways, but they are more able to draw the line between business and personal affairs. They are in control of social and political demands and ambitions (few are involved in politics). The two main attributes towards success are starting small and learn from experience, and do not drink¹³.

These entrepreneurs although modern still retained traditional values about economic and achieved leadership and seemed to be following, like their immediate predecessors, in the footsteps of the traditional "big men" (Finney, 1998, p183).

However, a problem of this second generation of entrepreneurs was that some of these BOs entered into national or local politics or both, like Sinake Giregire. Sinake had built up a very large coffee plantation, and went on to buying and processing coffee, from very humble beginnings. He had his savings of A\$1,800.00 plus contributions from his clansmen of land and cash as they saw that although this man was young he had potential and determination. He was elected to the National Parliament twice, (between 1964 – 1977), serving twice as minister. This meant that he spent a lot of time in Port Moresby and when in Goroka went

¹³ "Drinking is a growing social problem both in Goroka and elsewhere in PNG, and the businesses of several first-generation Gorokan entrepreneurs suffered because they drank to excess" Finney 1998 p183).

'politicking' this involved a lot of socialising of eating and drinking, which led to the neglect of his business.

More recent research conducted by Finney in the 1980's, shows that the new generation of business leaders, are younger, better educated and seem to be doing better than their predecessors. Most have a university or tertiary qualification and have had good jobs upon graduation. So they had education/experience and a relatively easier start in business. Many prefer to operate in a different village or town rather than in their own village.

For example, Pepe Gotoha graduated from the University of PNG and was employed in the straight fashion store program. He was later transferred to Lae and eventually bought the store he was working in. He then bought a second store in Lae and one in Port Moresby. He also has rental houses in Port Moresby and has begun growing vegetables.

In assessing if he should move to Goroka he decided 'No' because, there was a shortage of land in Goroka town, stronger competition, and the difficulty in fulfilling customary obligations. He decided to stay with Port Moresby and Lae where he could be more successful.

Finney's study showed that the Gorokans were culturally pre-adapted for capitalist entrepreneurship so "have taken to commercial development at an outstanding pace in the Pacific because of their favourable environment of coffee growing and their relatively benign colonial experience and most recently, positive government programs have aided their development (Finney, 1998). While the first entrepreneurs were not traditionally "big men" they came to be known as traditional "big men" of business through commercial success and leadership (Finney, 1998) They can call upon their clansman for aid and they assist financially when needed. This is what a traditional big man does. He became 'big' through accumulation of wealth and careful redistribution.

Therefore contrary to many stereotypes found in the development literature, the Gorokan case provides an example of how indigenous values and institutions that evolved in a non-market context can promote rather than hinder adaptation to the modern economy (Finney, 1988).

The system of reciprocity on which the society is based is almost equal to communal ownership. This customary practice makes it extraordinarily difficult for businesspersons to withhold goods and services and often leads to break down of business. However, the case studies show that cultural obligations can be managed and those indigenous businesspersons can operate successful businesses as well as grow their businesses.

3.4 Business and gender

Women BOs in the Pacific are fairly new phenomena. As Finney (1988) commented that at the time of his research the Gorokan businesswoman had not yet emerged which could be due to the gender role patterns in Gorokan culture and probably the male bias imported in the business culture. Most of the early expatriate coffee plantation owners were men and wives were solely in the role of housewife and mother.

In most of the Pacific, modern business has been a 'man's world' befitting those societies with a patrilineal nature like Fiji (Hailey, 1998). When women entered into any form of money making it was looked upon with scorn as in Samoa and early New Zealand. If women had to work or sell things then it was because the family was poor. These women in informal business were given a low status. However as found in Fiji many times businesses were registered in the men's name but it was the women who were the driving force behind. As Shadrake and van Die'men, (1998) found in Samoa, it was often the women who were the workers and accumulated wealth for their husbands! Women were usually the decision maker behind the scene. It is not surprising that once women started to own their business, especially in towns where they were not under strict

cultural adherence, they became successful and gained status in society. As observers in the US and New Zealand have found, and now in Samoa, women did not need skills on how to handle money or resources as they have had many years of experience (Fairbairn-Dunlop, 2000).

Although women BOs form a very small group, they are emerging in the Pacific and seem to be more efficient than their male counterparts.

In Tonga, Fiji, Papua New Guinea, and American and Western Samoa, for instance, women are operating successful ventures ranging from commercial farming and broiler chicken businesses; to manufacturing companies that produce soap, baked goods, and clothing; and to tourism and transportation services (Ritterbush and Pearson, 1998, p195).

Pacific Island women, as a result of urbanisation, experience and education, are becoming more aware of their position in society. They are finding more ways of participating in their society either through communal activity, women's groups and/or through professional and entrepreneurial activities (Ritterbush and Pearson, 1998). The examples below show how PI women have managed cultural and gender barriers to become successful in small business.

In Samoa, as already outlined, the number of women in business have grown as well as their participation in decision making in their businesses as Shadrake and van Die'men (1998) found that out of the 100 women surveyed in Samoa in 1995, 65% of the women said that they alone or together with their husbands made decisions. While most of these women went into small business for the same reasons as men i.e. to support family, to pay for school fees, to meet church and social obligations, it was no longer regarded as lowering of status for women. Shadrake and van Die'men (1998) found that women in business now felt a lift in their status which was a change from the cultural views of the past where it was shameful for women to be in business.

The survey also found that women were mostly involved in businesses that were related to their traditional work roles. This was because more money was made from these types of businesses e.g. handicrafts, sale of food crops, food and service industry. As shown in developed countries (Ruth's Steak house), these businesses can grow into big business. In the Philippines women also made more money using their traditional skills.

Fairbairn-Dunlop (2000) gives an example where a woman in, Samoa, has succeeded in business by using her family system.

Aggie Grey's enterprise is an example of a business, which has used family systems to grow vertically in size, to increase the numbers employed and capital outlay (Fairbairn-Dunlop, 2000, p67).

Aggie's business began in 1930's when her husband lost his business and she was determined to give her younger children the same education as her elder children. She started by selling handicrafts and vegetables progressed to operating a two-roomed guesthouse then to a "multi-million dollar hotel, incorporating 154 rooms, a gift shop, tours and an extensive farm to supply fresh produce to the hotel kitchens" (Fairbairn-Dunlop, 2000, p67). She was able to do this because she recognised opportunities and made use of them for the expansion of her business. Also she had developed a very "personal rather than a directive" relationship with her employees who were all related to her in one way or another and who were all made to feel that they were part of the business and family.

Although not a male, and not a person of title, she was respected as a chief. She expected and received good work and in return not only provided wages but a motherly touch of giving advice and taking a real interest in her workers personal life and problems (Alailima cited in Fairbairn-Dunlop, 2000).

Aggie's business dealings are based on family, personal friendships and trust. For example, she always purchased

handicrafts and other hotel supplies from certain villages and buyers, thus guaranteeing these producers a market (Fairbairn-Dunlop, 2000, p68).

She added a personal touch by paying more than market price or creating work for those who needed to earn extra cash. She also contributed to national and local fund raising efforts. "These gifts reinforce the relationships between the enterprise and the people; as in traditional times true wealth is displayed in giving" (Fairbairn-Dunlop, 2000, p68).

Aggie confirms that if one manages cultural obligations in a positive manner it can be a bonus to business rather than a hindrance. Also that being a woman and applying her skills and knowledge learnt from her various roles like mother and housewife did not prevent her in any way from achieving her business success.

In the Kingdom of Tonga, a survey conducted by Ritterbush in 1983, showed that the position of Tongan women had begun to change and of the 185 businesses surveyed 29 (16.7 percent) were owned exclusively by women, and of the 166 spouses interviewed 124 (74.3 percent) acted as business partners to their husbands (Ritterbush, 1998).

An example of a successful woman in business is Papiloa Foliaki, who owns one of the largest tourist resorts in that country. Formerly a trained nurse, she resigned and saved enough money (through careful budgeting and selling gifts), to buy and renovate an old bus. On completion of a market research study, she started a bus company, and by 1974 she owned ten buses. She went on to own a motel and through planned expansion included a squash court, conference centre, a restaurant and a bar. She was the first woman elected to Parliament (Ritterbush and Pearson, 1988).

Mere Samisoni from Fiji, is another well-known woman BO and manager of the popular Hot Bread Kitchen. Like Papiloa, she is also a trained nurse

who saw the opportunity in business. She opened her first hot bread shop in 1982, knowing that there was a definite market as most Pacific Islanders love hot bread, and by early 1986 she had opened several branches throughout Fiji and employed 120 people (Ritterbush and Pearson, 1988). Her business has grown to be a multinational company that is controlled by a Pacific Islander. She has, through careful franchising arrangement, opened Hot bread Kitchens in the Solomon Islands (two) and in Hawaii.

The Cook Islands boasts one of the South Pacific's most dynamic and versatile businesswomen (Ritterbush and Pearson, 1988). She is Marie Melvin, married with three children, who returned to the Cook Islands after a career in photography in New Zealand, and established a photography business as well as purchasing the Island Crafts store. She has gone on to own and manage several other businesses including a wood carving and timber operation, a handicraft shop, a flower centre, and a gift shop at Rarotonga airport (Ritterbush and Pearson, 1988).

All these examples have shown that cultural barriers in relation to women can be overcome. Even in a country like Fiji, where women could not operate businesses in their own name, Samisoni has shown that being a woman is no barrier to operating a successful business.

3.5 Reasons for PI Business Women's success

Like most other successful women BOs from around the world, these PI women attributed their success to being flexible, and able to adapt to their changing roles as wife, mother, entrepreneur, business manager and community worker. They are able to combine family obligations with business. They are also able to command respect and give orders, like Aggie from Samoa, and to combine family and business together very successfully. Pacific businesswomen, like Marie, also have family support in the daily operation of the business, for example with domestic and child minding duties.

Most of these women did not have an education in business management as such but they did have some form of education and/or exposure to the outside world like in New Zealand. While they are like their male counterparts; shrewd, visionary, risk takers and innovators (Simpson, & Raumati, 1991), they are also more ready to admit and learn from their mistakes and setbacks.

Women also succeed through sheer determination and hard work usually working long hours despite personal inconvenience and they employ their domestic skills like their concern for quality and hygiene, and good customer relationships and satisfaction. They can enhance their status and reputation as a businesswoman by being consistent, meeting deadlines, and paying bills on time (Simpson, and Raumati, 1991).

Another very important factor for these business women is to have the support of her spouse and male relatives especially financial, technical and emotional. This is very important in the Pacific where men dominate the economic and political sectors (Simpson, and Raumati, 1991). Usually these men are educated and provide advice in financial aspects. As Finney (1977), puts it, there is a man behind every successful woman, especially in regards to business of the non-traditional female type.

3.6 Summary

Chapter 3 has explained that the PICs share a lot of problems that are not conducive to the development of business. These include both non-cultural and cultural problems. The non-cultural problems include shortage of capital, isolation from international markets and lack of development of domestic markets, large, fast growing populations, lack of education and skills relevant to the development of small business and to varying degrees the law and order situation within the country. These are problems that the governments must solve.

The culturally rooted problems are two fold, one on the national level that needs government policy with input from the people to solve and those on the local level that the people through education and experience can solve.

It has been explained that there are two basically different cultural groups of people, with the Polynesians and Micronesians having a more structured chiefly system, and the Melanesians-more egalitarian, less structured societies. However, broad similarities exist where in most of the PICs property is communally owned, and the society is based on the family organisation and on the principle of reciprocity. It has also been explained that these principles are in direct conflict to the principles of modern business which is based on individualism and profit maximisation.

It follows then that communal property rights is not very conducive to the development of business and is a national problem that PI governments in consultation with the people must find ways to overcome. For example through land registration which has worked for some PICs but is still a major problem for the larger Melanesian countries like PNG, Solomon Islands and Vanuatu. On the other hand the government and the people could investigate suitable business ventures that could be based on communal land. Stemming from this is the problem of compensation for land and resources found mainly on the larger Melanesian islands. Again most of these governments have not worked out policies to handle compensation claims or the proper distribution of royalties paid to landowners. This results in frequent disputes, which causes disruption to business especially the SMEs that find it difficult to absorb the costs as in the case of PNG, and the Koiari landowners compensation claim.

On the local level is the problem of obligations to the family and community, which is found in varying forms in most PICs. For example, in the Polynesian societies of Tonga and Samoa there seems to be more pressure on people to give and assist families, community projects and

the church to maintain status in the society. This is made more difficult when people's names and contributions are made public. As seen in PNG the pressure is more on assisting the family and looking important in the society but the community and religious obligations are not so pronounced.

From the business cases outlined, it is evident that men and women in the Pacific can run successful businesses. The common thread observed is that with more education, and experience, whether it be from outside the village or outside the country, BOs become more competent at managing their business and handling cultural and family obligations. It is also clear that business assistance given must take into account the specific cultural aspects of a society as shown by the Tongan fishing project.

Women especially, have shown that education and outside experience empowers them to enter into the business sector with a determination to be successful despite the cultural biases against women in business. Pacific women BOs, even though few in numbers, are making an impact that women can succeed in business just as well as men. It seems that with more education, experience and easier access to business start up resources, the Pacific women are likely to follow the footsteps of the first world countries where more women are entering into business and becoming successful.

CHAPTER 4: SOLOMON ISLANDS

4.1 Introduction

This chapter will introduce the Solomon Islands, with a brief description of its geographic, political, and socio-economic (includes the public and private sector) background. Hooper (2000) suggests that to understand a Pacific country three domains must be studied, “a traditional domain, a private sector domain, and a public sector domain” (Hooper, 2000, p4). Thereafter the following section will study the traditional domain. It will outline the place of culture in traditional society, and examine gender roles. This will be followed with a description of changes to culture and gender during the early 1900s to the present, when culture underwent changes acquiring some new characteristics but keeping the principle of reciprocity and family intact. These cultural values and obligations will be explored in detail to provide an understanding of how culture is interwoven into present day society. Again gender roles will be examined. This will provide an in-depth understanding and appreciation of the cultural and gender difficulties that indigenous Solomon Islanders face when entering the formal small business sector especially the women as will be described in the next chapter.

4.2 Background to the Solomon Islands

The Solomon Islands has a total land area of 28,370 square kilometres, dispersed among six main islands and more than 900 others that stretch across 1,300 km of Pacific Ocean (Map 4). The islands form an archipelago situated about 1800 km north east of Australia. There are over 87 different languages spoken with almost as many different cultural groups. The estimated population is 409,042 (SI Census Office, 1999) with about 95% of Melanesian origin, and 5% made up of Chinese, Europeans, Polynesian and Micronesians. The Solomon Islands population was estimated to be growing at 3.5% per annum, but after the November 1999 population census it is estimated to be growing at 2.8%, but still remains one of the fastest growing populations (see Fig 4.1) in the

Fig 4.1 Population trend for years 1970 to 1999

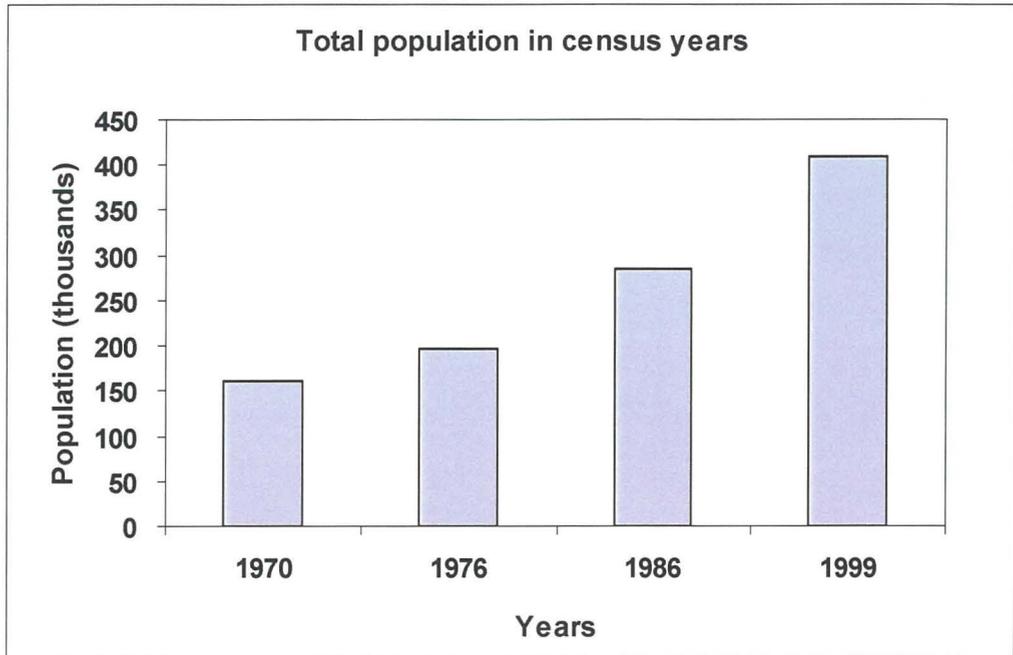
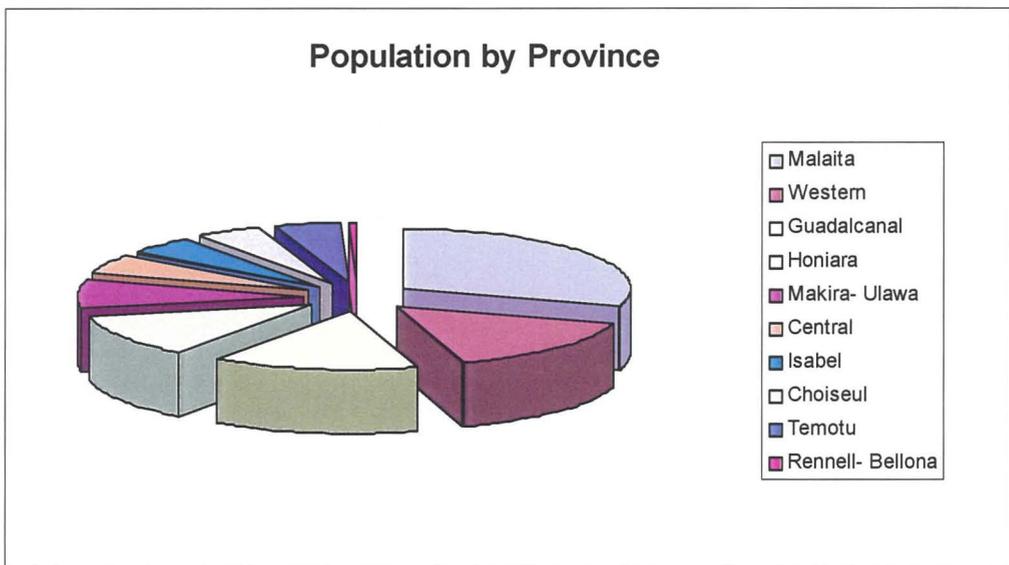


Fig 4.2 Population by Province



world (SI Census Office, 1999). Malaita province has the largest population, (see Fig 4.2). About 86% of the population live in the rural areas and about 45% of the population has had no education (ADB, 1998). Compared to other PICs it has the lowest literacy (76%), and school enrolment rates, with the lowest number of females educated.

The number of people involved in paid work is 57,472 (23% of the population of 14 years of age and over) whereas the number involved in unpaid work is 111,905 (45%) (SI Census Office, 1999, p.2).

The population is young with about 54% between 15 - 64 years old, forming the working population, and 41.5% under the age of 15. This has great implications for the employment, health and education system and means that the population will continue to grow at a high rate. Honiara, the capital, is situated on Guadalcanal (Fig: 1.2) and has a population of 49,107¹⁴ (SI Census Office, 1999) and is the largest urban centre.

The Solomon Islands was colonised and declared a protectorate by the British Government in 1893. It gained political independence on 7th July 1978. The Westminster system of government is followed where the Prime Minister, elected every four years, is head of the government, and is assisted by Ministers appointed by him. The Governor-general, elected every five years by the legislature, represents the British Monarch as head of state. The country is divided into 9 provinces and is administered through 16 ministries, the Honiara Town Council and 26 statutory authorities. Eight of these involve government in commercial enterprise wholly or in part (ADB, 1998).

The only city is Honiara, (Fig: 1.2), which is located at Point-Cruz on the north shores of Guadalcanal, extending along a narrow coastal strip between ridges and hills in the south and the sea in the north. This prevents expansion of the city and more importantly the industrial sector.

Although the Solomon Islands is the second largest Pacific Island country in terms of land, third in terms of population), (see tables 3.1 & 3.2) and is rich in forestry and fishing resources, it is among the poorest Pacific Island Countries (AusAID, 1994). In 1999, the GDP per capita was estimated to

¹⁴ Statistics on the population vary according to which document one reads. Also the civil unrest could affect population numbers.

be about US\$712 (Chand, 2000, p.96). Performance in comparison to other island countries was very poor (tables 3.1& 3.2).

The government is aware of the problems and sees its role as maintaining a stable macroeconomic environment, to promote education, training and technology and to invest in physical and institutional infrastructure (ADB, 1998). This task is hampered by lack of appropriately skilled people, a fast growing population, its rugged geography and lack of finance. The Solomon Islands economy is based on agriculture with forestry and manufacturing, the fastest growing sectors. The economy also relies on logging¹⁵ which has significantly increased the rate of economic growth. Despite this, expenditure has consistently exceeded revenue and the budget deficit has grown (AusAID, 1995).

The government plays a dominant role in the economy and weaknesses in its efficiency and effectiveness are a major constraint on economic development (AusAID, 1995, p2).

The major problem in the public sector is the lack of control over expenditure and lack of suitable policies to develop the private sector.

In an effort to improve the economy the government with, New Zealand's assistance, had on October 1997 begun a Policy and Structural Reform Program aimed at improving the private sector. From May to June 1998 it embarked on a vigorous Restructuring of the Public Service. The Policy also aims to provide a 'cohesive, transparent economic policy environment and consistency in decision making to facilitate private sector development.

It has also approved the Solomon Islands National Women's Policy which it hopes will assist women in both the rural and urban centres to be actively and equally involved in development of the country.

¹⁵ Logging is a major cause of social and environmental problems experienced in the S.I.

One of the reasons why the development of indigenous business has been very slow is the lack of access to finance. For example, in 1965 the Agricultural and Industrial Loans Board was set up, to assist both local and expatriate entrepreneurs. However, only a very small portion of the loans actually went to indigenous Solomon Islanders (Bennett, 1987).

By 1996, the commercial banks profitability declined sharply to 6 million compared to 12 million in 1995 and caused by debt servicing (ADB, 1997). This caused the banks to charge high interest rates frightening the potential indigenous businessmen away.

The Development Bank of Solomon Islands (DBSI) a statutory body providing loans primarily to local businesses made profits in 1995 and 1996, but had 17% of loans in arrears (ADB, 1998). Most of these loans were for commercial and service type projects around Honiara. New lending has ceased because of government's problems with servicing overseas debt.

As discussed in the previous chapter the aid donors have recognised the problems of developing the private sector and have focused aid accordingly. The United Nations Development Program (UNDP) together with UNIDO assistance is in promoting rural development in employment generating projects through the Ministry of Commerce. One of its aims is to encourage partnerships in development and adopt a gender balanced approach in education and employment on the basis of equal opportunity for all people.

New Zealand aid to the SI for the year 2000 and 2001, because of the civil unrest, is now focused on humanitarian needs and peace building priorities. Most of the funding is aimed at assisting to keep schools open, provide medical supplies, conflict resolution activities and women and church groups (MFAT, 2000). Peace and normalcy is needed before the development of small business can flourish.

New Zealand Overseas Development Aid (NZODA) specifically for the development of small business in the rural areas is administered by the Provincial Development Unit of the Ministry of National Planning and Development. Although it was open to all rural applicants and aimed to enhance the position of women (Mwasioa, 2000), 74% of the projects approved in the first two quarters of 1999/00 and 72% of the funds went to men.

NZODA funds the SBEC in Honiara, managed by Mr Sale (mentioned earlier). The centre provides training courses for both men and women and on some specific days for women participants only. There has been about equal number of male and female participants (Sale, pers.comm. 16.01.01).

NZODA also funds a number of small projects like the Women in Development Initiatives Fund, under the SIG/NZODA Gender and Development Program, which commenced in 1997. These funds will now be directed towards issues related to the civil unrest.

Australian aid for 1998-99 has been concentrated on Economic reform & governance (including investigating land registration), education and training, health, and private sector development. Specific aid in the private sector has been aimed at providing entrepreneurial training programs, and a rural financing service through the Central Bank of the Solomon Islands.

The government with assistance from aid donors are now searching for alternative ways of promoting the private sector, and indigenous business, as a way of providing employment, income and development for the people, the majority of whom have been saved by the strong *wantok* system.

4.3 Traditional Culture

A brief generalised outline of traditional culture will be given, paying attention to gender roles. The next section will outline how in the process of development, these cultural values and norms, while still influencing society “have being subjected to the capitalistic practices of commodification” (Gegeo, 1994,p52). Many people now see aspects of culture as a product, which can be exchanged for cash, or used for personal gain. Instead of culture being used to guide the society today, it is becoming a financial burden to the point where if not corrected it may become a major hindrance to development for both the people and the country.

Like most PICs, the traditional culture of the Solomon Islands was based around the family (including kinship ties), land and the ideal of reciprocity. Each society had worked out a system of political, social, economic and religious values and norms to regulate their daily lives. Culture is a way of life and includes ways of making gardens, fishing and cooking, forms of carving, making pots or cloth, styles of tattooing, myths and rituals, and language which identifies a group of people (Lal, 2001). It can also be described as a system of more-or-less shared, knowledge and understanding by which people organise how they live together (White and Lindstrom, 1994). For the Solomon Islands, kinship groups shared the same socio-religious mythologies and language dialect (Prendeville sm, pers.comm.20.7.01). As mentioned there about 87 different languages and 174 dialects and distinct differences between the patrilineal and matrilineal societies as well as within these patrilineal and matrilineal societies depending on the island. Before colonisation, many of these communities lived in isolation or had limited contact outside their lineage group.

Traditional culture differentiated gender roles that were complimentary as most tasks required an input of labour and skills from men and women. Again women's tasks and the treatment of women differed between societies. For example women's roles on Malaita are not the same as for

women from Guadalcanal, and different again for women on Makira (Prendeville sm, pers.comm.20.7.01).

The above characteristics makes Melanesia different from Polynesia and even makes it difficult to give a description of culture and gender roles in the Solomon Islands. The description given below may not apply to each and every society in the Solomon Islands.

Land is owned by the clan. Clan land did not have to be in one area for example on Guadalcanal the Hambata and Laquili clan own land in pockets almost from east to west of the island. Members of the clan settled on clan land in kinship groups so that villages were mainly made up of people who were related to each other and spoke the same dialect. On Guadalcanal alone there are seventeen recorded languages/dialects (Prendeville sm, pers.comm.20.7.01). A whole village can decide to move and settle on some other clan land and members had almost equal rights to the land - but any gardens or trees planted remain the property of that family and their descendants. Traditionally land could be won in war against another clan or land could be given as payment to another clan for assistance in winning a war. This was only done by consensus of all the "big men" of the clan. Individual clan members could not give away to another tribe any piece of land. There were unwritten laws on the inheritance of land according to whether the society was matrilineal or patrilineal. With modernisation land tenure remains the biggest problem and cause of social political unrest (Prendeville sm, pers.comm.20.7.01).

Women in matrilineal societies, like Guadalcanal, Nggela and Savo were the owners of the land and had the power to discuss and decide on land matters (Bennett, 1987, Hogbin 1964). However, it was a mother's brother who attended the meeting and delivered the decision. Upon marriage, if these women moved to their husband's village, they would still be allowed to work on their land. In patrilineal societies decision-making rested entirely with men (Pollard, 1988) and the women had no input.

Political leadership in the Solomon Islands like in most Melanesian countries, (excluding the outlying Polynesians islands like Renell & Bellona, Sikaiana, Tikopia, and Ontong Java) was based on the "big man" model. This was an egalitarian political system where everyone in the village was more or less equal and leadership was not hereditary. Almost anyone could become a "big man" or *mane loki* (as known on Guadalcanal) through his personal achievement in the accumulation and distribution of wealth, and through wisdom in assisting to decide village affairs, spiritual power, local knowledge of genealogies and land titles (Prendeville sm, pers.comm.20.7.01).

As land was equally accessible to the clan, the hardest working family in a village could accumulate wealth by growing large food gardens and raising pigs. This meant that the family could host bigger feasts as well as contribute to other people's feasts through which the family could accumulate wealth such as shell money, mats, and pigs depending on the society. These were later redistributed, for example by contributions to bride price, or compensation payments, and feasts¹⁶.

Accumulation of wealth was through the barter system, which existed between some of the coastal and inland communities and between some of the different islands. The women usually did the haggling while the men stood guard (Bennett, 1987). The more one had to spare the more one could barter. Therefore in traditional society it is through the support of the women that the "big man" status was achieved.

Decision making in most Melanesian villages, was usually through consensus. This involved the men holding discussions on their own, usually in the men's house, until an agreeable decision is made. Time is not important but consensus is, so discussions could take several days. During these meetings if a man is noted as always contributing the best

¹⁶ Each function had defined norms of performance; it wasn't simply a feast or contribution of shell money.

ideas and solutions then this also enhances his chances of being the "big man". As leadership is not hereditary when a "big man" dies his son does not automatically become a "big man" (although he may have a head start) because he must prove himself first, before earning the title.

While women could not become a 'big woman', women had a great influence in the recognition of a "big man". The women were the makers and keepers of wealth. The women had to know what crops were suited for planting in the different seasons and on the different soils. The harder they worked the more they produced, which meant that there was enough to feed the family, the pigs, for feasts and to keep for the next planting season.

In terms of 'currency' whether it is in the form of shell money or mats, the women made them and kept them for later redistribution through feasts, bride price or compensation fines. She also kept account of what was spent and what was expected back at a later date and from whom. (All committed to memory of course.) For trading societies the women were responsible for trading while the men stood guard. They learnt how to value goods and how to make use of opportunities. They learnt to think under pressure. (Fear of attack before barter is completed and fear that the husband may not be pleased with the outcome!)

In decision making while the women did not attend the men's meeting they were consulted, more so in matrilineal societies, but as usual the men delivered the proposal as theirs. This probably explains why meetings could take several days before a decision was made; to allow for consultation.

Traditional 'economy' was based on the family and the principle of reciprocity. The family (as explained) did the smaller tasks like gardening but for bigger tasks, the whole village (all related) would take part. For

example, if a man wanted to build a house everyone in the village (or at least a member from each household) would assist him. In return the man would provide daily meals and a feast on completion of the house. The same principal also applied for any other major task. Also if one had a big fish catch or a really good garden harvest the excess would be shared amongst the village people, because one knows that on another day when they might be unlucky, someone will share their catch or produce with his family. On the other hand, if a particular family does not contribute to village activities, they are likely to receive no assistance when needed.

Most of the Solomon Island societies had some sort of currency or means of exchange, which was used for various transactions including bride price. For example, parts of Guadalcanal and Malaita, used strings of shell money (*ndovu* or *tafuliae*). In the Western Solomons, it was various sizes of arm rings made from fossilised clam shells (Bennett, 1987). There were standard rates set for bride price depending on various factors. For example, if the girl was a daughter of a big man, or was hard working, and have good reputation then a higher price would be set (Hogbin, 1964). If the woman was a widow or had a bad reputation, then a lower rate is set. Usually there is a maximum and a minimum price. Depending on society, bride price was traditionally seen as compensation to the family for the loss of her labour, or as finalising the marriage (Pollard, 2000). It was usual for a boy's family to put one string on a little girl, and pay the balance on the marriage day. (In essence, an engagement and a wedding ring.) For the Waisisi people of Malaita, bride price

cements friendship between the contracting social groups, the family and clan of the bride and the family and clan of the groom, drawing the two groups together through the offerings of food, pigs and shell money (Pollard, 2000, p.31).

There were also set practices of how the groom's family and extended family contributed to this payment and all was recorded for later reciprocity purposes. The wedding feast also had set procedures on the contribution

and distribution of cooked and uncooked foods and other material gifts that were contributed by both the groom and brides' families.

Although men and women worked hard towards preparing for a feast it was usually the women's hard work that ensured there was enough food for the feast. In building a house, men and women also had specific tasks to perform. The men did the heavier tasks of cutting the trees for the posts and frame of the house as well as cut the sago leaves (Hogbin, 1964). The women then sewed the sago leaves to be used on the roof and walls.

The traditional social system not only defined responsibilities of men and women but most importantly it defined the accepted forms of behaviour for each position and for each relationship between members of a family, in-laws, and kinship group.

Fathers were usually the head of the family. They made the decisions for the family and represented the family at the village meetings. Heavy work like clearing new garden land, hunting and fishing were his domain. On Guadalcanal, uncles (the mother's brothers) took active part in the education and discipline of the children.

Mothers were responsible for child rearing, producing food and maintaining social harmony in the home and village. Women saw it as their role to produce children. In matrilineal societies, to increase the mother's clan in patrilineal societies the children belong to the husband's clan. Waisisi women, Pollard (2001) (and women in many Solomon Island societies) have been socialised to have many children to increase the lineage, as well as to look after the old and to manage the clan resources.

Mothers were the children's first teacher, and she had to educate the children on the correct behaviour of society and teach the daughters all the skills a woman should know. On Guadalcanal (matrilineal society) all the female relatives had the right to discipline the children of the village.

The 'economic worth' of the bride is also dependent on the mother, who has to educate her daughter properly, especially in garden work and custom values of the society. The daughters must be taught how to make good productive gardens, how to weave baskets, mats and *poro* (local umbrella), cut firewood, make an *umu* or *mumu* (cooking food with stones) and all the other domestic chores. She was also taught about healing herbs and plants to enable her to later care for her kids. If a girl excels in these activities it raised her status and reputation in the village.

Mothers have to teach their daughters all the *tabus* or accepted forms of behaviour according to *kastom*. For example, for the Wasisi women; to respect brothers, which includes not to answer back or disobey, not to walk in front of them or step over their legs, and to serve their food first (Pollard 2001). In many societies young girls were not allowed to walk around, or be in male company on their own.

There were also *tabus* towards other people in the village that mothers had to teach their children. For example, in some societies a mother-in-law could not eat from the same pot as the son-in-law. A mother-in-law must step aside into the bushes if her son-in-law happens to come along the pathway. Girls and women must wash downstream from the men never upstream. A wife cannot disobey her husband, or her mother-in-law as a Wasisi woman said,

Women in this society are expected to work hard and to be submissive to their in-laws and especially, to their husbands. They are expected not to retaliate against their husbands, nor to dispute their decisions (Pollard, 2001, p.25).

The social harmony in the village was maintained because everyone had been socialised about the accepted behaviour of the society and there were methods of punishing those that strayed. Women were primarily responsible for maintaining the social, political and economic well being of society.

While some people may feel that bride price and cultural *tabus* or practices seem to give women lower status and less power to make her own decisions, traditional women accepted this as part of her role in society. Mainly because she could also gain status from some of these cultural norms. Even today many older village women do not see anything wrong with their role in society (Pollard, 1988).

Therefore traditional Melanesian society encouraged competition for accumulation of wealth and women were the backbone to the accumulation of this wealth. They learnt to make good business decisions under pressure and only reciprocated those on their list. These qualities are ideal to the promotion of business

4.4 Cultural and Gender Perspectives: 1900s to present

Culture is not static and Solomon Island culture has undergone many changes and acquired some new aspects. The major influences have been through the period of colonisation, first by the missionaries and plantation owners, and later through a foreign government system, and a cash economy. This section will examine changes in cultural and gender issues through the transition of traditional society to present day.

It will show that while cultural concepts are still at the heart of society today, they have taken on a financial aspect, and need to be managed in order for people to progress in business. These cultural constraints will be investigated here in relationship to today's society and the development of small business.

A gender analyses will also be given to show how women have been marginalized through the transitional period, while the status of men was elevated. However, as women gained education, income and experience they are, especially in the last ten years, claiming their place in society as equal partners in the social and economic development of the country.

Currently in the Solomon Islands 87% of the land is still under customary ownership, nine per cent is owned by the government and four percent owned by individual Solomon Islanders (Kabutaulaka, 2000). However, in the early colonial days village 'big men' sold land to the missionaries, early plantation owners and to the government. In some cases government just took the land because they said it was wasteland, for example Kolobagara in Western Solomons (Bennett, 1987) and Pavuvu Island in the Russell Islands¹⁷ (Kabutaulaka, 2000). Now the repercussions are being felt.

Over the years especially since the 1960's, tribesmen continued selling land usually without the approval or knowledge of the whole clan and without sharing the benefits. During this time logging was becoming big business in the Solomon Islands as the main export and source of income for the country and the people. Originally these foreign companies logged on government owned land or customary land leased by government, but by the early 1980's there was a rapid increase in logging carried out on customary owned land (Kabutaulaka, 2000). While on one hand this implies that it is possible to negotiate (mainly with the male members of the clan) the temporary use of customary land, on the other hand it is the underlying cause of conflict among clan members when they see the total destruction caused to their environment, and their lifestyle. People's culture is interwoven with their land and when the land is destroyed, important cultural landmarks are destroyed. For example, land boundaries are usually marked by specific trees so their destruction destroys the evidence that clan members use to prove land boundaries. Economically, the people have gained nothing as illustrated by the example in Box 4.1, Industrial logging and plantation development in Viru. Where payments have been made, it is most often to the men who usually go on drinking sprees leaving the women and children nothing.

¹⁷ In 1995 there was a conflict between the tribal owners, the government and the Malaysian logging company which is still unresolved.

Box 4.1 : Industrial Logging and Plantation Development in Viru

The colonial government 'acquired' about 25,000 hectares of Viru's land and which it logged then partly converted to plantations between 1964 and mid 1980's. Then the local landowners agreed to logging on some adjacent customary land hoping that it would bring positive development to the village. They believed that the company had 'promised' modern facilities like "electricity, a medical clinic, a high school, a new church and permanent housing for all" (Rosoman, 2001,p10).

Today the people have realised that this logging has caused irreparable damage to their environment, social and economic life. The trees and fertile land have gone and people have to pay to drive the community truck to get to their gardens. It is more difficult to plant garden crops and people rely on rice and taiyo for 80% of their diet. They cannot fish in the harbour that is polluted from the rubbish from the mill.

With the forest gone the people find it more difficult to obtain resources to build their houses and canoes. Even bush material for carvings and weaving are hard to come by. (Used to be the way of earning an income.)

This has led to a break down in social relations among the village people fighting over the limited land and resources left. The men are still arguing about the logging payments. People have become distant with each other, drinking has become a problem among men and some women, and the young have become lazy and ignore traditional systems of respect. Lastly, tabu (sacred) sites have been destroyed. Therefore, in effect, a people's whole culture has been altered.

(Adapted from case study in Rosoman, G. (Ed.)2001, p10)

Land leased to foreign companies also causes conflicts between the local people, the government and the foreign companies. The biggest example is the Bougainville Copper mining company, which closed down in 1989. This brought the whole island to a standstill and the PNG economy into crises. This dispute was not only between the people, the company and the government but also between the landowners themselves in regards to the management and distribution of the royalties received.

The current crises today in the SI, between the Guadalcanal and Malaita people, in Box 4.2, is a perfect example where people of two similar cultures but with specific differences have tried to live together. However, when the Guadalcanal people realised that they had 'lost' their land and therefore their livelihood, trouble erupted.

While some sort of peace has been restored, the Solomon Islands economy has been shattered, the government is bankrupt, the public

servants and teachers have been on strike for not receiving their salaries, many government schools have closed, and corruption is rife in the payment of compensation to those who have lost or who have claimed to have lost their properties. All this because people with specific differences in culture were forced to live together under an imported political system that clashed with the traditional political system and promoted regionalism/tribalism.

Box 4.2 : The Guadalcanal crises

The major cause of the civil unrest on Guadalcanal is the dissatisfaction of the Guadalcanal people who "have been complaining for years that outsiders from other islands particularly Malaita, were coming into Guadalcanal taking their land and getting the lion's share of Government positions, educational and employment opportunities (Prendeville sm, 01).

As explained the people of Guadalcanal are of matrilineal decent, and the people of Malaita are of patrilineal decent which means there are distinct differences between the two cultural groups especially in the inheritance of land.

On Guadalcanal the children's inheritance of land and status is through their mother's clan and the mother's brother's role is more important than the father's role in relation to major decisions concerning the children. Bride price is also generally lower, and the land more abundant than on Malaita.

On Malaita the children inherit land through their father's clan and the father's role is paramount. Malaita also has the largest population, 122 620 (Census Office 1999), and good agricultural land is scarce. Furthermore, they have some of the highest bride price amounts.

Malaita people in recent years have found it easier to either buy land on Guadalcanal or to get married to a Guadalcanal women as the bride price is cheaper and easier access to land. Once settled the Malaita people brought over other members of their family and wontoks steadily increasing the size of these Malaita villages in and around Honiara as well as along the roads leading east and west out of Honiara.

Many Malaitan businesses have flourished and the top jobs in Honiara are held by Malaitans, including the Prime Ministership. The Guadalcanal people feel that the government through its offices have favoured the Malaita people.

The Guadalcanal people's frustrations by 1999, boiled over and the Isatabu Freedom Fighters movement was formed to drive the Malaitans out of Guadalcanal. The Malaitans retaliated by forming the Malaitan Eagles Force. Fighting broke out, the government was overthrown, and a new one 'elected'.

(Adapted from Prendeville sm, Press release done for the Catholic Church in Auckland 09.07.01).

These types of unrest threaten whatever small businesses there might have been as well as destroying the whole economy. It shows clearly that governments, and foreign companies, have to be sensitive to the local culture in terms of land ownership and distribution of wealth derived from

the land and that governments need to formulating policies to deal with land registration and disputes if business is to be promoted.

In terms of small business development in the formal sector in Honiara, the government owned land is now scarce and the area marked for industrial development, Ranadi, (see Fig: 1.3) is now fully occupied. The difficulty is how to obtain more land from the landowners for business development. Prior to the current unrest, some people in Honiara did own blocks of land and homes bought from the government. These are the people who can then apply for loans using their assets as collateral for bank loans.

However, 80% of the population live in the rural areas and while as individuals they can claim the products of their labour from the land, they cannot legally own it. This then prevents the majority of people from using land as collateral in order to obtain bank loans. It also raises a problem when a family operates a business on clan land. Do they all share the profits? Does the family have to pay rent? Here business principles clash with cultural values as this example in Box 4.3 shows, the people are confused over which custom to use.

Box 4.3 : Land for rent or not for rent

In the western Solomons there are a lot of small islands, which are all owned by clans. Some of these islands are only used for growing food and some have one or two family members living on them. On one such island, situated in the line of heavy lagoon traffic from Munda to Noro, lived a female member of the owning clan. The island has mainly coconuts which different members of the wife's family take turns to harvest. When they go to harvest the couple on the island supplies them with tools to work with, tank water to drink (there is no other source of fresh water), cooked meals (free store goods) and the occasional free petrol. The couple operated a trade store and a petrol outlet.

One day the old mother (after been pressured by other members of the family) goes over to visit the couple and tells them that from this day forth they are to pay rent for living on the island and for running the trade store! So the daughter asks her if the rest of the family are also going to pay her rent for the land that they are living on? And she tells the mother that if we now want to adopt the European custom, then from this day on, all members of the family coming to the island to harvest coconuts must pay for hiring tools, pay for the food, water and petrol. Well that was the end of the discussion because of-course the family members did not want to lose this cultural value of sharing which these days boils down to free supply of goods.

(personal conversation, Catherine, May 2001)

On the other hand some small family owned businesses in the village have been able to flourish like on Tenggom Island, also in the Western Province. This little island has four households made up of three generations of one family. They make paper from their banana trees with traditional Marovo cultural designs. These are sold to tourist outlets in Gizo and in Honiara. All members of the family share the work and the profits (Rosoman, 2001, p.11).

As described, the introduction of the large-scale projects and industries that were supposed to bring employment and development to the people have instead caused more damage; culturally, socially and environmentally. This, together with the sale of land by men, have marginalized women and caused children to suffer.

As explained above, since colonisation men have been making all the decisions on land matters. Where women were the land owners like in the matrilineal societies of Guadalcanal, Ysabel and Roviana they were not consulted on the sale/lease/use of land or were not signatories to any land agreements (Kabutaulaka, 2000). Foreigners were men who simply assumed that like their own society (at that time) men owned everything. There was no attempt to understand the culture of land ownership before doing business. Men thought that they were more educated and experienced than the women and that it was fitting that men, do business with men.

Women until recently also thought that they were incapable of dealing with these foreigners and as the majority were uneducated they could not read the documents themselves. Sometimes men did not explain correctly to women what the agreement was all about so women gave their consent thinking that they will receive some sort of development. However, as the land and environment was destroyed it was the women who suffered. They had to work harder to bring food to the table because gardening, gathering food and firewood and fetching fresh water all became more

difficult, like the Viru harbour case (Box 4.1). Furthermore, they did not see any economic returns from the sale/lease of the land as the cash often went into the men's pockets. Women are now becoming vocal on land issues through formal education and through the efforts of the women's clubs and NGO's like Solomon Islands Development Trust SIDT.

The "big man" status model began changing with the first contacts by foreigners with the local "big man". Wealth now changed from traditional goods to store goods like knives and axes. Later, the labourers that were recruited to work in Australia, Fiji and Samoa, returned and became the suppliers of Western goods, which they gave as gifts to their relatives, for shell money for bride price or food (Bennett, 1987). This also undermined the authority and status of the traditional "big man". Gradually, with the government's establishment of the local Council, and appointment of council members during the 1960's (mainly men with a little experience or education were appointed), many traditional 'big men' lost their power and the definition of "big man" took a new turn. While one still had to have wealth this was now measured in terms of education, and/or position, and money.

In today's society one could be called a "big man" either because he occupies a very senior position in his employment or because he owns a business and a few trucks. Once a person is seen as a "big man" relatives will approach him for financial assistance for just about everything from school fees to coffins. On top of that he will now have to pay people in cash for any work done and feasts now must also include store foods and beer. Hardly ever is this money repaid and the lender feels unable to ask for repayment because of his cultural beliefs that if he is seen as the "big man" then he must assist his relatives. It also gives a man a feeling of importance even though his bank account is probably overdrawn. On the other hand some relatives are good and will assist when the need arises.

In politics, if a person wants to stand for election, then they must be able to 'hand out' large amounts of cash to the people of the electorate in the name of development such as a truck or an outboard motor and buy food and beer for those who gather at his campaign meetings. This is so people will see the person as someone of importance. As seen in Goroka, this was one of the main causes of early businesses going bankrupt, sometimes without achieving the goal of being elected.

Drinking is another activity that can be associated with looking important. In most Pacific countries the 'natives' were not allowed to drink alcohol. This means they could not buy it or enter the hotels. Once these restrictions were removed people took to drinking without any sort of education on the effects of alcohol.

Today, alcohol is part of the culture. It is present at nearly all activities whether it is a traditional feast, fund raising for the church or a family function. The success of the party, is judged by the amount of beer and food that was consumed, and success enhances the status of the party giver. It is also common for men to spend most of their pay packet on drinking rather than on the family. (In PNG, business and government have formed a committee to do a "socio-economic impact survey" on what the alcohol industry has done to the country, Post Courier, 2001.)

Gambling was originally introduced for the elite in society, in the early 1980's, mainly for the expatriate businessmen. It was conducted in private clubs with high membership fees to purposely exclude the poor. This associated gambling with being rich. The few local businessmen who joined very soon lost their businesses! For example a local business man who had just started a very profitable supermarket in 1985, lost everything less than a year later, through showing off at the gambling tables. He had to return to the village with virtually what he had on. Soon after a few other casinos opened for the public causing more men, and a few women, to lose all their fortnight pay, and/or jobs making their families suffer.

In the rural areas forms of gambling have also gripped local villagers. For example, in a north Malaita village the men can sit all day to gamble instead of helping their families with productive work. They gamble every day thousands of dollars and the game must go on till there is only one winner. Men boast about how many thousands of dollars they had to play with or had lost or won! There are even different groupings with those poorer men playing with small amounts of money sitting in one group, to those "big men" with big amounts of money sitting in one group. If there is an argument then the game stops for several weeks till a pig is killed and a feast held by the troublemaker before the gambling resumes (Fred, pers.comm. 7.8.01).

These sorts of acquired custom are very detrimental to the promotion of small business because they do not encourage savings but promote people to have debts through loans, even bank loans taken for business is used for gambling.

Women through the early transitional phase temporarily lost her economic power as the culture of the "big man" status underwent changes influenced by the changing economy. The "big man" status was no longer entirely dependent on the women's hard work because men now valued the material things of the modern economy, which the women could not provide. Men were now educated and earned cash. As women did not contribute to this cash, men's power and control over women grew. Now when relatives approached the man for financial assistance it was the man who decided if assistance should be given, to whom and how much. The woman usually had no say, as she did not contribute to the wealth.

Men then achieved political status through appointment and later through election and irrespective of his wealth or knowledge could become a political leader, a "big man". As initially women were not educated, men did not discuss or seek her advice on these political matters as they were beyond women's knowledge and no longer women's business. As

women's power in traditional society was silent (in the background) women today face a lot of difficulties when opting to compete in the elections. Men frown on them during their campaigns and most will not vote for them! Since independence the Solomon Islands has had one female Member of Parliament who is from East Guadalcanal (matrilineal society). Until more women can get elected into parliament development for Solomon Island women will be very slow.

The traditional sharing with family members in a subsistence economy is now known as the *wantok* system in the cash economy. Many non-Pacific Islanders cannot understand that the priority is not in amassing goods or capital, but in meeting family and social obligations. Expatriate employers often think that nationals cannot manage their finances, not understanding that cultural obligations usually put a strain on personal incomes.

The *wantok* system could be equated to the Social Welfare System of developed countries. The major difference is that in the former the people carry the burden twice over through taxes and from their pockets, while in the latter it is funded jointly through taxes and government funding. The hardest hit, are often the urban dwellers, especially in Honiara.

While it might be true to say that urban household incomes are almost four times higher than the rural households (MOF 1992, p2), in real terms most of the urban people are worse off than the 86 percent who are living off the land. This is because apart from the high taxes and higher cost of living paid by those in the urban centres, they also redistribute their wealth to their relatives by providing the essential services that the government cannot provide. The SIG, 1997 economic report stated that depending on the time of the year there is substantial migration from the rural areas to Honiara expanding the population between 50,000 to 70,000 (SIG, 1998).

People from all over the Solomon Islands travel to Honiara for different reasons. Some for medical reasons, others to sell produce at the market,

or to buy supplies, to look for jobs, to stay with relatives for schooling purposes or just to visit. Some to escape the constraints of custom and others to escape the poverty associated with land shortage (Lal, 2001). The best hospital is in Honiara so patients are referred for treatment. Relatives usually accompany patients, and as the hospital does not provide accommodation for the guardians, and Honiara does not provide cheap boarding houses, guardians must find shelter in a *wantok's* house. No matter how crowded the house is, the guardian must be taken in. Likewise, those travelling from other islands to the main market, must also find a place to sleep at night. While it is true that these relatives from the villages do bring some local food with them, it is also true that they expect in return to be fed rice and meat, tea with sugar and bread. When they are ready to return home they expect the ticket to be bought, as well as some foodstuff. Many times the owner of the house may not be able afford to purchase these items so the money is borrowed.

In the case of the unemployed people, there is no government 'dole' or 'benefit', and there are no employment agencies to assist in locating jobs. So once again shelter is sought in the relative's house. These people cannot contribute to the expenses of the household at all.

Then there are the children from broken marriages. If the mother cannot support them (there are no foster homes or orphanages) they are brought to one of the relatives' house. While in developed countries the mother is more likely to receive child support from the father it is still a problem in Honiara. For single mothers there is no such thing as single mothers' benefit. The mother has to live with relatives in Honiara or send the child to the village. Today it is just as expensive to send the child to the village because store goods and cash will also be required in exchange.

Apart from the above there are also requests from the relatives in the village for cash for one purpose or another, or for specific items like water tanks, roofing iron or nails. Requests from parents or closer relatives are

hard to ignore as they worked hard to educate you and the debt must now be repaid. Pollard (2001) found that the people from Waisisi village who live in urban areas regularly dispatch gifts of rice, flour, tinned foods and some other basic necessities to their relations in the village.

The following poem, (Box 4.4) by Jully Sipolo truly reflects the situation.

Box 4.4: Obligations by Jully Sipolo (Makini)

My wages accounted for	your poor mother who carried you
Every cent spent before payday	for nine months
I've heaps of relatives to support	be a good child
out of obligation	but I did not ask to be born
I have no priorities	One tenth to my God
My immediate family and <i>wantoks</i>	One quarter to my spouse
one hundred times removed	the rest for my family
are remembered,	and pay slip for me.
Out of obligation	
Tobacco for an uncle who carried you as a tot	

Obligation not love
makes the world go round
Dish out money while you are still rich
When you are broke ask your *wantok*
Knowing
You'll be given.

While some urban dwellers have been able to control the number of *wantoks* accommodated or assisted, most find this very difficult. This cultural obligation to look after one's relatives can be a financial burden but must be done to ensure one has a place in the village. Everyone thinks that one day they may need help when they are sick, or made redundant or return to the village so this certainty of meeting again makes people assist others in the hope of been reciprocated (Silver, 1994).

The *wantok* system places a heavy burden on families especially women in the urban areas forcing women to either look for ways of meeting the family's basic needs or how to control the influx of *wantoks*.

For those women in town who are not in formal employment, they make use of their traditional skills to make ends meet. They plant vegetable

gardens to supplement the family meals, and sell the surplus at the market. Here, they join their rural sisters who also grow food crops to sell at the market. Women also sell handicrafts, clothes, and cooked food around the town and at the markets. Consequently, the early 1990's saw a rapid growth of the informal business sector, by women who were usually forced into a situation where they had to supplement family income. Once women earned an income they usually had control over how to spend their money, which, in most cases was on their children.

Most of these women who were not in formal employment also joined various women's groups either sponsored by the church or government. They learnt basic skills of budgeting, good health, good housekeeping and other issues that affect women. However, in many households in Honiara, it is very difficult to implement what is learnt as seen by the following case in Box 4.5.

Box 4.5: Summary of Freda's Difficulties in saving for small Business

For example, Freda told me that she tried to budget her money as she had being taught because she wanted to start her own sewing business. This skill learnt from the women's club. However, on the day she did the fortnight's shopping, some of her husband's (different island to her) relatives arrived and said they needed to stay for a few days. They helped themselves to all the food and when they left on the fourth day there was nothing left to eat in the house! The woman could not tell her in-laws not to eat the food, as this is not culturally accepted. The in-laws seeing all that food in the refrigerator and cupboard simply thought the couple were well off and because it is the man's house they felt free to help themselves. The woman now had to use what little savings she had to buy food again. Freda also said it was difficult to save because as soon as her husband sees her engaged in some sort of money making activities, like sewing, he will deliberately stop buying food or whatever is needed and expect the wife to use her money. Instead he will go gambling or drinking.

(Freda pers. comm., 18.01.01)

However, as women become empowered through education both informal and formal, and as they begin earning money, many become more confident to discuss with their husbands how the family should operate and how the *wantok* system can be better managed so as not to become a financial burden. The couple can set rules or guide lines and follow them through by explaining properly to the relatives who visit so as not to

upset them, causing them to have ill feelings against the family. Misunderstandings can have repercussions on them later when they return to the village. Box 4.6 shows how one couple managed their *wantoks* with their business and personal life.

Box 4.6 : Control of Wantoks

In Honiara, there is a well-known educated couple, who own a fairly large business, which has been operating successfully for over ten years. He has a house and has built another little house behind his house. This is for the sole purpose of accommodating those relatives that came from his village to town usually for market. Every evening they get a pot of rice and a couple tins of taiyo. (No big show of fresh meat or beer.) They live in that house till they depart. The man (from Malaita) of the house visits the relatives in the evening for a couple of hours to catch up on village events. The relatives are happy and the family is happy because they can carry on life the way they want. That is teaching the children to speak in English instead of pidgin - relatives can make fun of this and call you a white man. Also teach the children table manners and teach the sons to share the domestic chores like doing the dishes and setting the table without the male relatives protesting or the female relatives jumping up to do it.

The couple are well respected by the relatives and the man is seen as a "big man". His business continues to do well.

(Iro pers. comm.)

It is often said that women are the key to changing male bias, but in reality, in places like Honiara, it is extremely difficult for women to try and socialise their children to new gender roles. Some husbands will quite happily assist with domestic chores but stop immediately when male relatives (especially if they are from the village) are present. The fear of ridicule is so great. So the sons see this response and think there is something shameful in doing domestic chores. So when or how will men and women become equal partners in development?

Other important cultural obligations include contributing to bride price, weddings, and funerals. As the economy began changing to cash so too did bride price change from shell money to cash.

By 1938, men of status and wealth, such as village headmen and priests, were asking five pounds cash for their daughters' bride payment, while ordinary villagers got only 10 shillings or 2 pounds (Bennett, 1987, p.257).

Over the years bride price on different islands began changing. When the legal system was introduced the sponsors, because they did not understand the local society, did not think to regulate such things like bride price or compensations that in tradition had a set criteria. As early as 1922 when the Native Administration Regulation came into effect (Bennett, 1987) there were questions relating to customs such as adultery, divorce, marriage, land tenure, ownership of reefs and compensation. Missionaries condemned many custom practices because they didn't understand them, while early colonial administrators found it extremely difficult to understand and document custom in such a way to make them into laws (Bennett, 1987). Eventually western laws were adopted some of which were in direct conflict with local custom and are still causing problems today.

In most places bride price now includes some strings of shell money, some amount of cash and even store goods like sewing machines and trucks. Families now want to make a financial gain from marriages. This puts a strain on the grooms' relatives who have to contribute to the bride price, many borrowing money from friends or the bank. In 1976, a girl I knew in Honiara had to take out a bank loan for her own bride price. A law graduate in Port Moresby committed suicide in 1983 because he (and his family) could not afford the bride price that was requested. In Honiara, a man from Malaita, who had paid a large bride price, forbade the wife's family from coming to his house. When his father-in-law actually did visit, his son-in-law ignored him and ate his dinner. When the old man asked why he was not invited to eat, the son-in-law replied that he had already paid him so much money for his daughter, that he did not think that he should go on spending money on his father-in-law (Iro, pers. comm. 18.1.01). On the other hand, some couples agree not to have a bride price or just to have a token. In other places like Ulawa, the bride price has not changed much staying more or less between one to five *tafuliae*.

In the urban centres too, if a relative passes away all the extended family are expected to assist. This means purchasing the coffin, chartering a ship

or plane or truck, and buying a whole lot of food to feed the mourners. (As Tommy commented when someone dies the relatives look forward to eating rice and taiyo.) Depending on the custom, usually contributors are noted and invited back again after the 10 or 14 days mourning period for a feast or dinner. The feast is to say 'thank you' and to say that people can now go on about their lives. The higher the status of the deceased the bigger the feast, and this must include pigs. For those in the city this all involves cash. It's expensive but one is obliged to participate knowing that the same will be done when their turn comes.

While the principal of reciprocity is still strong it is now causing difficulties because one is now dealing with a cash economy, where the salary in real terms has declined but the cost of living has increased very rapidly. People find it very difficult to save. As the PNG MP Ted Diro, told parliament in regards to the ever increasing cost of living, even the informal social network or *wantok* system has been affected in that where people used to give K5 and K10 to *wantoks* before, they could not do so now (Post Courier, Tuesday 7th August 2001).

In traditional society women were proud of their bride price because a higher price meant she was of high regard. However, while many wish to retain this practice as confirmed by the women of Wasisi (Polard, 2001), it is fast becoming a financial burden and many wish there was some sort of law on the limits of bride price payment. Nevertheless there has not been any survey that I know of, done in the Solomon Islands on the relationship of bride price and women's status and power in the family in urban society. From observations, it is likely that in some cases high cash bride price/lack of higher education reduces a women's power in terms of controlling her *wantoks* especially in-laws. This can have negative effects on business.

As the history of the Solomon Islands shows education was a very slow process and very late in coming, although it was strongly desired and

requested by the people of western province around 1900s when the government and missions were established (Bennett, 1987). When education was introduced, first by the missions, and later by the government, the men were educated first and women later. This widened the inequality of status between men and women. Some of these men graduated to do mission or government work while others went on to Fiji, Papua New Guinea and even New Zealand to receive further education (Bennett, 1987). Most of these men were appointed to senior positions in the government, private sector and missions. They considered themselves to be more superior to the women who were left behind in the villages. It also enforced cultural bias that only men should be educated, as they would bring economic returns while the women would not bring benefits to her parents.

Women were left behind in the villages to continue with their work and those abandoned by men. Then they were taught by missionaries - basic home-craft skills. Later some were allowed to attend primary school so that they could be trained to be nurses and teachers in mission schools. In 1965, for the first time girls were accepted into high schools and up to the mid 1970's most of the female students would leave high school at form two (most students in those days were about 17 years old) to become teachers and nurses (now trained at the government institutions) with only a few continuing to complete high school and go on to University (personal experience of author in Box 4.7).

Box 4.7 : High school education

In 1970, I was among sixteen girls who commenced high school at St. Paul's Secondary School Aruliho, fifteen miles west of Honiara. (This school in 1972 transferred to St Joseph's Tenaru, which used to be a school for boys only.) In form two everyone in all the secondary schools (about 5 at that time) sat examinations to go to form 3. Twelve of the girls chose or were asked by their parents, to go to other institutions like the nursing school, teachers training college and the technical institute (all now under the Solomon Islands College of Higher Education). In those days the entry level was form two. Four of us girls continued to form 3, three continued to form 4, two continued to form 5 and one in 1974, to University, along with four other girls from the other high schools.

Women's formal education really only took off in the last 20 years. The 1990's have seen more women going through to complete high school and university. The government recognises this inequality and is making an effort to increase female intake into both primary and secondary level (SIG Summit Report 1998).

Overall, primary school intake has improved over the years for example in 1996 there were 80,000 students enrolled in primary school compared to 27,000 in 1978 (SIG Economic Report, 1997). Likewise primary education for girls also improved almost doubling from 1986 to 1996, but is still lower for girls than for boys. In 1996, there were 70 percent of girls in primary schools compared to 78 percent for males (ADB,1998). In the 1999 census it was found that in the age range 5-14 (usual primary school age) 60,750 children (57%) attended school (SIG Census Office, 1999).

The drop-out rate in secondary school is still high for girls. In 1996 girls accounted for 38 percent of the secondary school total and 31 percent of the form six students. These are the students preparing and most likely to attend tertiary institutions overseas.

The overall literacy rates have also improved. The latest literacy rates in the age group of 15 years and over is 76 percent but with a definite gender difference. While 83 percent of the males of 15 years and over are reported as being able to read and write the figure for the women in the same group is only 68 percent (SIG Census Office, 1999). This figure may not be correct as data collection may not be accurate as the Literacy Committee found in 1992 in the Solomon Islands. While 47 percent of the respondents surveyed claimed the ability to read and write in Pijin, when tested, only 16 percent were considered literate (Avolos 1998).

While progress has been made and while the SIG has devoted a large portion of its budget to education its efforts are hampered by a rapidly increasing population. As a solution to the problem it was suggested by

the World Bank (without much thought or consideration about the cultural conditions of the country), that

a greater share of the costs of upper secondary and post secondary education must be borne by the students and their families rather than by the government (SIG Economic Report, 1997).

Firstly, more than 80 percent of the people live off the land and find it difficult enough to meet their daily needs so this will promote the inequality between the rich and the poor making children miss out on education through no fault of theirs. Secondly, it will cement the widening gap between the educated males (old story of male preference when it comes to parents spending money) and females marginalizing women even further. It may restrict women from diversifying into other skills area, and keep women at the bottom of the employment service and in domestic-related jobs. This will certainly not promote business.

Honiara does not offer opportunities like New Zealand and the United States, where students can secure part time employment, to assist with their school fees. Proper research must be done before a policy is drawn up and it must be well publicised to allow for discussion and comments before finalisation and implementation.

It has been shown that as women become more educated and more financially independent, they are increasingly empowered and confident in making decisions in the family. Pollard (1988), in her research, found that the professional women educated overseas are more independent in their decision-making. Of course this also happens because the husband respects her education and allows her to participate in decision-making. She has an active part in the education and health of her family. Usually her daughters will also be as educated as her or higher and she would have fewer children who are also more likely to be healthy. She has a say in how cultural obligations can be managed so as not to be a financial

burden and to ensure that reciprocity is the two way process that it should be.

In terms of employment, because men had an early start in education, and the kind of education and training received, they now hold most of the senior positions in government and hold all but one seat in parliament. This makes the men in the Solomon Islands in charge of the country increase their status over women. While the public service used to be the largest employer by 1997 the private sector had become the largest employer, as shown by Table 4.1, due mainly to the growth of agricultural based industries, manufacturing and service-based industries. Unfortunately the private sector statistics do not show the breakdown in ownership of businesses so that one might be able to ascertain just how many indigenous people own businesses and if this number is growing. It is hoped that by being employed by the private sector indigenous people may learn skills that will enable them to later start their own business.

Table 4.1: Summary of employment by type of employer (as at 30th June 1997)

Industry	Government	Private Sector	Total
Agriculture	47	3353	3400
Forestry	0	674	674
Logging	0	2327	2327
Fisheries	24	1657	1681
Quarrying Mining	0	16	16
Manufacturing.	0	4082	4082
Elect/water	20	317	337
Construction	159	1236	1395
Trade/Hotel/Restaurant	3	4210	4213
Transport/Communication	17	1565	1582
Finance	0	1392	1392
Public Administration	3794	119	3913
Education Services	3124	962	4086
Medical Services	1281	238	1519
Other Services	1226	1875	3101
Total	9695	24023	33718

Whereas in the early transitional period women did not need to earn money, they have now reverted to their original role as in traditional society when it was largely the woman's responsibility to provide food,

social security and economic wealth for the family. Like many of her Pacific sisters the economic situation has forced women into employment, informal trade and small businesses. "Many of these largely agriculturally based businesses have become the main source of family income for a growing number of families" (Fairbairn-Dunlop, 2000, p68).

While money and wage earning has been and remains male dominated, women's role in formal wage employment has increased largely as a result of expanding employment opportunities in teaching and medical services. As well women are active in the self-employment sector (SIG 1997 report). Although the total employment of women has been steadily rising since 1995 (Table 4.2), men, still outnumber the women in every sector of employment even in the teaching, medical and service industry, said to be predominantly women areas of employment. The numbers of women in the more technical areas like mining, construction, fishing, forestry, and finance is very small.

Table 4 2: Wage Employment of Solomon Islanders, by Industry and Gender

Industries	1995 female	1995 total	1996 female	1996 total	1997 female	1997 total	1998 female	1998 total
Agriculture	906	3356	889	3341	769	3011	760	3355
Forestry	244	3247	254	3407	175	2688	168	2555
Fisheries	35	1650	79	1650	43	1531	56	1413
Mining	0	0	0	0	2	9	0	103
Manufact.	1165	4047	1182	4122	1159	3742	1010	4349
Elect/water	16	326	16	325	16	313	22	387
Constr.	29	1024	0	1047	31	11943	314	1187
Trd/Hotl/Rest	1061	3724	1143	4027	1100	3623	1493	4641
Transp/Comm	175	1638	181	1653	170	1280	200	1878
Fin & Bus Ser	470	1167	610	1442	422	1238	462	1183
Pub Admin	726	4372	1085	5671	681	4009	713	3118
Education	1391	4399	1177	3405	1243	3935	1564	4499
Med/Vet	699	1282	512	994	645	1345	717	1877
Miscellaneous	496	1935	530	2021	528	2924	883	3518
Total	7413	32167	7658	33105	6984	30842	8362	34063

Source: ADB 1997 Economic Report and Employment Data (1995-1998)

Today, women account for less than 20% of the work force with very few in senior positions (ADB, 1998). However, as a small number of women

moved to more non-traditional occupations or senior management levels the men felt threatened (Scheyvens, 1995). As Scheyvens, found in her interview with a senior female government officer, some women gave up their positions because of lack of female role models and frustrations regarding promotions, especially when junior men were promoted to senior positions. Some resigned because of pressure from their husbands or family and relatives. A senior officer in government told me that it is not that men do not really like women to be in charge but it is also to do with how the woman conducts herself. This includes dressing, manner of speaking and attitude to men. Generally if women prove themselves they are respected.

One wonders why over the last few years three very senior, highly educated, intelligent, and outspoken female public servants have been terminated or transferred out.

4.5 Changing gender roles

Today, with more education, (academic and social) and experience many men and women have been able to show that culture can be managed to suit the lifestyle that they choose to live. At the same time it is pleasing to see a growing number of men sharing in domestic chores like cooking, doing the dishes (Pollard,1998), taking children to the clinic and taking time off work to attend parent teacher interviews. In the village too more men are accompanying women to their club meetings or public health meetings. Men in both urban and rural centres are also allowing their wives to travel within the country or overseas to attend workshops and meeting (Scheyvens, 1995).

On August 1998, after 10 years of hard work by a group of dedicated Solomon Islands Women, the Solomon Islands' National Women's Policy was approved. With the assistance of the NZ government a monitoring group was set up to ensure implementation of the policy.

Even though men are changing it is a very slow process and as mentioned very little research has been done to investigate gender roles when women wear the pants and are employed what are the men doing? In the 1980's Ian Ronnie a Solomon Islander in Honiara composed a song, Box 4.8, which explained exactly what unemployed men do at home. It became a big hit as it truly reflected the lives of many women in the Solomon Islands whether she is in formal employment or struggling on the land.

Box 4.8: *Mama Karae* (Mummy Cry)

*Morning come pikinini karae go long daddy, daddy where bred blong me,
daddy corosi slapemu pikinini olsem sometingi natingi.*

*Mama hati waka reremu breakfasti igogo hem lati for waka
but daddy no wori stapu long housy waitem pay dae nomoa!*

Chorous

*Mama karae daddy must lokoutim waka,
me save supportim you wetim every pikinini,
Mama karae daddy laugh laughu karage
every tok tok blong mama go insite lo one ear na come out lo nara fala.*

*Half past four mama come back from wok,
daddy daranga finisi, natingi wasiwasi kaleko rotneni peleti sipooni simele.
Mama no tok tok frightim eye boila korosi long mine nomoa,
harti woka from morning kasem cry blong kokorako
sleep wetem worry nomoa*

In the morning the child gets up and asks his daddy for his bread
His daddy gets cross and slaps the child as if the child was nothing
Mummy works hard to prepare the breakfast and is late for work
but daddy doesn't care as he is staying home just waiting for her payday.

Mummy cries that daddy must find work as she cannot support him and all the kids.
Mummy cries but daddy is just laughing stupidly
everything that mummy has said has gone into one ear and come out the other side.

Four thirty mummy comes back from work
daddy is already drunk, he hasn't done the laundry that's rotting, or done the dishes that
are smelling but mummy cannot get angry because she is frightened of receiving a black
eye, so she keeps her anger in her mind.
She works hard from sun up to sun down, and goes to bed with all her worries.

4.6 Summary

Chapter 4 has outlined the socio-economic problems facing the SIG, as well as the cultural obligations and gender issues, which are a hindrance to the development of SME.

The major problem is the large, rapidly and basically uneducated/unskilled/unemployed population, for which employment must be found. The public service, which used to be the largest employer can no longer absorb the numbers as it is becoming expensive and inefficient. Therefore the restructure of the public service has taken place to make it more efficient. At the same time the SIG has reviewed its policies with a view of promoting the private sector as it has been and remains a crucial provider of future job growth.

At the same time the development of the rural sector is important (currently most aid is directed to the rural sector) to accelerate growth in the wage employment and to decrease the financial pressure on the urban population through the *wantok* system. The cultural obligations have been explained especially their financial nature which places an extreme burden on people in terms of possible savings towards start up business or growth of business.

This financial burden has also been largely responsible for pushing women into business because of the need to meet basic needs of the family. Initially this means through the informal sector as most women are constrained by the lack of finance, or education, or experience, assistance or cultural norms that dictate that women operate only in domestic types of business.

Despite of all the hardship that has just been described, my research (chapter 5) in the SI of four small businesses in the formal sector, showed that the four businesses were owned and managed solely or jointly by four very well educated/experienced women. These women managed cultural obligations alongside their businesses and had overcome gender barriers to become successful in SME. This could be due to the fact that women have always worked hard to accumulate wealth for the family whereas the men are more used to redistributing wealth.

CHAPTER 5: CASE STUDIES

5.1 Introduction

As mentioned in Chapter one, this research was to investigate how cultural obligations and gender issues affected the development of SMEs in Honiara. The following four case studies were located in Honiara and are from the formal business sector. They employed up to five full time employees who are friends or relatives on a full time basis and others, mainly relatives, on a part time bases. Two women were joint owners of their business, while the other two women were sole owners of their businesses. These businesses fit the description as set by the Wiltshire committee, where

one or two persons are required to make all the critical management decisions: finances, accounting, personnel, purchasing, processing or servicing, marketing, selling without the aid of internal specialists, and with specific knowledge in only one or two functional areas (Williams, 1984 p4).

These cases will show how small businesses deal with cultural obligations and the operations of their business. They will also show how women have dealt with gender barriers to become successful in business.

5.2 Case Studies

5.2.1 Background to the small business owners

The four BOs interviewed were as follows:

Trish is owner of Trish's Hair and Beauty Salon, and Massage Parlour.

The business is situated at Solomon Kintano Hotel, which is more or less the centre of Honiara (See Fig 1.3). Trish comes from the island of Malaita, (Fig 1.1) is separated, and in her early forties. She has worked in Northern Territory, Australia and has had professional training in hairdressing and basic accounting. She has been in business for 11 years.

Nua owns AnT Lawyers, which is also located at the Solomon Kitano

PLATE: S.1



Rebecca



Wendell



Nua



Trish

Hotel just next door to Trish's Salon (Fig 1.3). Nua is married with young children. She is in her early 30's and is from New Georgia (Fig 1.1) Western Solomons. She obtained her law degree from New Zealand and was formerly employed as a barrister and solicitor for the Solomon Islands government for twelve years. The last legal post she held before resigning was Chairman of the Trade Dispute Panel. She commenced her business in January 2000.

Rebecca, is joint owner of Mauri Butchery, located on what used to be the back road of Chinatown, just a few kilometers east of Point Cruz past the Mataniko River. It is almost directly opposite the Honiara Hotel (Fig 1.3). Rebecca is from Malaita and manages the butchery business¹⁸. Rebecca is married and in her early forties. She has had at least ten years experience in business with the Hot Bread Kitchen, as supervisor prior to managing the butchery.

Wendell is joint owner of Best Buys a variety shop situated in the Panatina Plaza, which is located east of Point Cruz, past Chinatown (Fig 1.3). This Plaza was only built around 1995 and serves as a second shopping centre. Wendell is from Choiseul, (Fig 1.1) Western Province. She is married with four children and is in her early 40's. She has a Degree in Accounting from the University of Technology, PNG, and a diploma in Information Systems from Australia. Wendell has been in full time private business for three years.

5.2.2 Business Aspects

For business start-up capital, of the four BOs, only one (Trish) actually approached the banks on her own for a loan, one (Nua) received contributions from her extended family, one (Wendell) took a joint loan with her husband and the other (Rebecca) went through her Board of Management (BOM).

¹⁸ Interview was mostly in pidgin but has been transcribed to English.

In 1989, Trish returned from Australia and saw an opportunity to buy a hairdressing business. She approached DBSI for a loan but they were not helpful. She said maybe it was because she was a woman, but they had a negative attitude towards her and she was "very down hearted and disappointed". So she asked a friend if there were any banks that had a European loans officer and found out that the Australia and New Zealand Bank (ANZ) had an expatriate officer. She then made an appointment and went to see him the next day. He was very helpful and made out a list of what she should do to submit for the loan and recommended an accountant to work on the papers for her to submit to the Bank. A week later he submitted her papers to the Central Bank (the system to assist small business was there) and the following week her loan was approved. Trish had used her own savings as a deposit to secure the loan. She signed the papers for her monthly repayments and while the loan was supposed to be paid in five years she managed to pay it off in two and half years. As the business became profitable she increased her loan repayments to pay off her loan.

Nua had planned for quite some time, to go into private practice but for various reasons decided to delay, until the year 2000. AnT Legal Services began in January 2000, with Nua providing most of her own start-up capital, with some assistance from her tribe. However, she is the sole owner of the business.

The Mauri butchery is owned by a company, (two couples), who also own the two hot bread kitchens. The Company of Directors negotiated the bank loan for the Mauri butchery.

Wendell and her husband approached the bank together for a loan and did not have much of a problem probably as Wendell says, "because her husband accompanied her, and they knew some people in the bank (you know what the system is like)", and they had owned a small grocery shop prior to their study leave in Australia. They also had some savings, which

they used to secure the loan. Wendell said, "I did not borrow a very big amount because I didn't want to be obliged to pay interest, so I just borrowed enough to get going..."

In terms of business expansion and making use of opportunities all four BOs seemed to have a good sense for making good decisions and were willing to take risks. Trish, saw her first salon making a profit and went on to grow her business and has been operating for 11 years. She said,

I started off with one salon then after a few years I bought one in China Town and one in King Solomon Hotel. Then I was busy so I sold the one in China Town and operated the two till early last year (civil unrest) I closed the other one (in the Plaza) and concentrated on the one in King Solomon. Then I had my clients that came in and complain about backaches and sports injuries and all that so I made another thinking (decision) to open the massage clinic. It has been operating for nine months now.

Wendell said that her small grocery store was certain to make a profit because no matter how expensive food was people had to eat. Yet now she wanted to take the risk and try something different. She said

I decided to try something out. Whether it works or not only time will tell. So that's how I decided to start this shop. The style of the shop ... now I spent a lot of time deciding because I wanted to try to do something that is different from what is available in Honiara.

As most of the shops sold Asian made goods Wendell, based on her impression that people preferred some quality goods, started Best Buys and imports quality goods.

During the height of the crises Rebecca discussed with her husband about expanding the business to Auki town on Malaita in-case they had to close the shop in Honiara. At the time the husband did not think that this was a good idea but agreed to let her go ahead. Later he thanked her for her insight

In all of the four cases, the four women played a leading role in managing

their businesses. Trish being sole owner made all her own decisions, while the other three owners/managers had advice and input from their husbands when needed and joint decision making was very evident in two cases.

Trish attributes her success in business to being the sole decision maker, while the other three BOs acknowledge the assistance of their husbands.

Trish says

I am the sole decision maker for my business and that's my reason for success. Being the sole decision maker you come across some silly decisions but as you go along you learn from your mistakes and I find this very, very challenging. You learn from it (mistake).

In Rebecca's case major decisions are made by the company of directors that meet when necessary, and although she is also a director, does not often attend these meetings. She feels that the other three are more educated, so she lets them do most of the talking and decision-making. She said that she preferred to do the practical work of running the shop. For example, for the new branch in Auki,

I had to go to Auki to look for the buildings, establish the business, train the workers till I know they can perform on their own, but I still need to oversee the operations. I also oversee the other store, but workers seem to be able to manage on their own, especially when they have been trained. I find that the woman can manage better than men.

While Rebecca was responsible for the daily management of the butchery she and her husband had joint decision-making on major issues. Rebecca also consults her husband about the paper work involved. For example writing business letters as she said that his English and understanding of business was better than hers so she learns from him. However, she continues "my husband is usually away so I manage the business by myself".

In Nua's case while she did the legal and administrative work and

employed a secretary/receptionist to assist her, her husband who is an experienced administrator with the government assists her on a voluntary bases, with some of the administrative work. Nua explained,

When I started off there were only three posts created a solicitor, office administrator and secretary. Since it was a business solely owned by me, and I provided the capital (I didn't loan any money). I had financial constraints so I did not employ someone to take up the administrator's post. I do the job or my husband does, and he does the budget as well. I have this year created another solicitor's position as the result of the ever-increasing legal work that comes into my office. I decided last year that I had to limit myself to a certain number of cases (I couldn't take any more because I was the only solicitor here and it just wasn't humanly possible) I couldn't take on any more cases otherwise it would be unfair to the other clients because I was just over loaded. I haven't yet been able to get this other post filled. Haven't advertised it yet. Some people are interested but you know I have to choose because it is a small legal firm and I have just started up.

In Wendell's case while she was responsible for the daily management of the business she still sought her husband's advice on some matters and they made joint decisions on financial matters. This is because they had only been in operation for three years and had to watch everything.

Business advice, advertising/marketing and profit

In regards to sources from which business advice could be sought Trish said that she did not get advice from anybody, and further elaborated,

I know the government has something there within Trade and Commerce but I never go there to seek their assistance. I remember once I called in there but they weren't helpful at all so I just go on my own. I struggle but I just keep going.

The four cases also showed that the BOs did not have specific advertising/ marketing campaign as such and relied on their customers to spread the word. As Rebecca puts it, "mostly done by word of mouth. Treatment of customers is very important ... keeps them coming back." For Rebecca that was the important thing.

However, Trish once placed an ad for three months when the new FM radio station first started broadcasting and the Solomon Islands Airways flight magazine had featured her salon. (She learnt indirectly through an American couple when they visited her salon).

In the course of the discussions all four cases indicated that they were in business to make a comfortable living rather than making huge profits.

To Rebecca making a profit was not the most important goal and in pricing her goods did not really consider all the expenses because she thinks of the customers and their affordability of prices. She was not worried about what other businesses charged but was just concerned with own business and prices. Despite the growing competition she believed she still maintained the lowest prices as she said, "customers are very important; they make the business or break the business". Rebecca tries to find the cheapest places to buy her meat in an effort to keep her prices low.

Rebecca went on further and told me that the secret to her success was that she had not forgotten about God. The family attended church regularly and she gave voluntarily to the church and sponsored church activities. For example she assisted in sending young people on an overseas mission. She said, "it is no good to be greedy or to think of becoming rich."

In Nua's case as explained above she limited the number of cases to what she could comfortably manage alongside her family responsibilities.

While Wendell admitted that the only business disagreements she and her husband had was in regards to pricing of goods. Her husband preferred a lower percentage as mark-up while she preferred a higher one because it was her that went around to the other shops to compare the prices and the competition going on.

5.2.3 Culture, Wantoks and Obligations

The four BOs said that they were not really pressured by the family and *wantoks* to contribute to various cultural obligations but they preferred to assist. However, they all made conscious decisions about what to contribute to and how much.

For example, Trish said that she had been contributing and assisting with cultural obligations of various kinds ever since she commenced business. She said,

its part of our culture, and it's inside me. I have assisted a lot of my nieces and nephews and my cousin's children with school fees. Weddings - well the good thing with my family is that they don't come to me to ask for anything but I hear about weddings or death or children going to school and I offer myself to assist and I have always been assisting my family with marriages, bride price, gifts, school fees or giving elderly people presents. And every time I go back to the village I always buy things for my relatives in the village.

While she gave willingly and voluntarily she warns (from her experience), "the more you give (this is what I have found in our culture) the more you give they will expect too much from you. So when you give you have to weigh it - you have to weigh it".

Trish went on further to explain the *wantok* problem,

I have been talking to some women and they complain that when they jointly owned the business with the husband the money goes into three or four pockets. The husband has to support his relatives maybe on the mother's side or father's side and the wife has to support her side of the family too so its a little bit hard.

Rebecca was firm on her views on *wantoks* and cultural obligations.

Culture is part of our life and we cannot forget it. Family members only matter ... mother, brother or sister. If my mother dies or my father these are the kind of people I help - they are the priority - only the closest relatives. I have allowed for it in the budget.

Nua, stresses that while there are no direct demands on her from the family she still feels obliged to contribute to cultural obligations. There is a lot of expectation from them of me in providing school fees, taking care of medical needs. Marriages and deaths ... part of our culture even if not asked you feel obliged to help. So even if they do not ask I feel obliged to help sometimes I don't. But if I don't contribute it reflects badly but also I feel that they are expecting too much of me ... I think, they think, I am making a lot of money but that is not the case in the first few years. But there are rewards in the process.

In terms of budgeting for cultural obligations the four BOs have learnt through experience that these must be budgeted for in some way. While three BOs make a special allowance for it in their budget one still met obligations through her salary.

Trish said she made a budget every year and said adamantly,

what is for business is strictly for business. What I put aside for spending on family and other expenses like that is different so that I don't have to grab from the other accounts. I have separate accounts for expenses and business and other things. Yes, I have worked out how to handle it and I have to make my own budget. It's part of our culture. I do my own books, except the end of financial year when I submit to the accountants.

In her budgeting and accounting Rebecca said that she tries to take into account family obligations like school fees, funeral and related expenses, feasts or marriages. "In a month I only spend a certain amount and once that amount is spent then I cannot help others".

On the other hand Nua, who had only been in business for a little over a year said that in her first year she did not budget for cultural obligations explaining

that it came out in my financial report that most of my contributions to my extended family and my tribal landowners was from my salary. So I suffered ... and my husband picked this up. He said next year, since a lot of money was spent that way, we must budget for it. Last year I had to dig into my own purse! This year, by the end of the year, I can tell my people this is the amount my business has offered to the extended family so they can see.

As for Wendell, she did not make a specific allowance for cultural contributions preferring to pay from their salaries. She said that just because they had a shop the people/relations think that they had a little bit extra to spend.

One of the main causes of business failure is allowing credit to relatives who then fail to pay off the credit. The four cases showed that the BOs were very aware of this problem and knew how to manage it.

Rebecca was very firm in regards to giving credit to relatives. She said

this, does not happen. Employees are given strict orders that no one is to give credit to any relatives unless I have given the Okay. If a credit is given then the employee is responsible for paying that debt back. There are no allowances made for anybody.

Wendell said (with a laugh) "yes that's a normal behaviour". She explained that while Best Buys had a no credit policy people still asked for credit so she tries to avoid them when they are around.

Sometimes *oloketa save askim* discount me just *givim* five dollars *olsem*. (Sometimes relatives ask for a discount and I give them \$5.00 discount.) Most times I allow them to lay-by but instead of two months or so they can stretch it too much. It is just something you know enough and you just have to control. It is something that is controllable. It's not like a shop in the village.

Wendell went on to say that because of cultural obligations, she now tends to employ relatives and students of relatives so that they can earn their money. "I have been good in helping them – it's a two-way thing. Not only me to help". She said relatives can be a burden and she prefers for them to earn the money then just handing out money".

5.2.4 Gender and Business

Of the four BOs interviewed, one was separated and had no children while three were married with children. Two of the BOs who were employed in previous jobs said they left mainly to spend more time with their children

and all three combined family duties with management of their business. Trish (no husband or children) said she devoted all her energy to her business, which contributed to the success of her business.

Nua has three children to take care of including other family business as well as her private practice. Although her husband shared the household duties, she found it difficult to let go.

It will take time. Sometimes the kids have enough of him and want to be with me, but because I am running my private practice I find that I have flexi time. I can take time off in the morning, go to my kids then in the afternoon come back to my clients. So I am really enjoying it now compared to working for the government.

For the benefit of the family she had also decided to restrict separation and matrimonial cases because they were very involving and as a woman she decided to keep away from such cases. "You become involved too much in other people's affairs".

Wendell explained that she left her previous job in-order to spend more time with her family especially the two youngest children. She said,

As soon as I returned from Australia I decided to do my own business. I did not feel like working for anyone anymore. I had enough. You work long hours and you don't have enough time for the children and family. Every time you feel conscious about time and almost everything because like ... I'm not that kind where if I have private work I'll just take off ... for me that's not good. So I just decided to do something on my own. But main thing is I just had enough of working for other people.

Wendell, when asked how she coped with her household, family and business responsibilities replied,

I have two house girls and I try to keep the children healthy so that they don't get sick and I don't waste time in taking them to hospital. So far I don't have much problem. Like most people here the kids are sick all the time and they spend maybe half the week at home. That's what I try to avoid. I want to avoid this and it has been

working too. I don't have much problem with that just family time - like lunch time yes, I insist to be at home one and half hours ... the youngest is nine months and the other is one year. (She has two older sons aged 16 and 13).

She also said that if it were absolutely necessary her husband would be willing to share the responsibilities, as "we share equal responsibility".

Rebecca combines her household and family duties with the operations of her business and does not have a house girl. She said,

there is no house girl as I would need to bring one from the village. I take the children to school then go the shop about 9am. The workers know what to do so they open and commence. For the Hot Bread kitchen I need to check that the bread is well cooked. My husband shares the duty collecting the children to and from school. I am not worried (about going quickly to the shop) because the workers can be trusted so I can relax and do what I need to do. Attending school activities or going to the clinic. When my husband is away I do everything myself.

Three of the businesses employed mainly relatives/wantoks/in-laws or people whom they knew. Despite being females, with two coming from patrilineal societies, the women did not have any major problems in dealing with their employees in terms of cultural or gender constraints.

Trish had four employees, two female employees in the salon, and two male employees in the massage parlour. When asked if she had any problems with the male employees she replied,

No, because I know the family very well. They are traditional healers. Their family used to do this kind of work - of fixing bones, strained muscles, etc. so I am just making it available to the public.

Wendell had three full time employees plus one casual - at the most five. She said that because of the civil unrest she did not want to employ too many workers. She also said that during the Xmas period she employs mainly high school students, male and female. In regards to problems with

male employees she said, no but

most of them (employees) are *wantoks* so you know it - they are *wantoks* they are slack. I'm not sure if it's an attitude problem or because they know me so they can afford to be slack. Normally we have little meetings once every fortnight to discuss the different things that come up, especially if I notice that they do something bad or they lack something, so that's when we talk about it. So communications is always open and I am always out there checking on them.

For Rebecca it was very important for the business to maintain good relationships among the employees who were mainly relatives/in-laws or *wantoks*. She said that she told the workers that they are working to repay the business loan and not for her personal pocket. This she said makes them realize the importance of raising efficiency to meet this commitment. On the matter of training of employees,

Trish provided on the job training for the girls. For example, "this young girl I used to pay her fees in high school and she used to help me in the holidays. Now she is working here full time.

Rebecca said,

there are rules and conditions that the workers have to follow, and I ensure that these are followed. Employees are on trial for six months to see if they perform and can be trusted, especially for cashier duties. Within the six months, if they are not up to standard, I can terminate them.

She further explained,

I am very firm with the workers "yes" and "No" means that exactly, so they get used to me. I am firm but pleasant and so I maintain that respect. Workers are relatives and in-laws so naturally that commands a certain kind of behaviour and respect. I am very pleasant but I can go wild if things are not running properly. I teach them and show them and I expect them to follow instructions. I tell them that work is important and that they must be willing to work trustworthily and not steal food. I make no allowances for anybody, no gossiping between workers. I haven't had any formal training but all from my own ideas and my husband. Being a wife and a mother gives me the ability to organize staff and to maintain good relationships. I don't like to get too close to the workers. If there are personal problems they see the supervisor first, then I see the

urgent ones. Don't encourage *wantoks* to discuss everything with me. One *wantok* used to do that – report to me nearly every day so I told her to just talk to the supervisor. Need to encourage workers, need a lot of love to develop workers' confidence.

Wendell preferred to look for her employees herself among people she knew or those recommended by friends. She said that when advertising "there are too many people to chose from and its a little bit hard too because in Honiara when you recruit people at large you have to provide a house. Oh! it comes with too many complications". She continued,

All my employees this is their first job. I like it that way so I can train them the way that I want to. They have never been anywhere and I prefer them to be like that because I notice if you find them with experience they want or come with this and that ... I don't want that as it is a bit of a hassle. We provide our own training and we send them to the Telikom School because they offer some courses on customer service and to evening classes for book keeping.

Nua, as explained only had one employee and when asked if she was looking for a male or female employee to fill her second vacant lawyer's position she replied that "it didn't really matter".

But my preference would be a solicitor who specializes in land cases because my firm specializes in land cases. We have a firm policy in that in the first two years we don't take criminal cases and restrict on domestic and matrimonial matters. Basically we deal with commercial and civil cases and land.

As she is the first and only female in private practice she was questioned on how male clients reacted to her as a female lawyer. She replied that she had no problems.

I have a majority of male clientele because they are the owners of the companies. I find very few women are directors so I don't have many dealings with the women but mostly with the men. Very few female clientele which is surprising in land matters because the women (in matrilineal societies) own the land but it's the men who speak for them.

The BOs being all female did not speak of any negative cultural or gender

constraints on them as business women. Trish said that her family really appreciated what she had done because she had "struggled with her education and started off on her own too with no support from her family".

She said

so they respect me for that and they admire me for doing that as well too. I mean for a woman to run a business here where the culture is still strong...its very difficult. And what I have experienced is that if a woman is successful on her own, a lot of our men, they respect her and I have a lot of respect from my family. They admire me and they support me too because they would come here for their hairdo and its really nice to see them come and spend their money in my business. For me its really challenging and I really appreciate what I have done too because had I stayed at home and not have this kind of business I don't think that my family would spend money on me. They spend money on me now - in my business, which is very good.

Likewise Nua also gained a lot of support from both her immediate family and immediate extended family. She said that they are a matrilineal society (land ownership and resource giving) so she receives a lot of support but on the other hand there were also expectations placed on her and her immediate family. She explained,

they assisted, me as a member of my tribe and because I have a legal qualification they expect me to do legal work for them and sometimes I do and I find there are rewards. Like my tribe assisted me in setting up this office with tribal funds and I do a lot of paper work for them.

Rebecca said that when she entered into business she did not look for status in society but

people invited me to functions and I realize that I must have some status in society, but I do not look for it. It just comes. There are changes in attitude among my family members, my sister and other family members usually seek my advice. For me personally I do not realize this it just comes. People just look up to me. I am very approachable, people call in for a chat, I talk.

Rebecca "My husband and I work together likewise my sister-in-law and husband work together to run the Auki operations."

5.2.5 Culture, Gender and External Relationships

None of the four BOs took part in meetings in regards to business like the Chamber of Commerce or SBEC.

Rebecca said that she has had no relationship with the SBEC. She had not attended any training. She had "heard about it (referring to the training courses offered by the SBEC) but no time to attend, so everything I do I have learnt from experience". When asked if they had been invited to be involved with the training courses at the centre she replied, that they had not being invited to the SBEC. However, if her husband was invited to give any talks then "I am happy ... *tok tok blong hem covem me two fala.*" (Whatever he says comes from both of us.)

While Wendell was not involved with SBEC she thought that there was a business group formed for the Solomon Islands Indigenous BOs, but due to the civil unrest there had not been any meetings. When asked her opinion on whether women BOs were accepted equally with businessmen she replied, "maybe at first no, but when they get used to you doing things they accept you slowly, but its not something that comes naturally".

Nua also said that she was not involved with any business related associations but she was an ordinary member of the Bar Association which had not had regular meetings.

While Trish also was not involved with business related groups she does get invited once or twice a year by the Banks and other big companies to give talks to their employees on personal grooming, to both male and female staff. She said that the male staff reacted "very positively.

I find that the session is always an interesting session for the males and the females because they come up with lots of questions they never asked anyone before. Like what I am doing - beauty and hair dressing here is a new thing in the Solomon Islands and like me being the only Solomon Islander who studied beautician and hairdressing overseas - they come up with lots of questions.

Apart from the problem Trish had in obtaining her loan in 1989, none of the women experienced any major difficulties because they were female, in dealing with other related offices like the local wholesalers and customs office.

For example, Rebecca said that she had no problem dealing with suppliers or the public at large both male and female.

They like you and you like them. Business people have their own language and so they understand each other. I am comfortable when I deal with people, because being a woman can have advantages ... also being a mother is valuable ... you know how to deal with people. Others treat you like a mother. (An example of this is you go to the wharf to clear cargo and a guy comes to help you, immediately he sees that you are an older woman he will address you as "Matron". They will treat you with respect if you treat them with respect.)

Wendell also said that she did not have any problems because of her gender and she actually does her own cargo clearance (dealing mainly with male workers).

There were varying opinions about what could be done by the government to improve indigenous business from decreasing duty on imported goods to allowing cheaper fees for indigenous BOs.

Trish said, that as there was a 20% duty on imported overseas goods (most of her products are imported from overseas) and with

the devaluation of our dollar I think it should be reduced further ...as for our younger generation...and our people ...personal grooming is really coming up in the Solomons now. If they reduced the duty or don't put duty on imported things to do with beauty then I think everybody can afford to come and beautify themselves because like working in the office and like woman, as the saying goes, are the flowers in the office.

Rebecca thought that the government should give more discounts to indigenous owned businesses. She said that a very important fact is that

the government does not give any discounts. There are all sorts of expenses and taxes that have to be met. Not very encouraging ... it is difficult to make profits to cover the expenses. Workers taxes, City Council taxes, and land rates. Costs are big ... overhead is more than the profit that can be made ... need to manage the funds properly. Men are not very good finance managers ... they can spend money without knowing the balance in the bank leads to overdraft. Need to ensure the savings are there to cover costs. Bank loan has to be repaid. There are no allowances for local business or small business ... all same costs.

Wendell confirmed that there were all standard regulations for licenses and business costs with no discounts to nationals. However she said that,

the MSG agreement helps; we get goods from PNG, Vanuatu and Fiji duty free so this helps us all. With Government - you just have to know the right people, and say the right things. I haven't had any difficulties because this is a small place, wantok system - not hard to get things done.

5.2.6 Personal statement

Listed below are the personal advice and opinions of the BOs.

Trish said,

I have gone this far with my business all by myself and when I look around our town here in the Solomons, I look at young people nowadays or I look at women married and single women, I feel that if I can do it, I know that any one can do it. And it is a great contribution to the country not necessarily doing what I am doing but doing other things. I am happy now to see other women selling their market from the supermarkets and fish and chips. It's really interesting to see women now they don't sit back like they used to do before - only the men go out and work - women stayed back at home and looked after the children. Now I am pleased to see women come out and I think in the Solomons my advice is for more women to go into business.

She went on to say that,

the government should run courses for small business for women in the Solomons - train women. Husbands wouldn't allow the wife to study together in the same school or class. They should have a centre for women to go and do business courses. I think it should

be good. So the men don't run the show too much because a lot of the women here, the business is joined with the husband and looks to me like the husband runs the show, the woman is just there. Now if the two can work together they should be giving advice to each other and they should do some discussion together and I don't think many of our men do that with their wives here.

Rebecca's opinion is that "women are the best organizers". Rebecca believes that women are generally good managers because they were used to managing the household and all the crises that comes with it. They developed the skills to deal with unexpected crises on the spot or to make alternative decisions or to make a decision. In business this has been very beneficial. For example if a *wantok* stops her to ask for money she can listen to the problem and decide if the answer should be yes or no. She felt that women were better decision makers in a crisis situation than men.

Nua felt that with her workload she did not have time to be involved in working with the women. She said there is a

need to provide an advisory role to women or to the government when making policy changes in regards to women. If an aid group or donor could provide technical assistance I would be happy to have the person work from my office. Women really do not know much about the law and what can be done for her. There is a lot to do in educating the women.

Wendell felt that women had the capabilities of running businesses successfully, "given the right help, and assistance from their partners and the government they can do it...in Honiara there are societies that help women".

5.3 Findings and Discussion

Contrary to the popular belief that business in the Solomon Islands cannot develop because of cultural constraints, the four case studies show that, with education and experience, small business can develop and be successful. They can manage cultural constraints. Secondly, like the women of the developed countries, the women in the third world including

the Pacific and Solomon Islands seem to be following the same trends, even though it may be at a slower pace. That is, that women have jumped gender barriers and are becoming more successful in business. Furthermore, despite the inequality in education and the fact that the number of highly educated/professional women is very small, some of these women are leaving their employment and entering into business, mainly to have more time with their families.

The following section will begin with the findings and discussions in relation to the business aspects of small business, followed by the cultural aspects and finally the gender aspects of SB.

5.3.1 Business aspects of small business

Start-up capital & expansion of the business

While it is usual for SMEs to have problems in obtaining start up capital, (mentioned in Chapters 2&3) of the four cases only one (Trish) actually had some difficulty in securing a bank loan. Despite having her own savings to contribute for the loan deposit, she had to specifically look for a bank with an expatriate loans officer. This implies that she may have had problems with indigenous local loans officers who were probably unsympathetic because of the cultural bias against woman in business. (In 1989 there were hardly any indigenous women in business in the formal sector let alone the beauty and hairdressing profession.) As Liloqula¹⁹ said (2001) access to funding institutions, is difficult and the rules and regulations do not suit women as they were made for men. Nua of AnT Lawyers also had her own savings but avoided the banks completely opting for contributions from her tribe. Best Buys and Mauri butchery both had joint loans and did not encounter any problems with the banks. As Wendell said in her case it could have been due to the fact that it was a joint loan with her husband. None of the SBOs talked about alternative loan schemes that might have been available.

¹⁹ Ruth Liloqula's Under Secretary (National Planning) interview in appendix 2.

All four cases showed that the women were all solely or jointly involved in decision making, met financial commitments on time, made use of their personal skills especially those learnt as a wife, mother or daughter and that they preferred a flat structure of management, working from simple offices. These management techniques seem to be similar for women in developed and developing countries discussed in Chapters two & three.

All four BOs were involved in decision-making concerning the operations of the business. Trish being the sole owner attributes being the sole decision maker to her success. The other three cases indicated that while they made nearly all decisions they sought their partners' advice on all major matters. The cases show a major cultural advancement especially in Rebecca's case as she comes from a patrilineal society where women in traditional society were not involved in decision-making. (Trish is also from a patrilineal society but is a sole decision maker.) The three cases also show that the men seem to have accepted the women as equal partners in decision-making.

In terms of financial commitments the cases showed that women BOs, did not want to have financial commitments and that they preferred to pay their debts on time. This is in line with what Liloqula (2001) said, that women have been found to be "the best loan re-payers and best in management of funds". Trish's case showed that when her first business was making profits she chose to make higher loan repayments completing her first loan repayment before due date. In Rebecca's case she was careful to explain and instil in her employees the need to work efficiently in order to meet bank loan repayments. While Wendell was cautious not to borrow more funds than needed to avoid the high interest rates, Nua avoided obtaining a loan altogether, preferring to start small.

All four BOs accepted that cultural obligations could not be ignored and while they have taken these into their accounting either through their budget or salary, they also carefully managed their expenses to cultural

obligations. In one case the BO (Nua) had learnt through error of not making an allowance to cater for cultural obligations in the first year of operations, which has now been corrected. Trish had a yearly budget and kept cultural obligation expenses separate from the business and salary budgets. Rebecca also had a budget and kept strictly to her budget and when this amount was exhausted no further donations or assistance would be given. So these cases show that with education/experience cultural obligations can be taken into the financial management of the business furthermore, that one can say no to cultural obligations. In the past as discussed in Chapter 3, the inability to keep separate accounts of business and cultural expenses, and to say no to cultural obligations have led to many business failures around the Pacific.

It is evident in the four cases that the BOs while they may have lacked some basic training in financial business management, they made use of their skills learnt as a mother, wife and daughter.

All four business premises had a very warm and friendly atmosphere, and all BOs themselves had very pleasant personalities. They made their customers feel welcomed which formed the bases of their advertising campaign having no advertising or marketing campaign. As Rebecca said she relied on her training as a homemaker at work in regards to treatment of customers, employees, and relatives. If a crisis came up like a relative stopping her on the street to ask for money she could make a decision on the spot. She said her management of the family made her a good manager in business.

The four cases also show that the BOs relied on their intuition in making business decisions rather than on financial techniques like market forecasting, or cost benefit analysis, or seeking professional advice on their ideas. They also knew how to take advantage of business opportunities.

Trish made her own decisions when to expand her business (when she was making good profits) and when to sell off her business (when she saw the beginning of the civil unrest). She also knew how to be sensitive to the market by taking note of demand for massage needs especially for sports injuries. She not only branched out to meet this demand but incorporated recognised traditional healers into business, providing employment/income to the healers. They could now earn money for their skills. Ngaire McCarthy a beauty therapist in New Zealand for 25 years said, that an important factor in business is to be adaptable and to constantly reassess the business (Simpson, & Raumati, 1991).

Rebecca advised her husband to start another butchery in Auki predicting that the civil unrest may get worse. Although the husband did not agree he allowed her to implement the plan. Now he was happy they did as the Auki shop proved to be a good investment and was making more money than Mauri butchery in Honiara. This is called women relying on their intuition. As a study by Simpson, & Raumati (1991)²⁰ found that women relied on their natural abilities when engaged in SB rather than on some training (Simpson, and Raumati, 1991). Rebecca did not do a cost benefit analysis or market research in order to make her decision but just relied on her good sense and "natural abilities" to make her decision.

While the above cases show that women can make good business decisions relying on their own feminine skills it also indirectly leads to the conclusion that either women do not want to seek professional business advice or that such a facility is not readily available in Honiara. As Trish's experience in trying to obtain assistance from the Department of Commerce seems to indicate.

All four cases showed that the BOs management style was flat, where the women had been able to earn their respect as 'boss' while also working with the employees as found in other countries (see Chapter 3). For

²⁰Simpson & Raumati in 1991 carried out a research of Maori women in business.

example, Rebecca physically goes into the butcher room and works with the employees showing them what to do and even cleaning the bench tops herself. Trish works with the other girls instead of just managing from her office and Wendell often goes out into shop to be with the shop assistants.

As well, all the BOs had simple small offices that were open and close to the employees. Best Buys had a small office with glass windows that allowed BO to see into the shop. The office had a computer with table, a desk, a phone and a cabinet. Mauri Butchery's office was situated immediately behind the cashier with a low partition and consisted of a desk with computer, a phone and a cabinet. None of the offices had elaborate furniture, which is said to be typical of male BOs.

5.3.2 Culture and Small Business

The four case studies seem to fit the assumption that BOs who are educated/experienced tend to become more successful in business because they are able to manage their cultural obligations alongside their business. This was found to be the case in the Pacific Islands as discussed in Chapter 3.

In this survey, three BOs have had overseas education and training in their profession, while one has had more than ten years experience in small business. Two of the women formed businesses directly related to their training, the legal practice and hair dressing salon, while one of the BOs had a financial background, which is related to the retail business and one BO had really learnt on the job making use of her skills as a home manager.

Even though one has a Degree in Accounting and one has done some accounting courses, all four women have learnt on the job through experience (learning from their mistakes) and relied on their own intuition.

Three of the women started very small and grew their business while one has just commenced but is already thinking of growing her business²¹.

The four case studies show that despite the cultural and financial difficulties small business can flourish by understanding how to manage cultural obligations. These four women BOs have shown that they are very firm in dealing with cultural obligations in that they keep to their budget and can say "no". This is confirmed by Liloqula, who says women can "explain and make a stand where culture and business is concerned". This could be attributed to the BOs having had more education/experience but could also be due to the fact that women are not under the same pressure as men – "big man" status – to give. Women traditionally, and forever, have the welfare of the family first, so they are better able to say "no" if they know that financially the obligation cannot be met. This includes saying "no" to purchasing goods on credit too.

By the same token these BOs know when and how to assist relatives and utilise relatives in a positive way in business. All four women BOs employed relatives in their business as a preferred way of assisting relatives instead of handing out free money. In Nua's case her tribe assisted her in setting up business, and she reciprocated by assisting them with their legal paper work. In Trish's case she paid school fees for one of her relatives and also trained her so that now she is employed at the salon. She also chose what feasts to contribute to and when to send presents to her family. She was also conscious not to over do it. None of the women felt that they were forced or obliged to contribute to cultural obligations but they made a choice about which obligations to assist knowing that their place in the village is secured by doing so. This adds to her status in her society.

These case studies have also shown that whereas once, only foreigners and then indigenous men conducted formal business, women are now

²¹ The current civil unrest in Honiara (see Chapter 4) may affect the future of these businesses.

becoming successful and accepted in the society. In all four cases the women's status has been enhanced among her extended family and community in Honiara. All four women had no difficulty dealing with the community, which indicates some respect for these women in business. The fact that Rebecca was able to go to Auki to set up shop shows that in the centre of a male dominated, patrilineal society she was able to accomplish the project. It meant that her status was recognised.

The area of difficulty probably lies in being fully accepted by the business community, the majority of whom are men, the Chamber of Commerce and organisations like SBEC. In terms of the business community, as one BO commented, once businessmen see that you are successful they accept you. However, none of the women had anything to do with the Chamber of Commerce nor were they invited to places like SBEC to give talks about their business. As Liloqula commented, "it would have been more useful having people in business be involved with giving talks at the centre rather than those with no experience".

5.3.3 Gender and Small Business

The most interesting finding in this research in terms of gender was the fact that the four BOs were very highly educated/experienced professional women as the Solomon Islands has among the lowest number of educated women in the Pacific, especially in tertiary education, and education for women has been a recent phenomena. Other findings include, that as women they were able to manage their employees especially male employees, that their gender made no difference in their dealings with customers, they were able to combine their family duties with their work and they seemed to have developed an equal relationship with their male partners.

These businesswomen showed that they had the confidence to enter into business in the formal sector as opposed to the informal sector that was usually associated with women. Two left very senior positions to enter into

business and were the first indigenous woman to open business in their chosen business. For example Trish was the first to own a hairdressing salon and Nua was the first female lawyer in private practice. While Wendell was the first to operate a shop that was more than just an ordinary retail shop and Rebecca was in the first (part owner) in the successful Hot Bread Kitchen in Honiara. These women are among the pioneers of women in business in Honiara.

All four cases showed that their gender did not affect their relationship with their employees probably because they were good communicators. Firstly, being a woman and coming from societies where women are not supposed to be giving orders especially in patrilineal societies these women, two from the patrilineal and two from matrilineal societies have showed that it is possible to supervise one's relatives and in-laws both female and male. As one BO (Rebecca) commented, employees must be treated like family, with love, care and understanding. She uses her skills in managing her family (pleasant but firm) to manage her employees who are all related to her in one way or another. Similar skills were employed by Aggie Grey in her successful business. None of the BOs had any difficulty managing their employees.

In regards to customers all four BO's had no difficulty dealing with customers, male or female, because of their gender. As Rebecca says customers make the business so they always treat the customers properly. In Trish's hair salon too, because she is actually doing the hairdressing, she will call out and greet customers upon their entry to the salon. In fact all four BOs were very friendly and easygoing. This was a very important ingredient for success as seen in Ruth's Steak House in America who always made her customers comfortable, as if they were in their own home, so they kept returning to her steak house.

As seen in cases from all over the world women who are successful in business have usually been able to combine their business and family

responsibilities. The three cases where women had families demonstrated that they were able to combine their family responsibilities with the management of their business. In the first place these three women chose to go into private business so that they could have more time with their families. Nua organised her clients around her young family. This is similar to Welsh (1988) survey, (see Chapter 2) where one New Zealand female BO organised her clients to suit her schedule, which was centred around the family. Wendell also went into SB to have more time with her two younger children so she ensures to take long lunch breaks which is not possible in paid employment. She said she wanted that freedom to be able to leave the office to attend to her family matters. In two of the cases the women did have relatives assisting with looking after the children and doing the house work. Rebecca who did not have a house girl managed her family and business together. For example, her granddaughter waits in her little office from 10.30 a.m. to noon when Rebecca takes her home. While at work she dealt with both business and family calls. Therefore, women's ability to combine family and business together is a great asset to the success of the business.

In the three cases where the women were married, they all said that the husbands did assist with the family duties for example, taking the children to school and going to the clinic. This shows a marked difference in male attitudes where children were women's responsibility. Also as explained earlier all three BOs said that they shared in the decision-making and where necessary the husbands assisted or advised the women. For example, Wendell and her husband discussed issues like pricing before a decision was made. Nua's husband assisted her with the administrative work and Rebecca's husband assisted her with the financial or business correspondence. This definitely shows a change from common male attitudes. Perhaps as a result of their own education and experience they have accepted women as equal partners. Another reason is that the three husbands have secured jobs and so probably did not see their wives' work as a threat to their position and authority (Safa, 1990).

When husbands feel secure in their superior male position because they successfully fulfil their bread-winning role, that they are willing to allow women who work and earn a substantial income, more family power and equality in the family (Sofilios-Rothschild, p222)²².

For Trish, she attributes her success in business to having no husband, which allows her to concentrate and be the sole decision maker in her business. This is also an important factor as Welsh (1988) found that 57% of the women turning over one million dollars or more were either single or divorced. And one woman said, "I was married once and now I'm not. I don't believe I need a husband now. He would be one more demand in my life and my business takes my time now" (Welsh, 1988, p42).

5.4 Summary

The four case studies have shown that cultural values and obligations can be managed, especially with experience/education, resulting in the successful operations of small business. Likewise, the cases have proved that the women, irrespective of their lineage background, have overcome gender barriers to become successful in business. Not just in the formal sector but in business unrelated to women's domestic role. These findings though on a smaller scale and slower pace are consistent with other cases outlined for the other Pacific Island countries. This leads to the conclusion that culture and gender issues are not absolute barriers to the development of small and medium enterprise in the Pacific and with the right kind of assistance, role models, education, mentoring and tools. The numbers entering business could be increased.

²² *Professor Helen I Safa, professor of Anthropology and Director of Centre for Latin American Studies University of Florida : In a study in Puerto Rico found that with a small change in the*

CHAPTER 6: CONCLUSIONS

6.1 Introduction

This research set out to investigate the assumption that business owned and operated by indigenous Solomon Islanders are more likely to fail due to cultural and social obligations. This common assumption that culture is a barrier to the development of small/medium enterprises (SMEs) is generally held towards most Pacific Islanders in business. This chapter will summarise that as this research has shown, cultural values and obligations are not absolute barriers in relation to the development of small business in the Solomon Islands and in the Pacific. However, in relation to the control of resources that affect the growth of SMEs, culture is very much a barrier especially amongst the Melanesians where more than 80 percent of the resources are in the hands of the indigenous population.

In terms of gender, women in most countries around the world have shown that it is possible for women to progress in SMEs and to employ others in small business as well as manage a family if they so wish. Women have shown that gender barriers can be overcome and women can move into almost any type of business. However, there should be more investigation into ways of encouraging the growth of (SMEs) in general and for women in particular in the Solomon Islands.

6.2 Small Business and Culture

As seen in the developed countries SMEs were promoted in the 1970's to encourage the people to become more self-reliant, have their own income and provide employment for others. This same principle has been adopted by the developing countries in the 1980s and by the Pacific island countries in the 1990s. However, different conditions existed in the different countries affecting the pace of development of SMEs. Some of

gender division of labour there was a marked change in the authority patterns with the wives sharing more in the household decisions.

these include, difference in welfare system, differences in culture, and differences in level of development of infrastructure for the development of business.

In the 1970's as described in chapter 2, in most of the developed countries the cultural norm was that it was considered suitable and fitting for only men to be in SME. If women were in business, (during this time women were mainly in the informal sector), it was considered as a sort of lower class activity. By 1980s, some of the developed countries like the US, England, Australia, and New Zealand governments recognised the potential and importance of SMEs in providing employment and lessening the burden on the welfare system. These governments set about investigating suitable policies to promote SMEs.

Women by the 1980s, especially through education/experience broke through the cultural barriers in relation to suitable jobs for women, by entering into employment and small business in professions both related and unrelated to traditional female roles. Many women who began in paid employment became disillusioned because although they were equally qualified as men, they felt that the system discriminated against them preventing them from realising their full potential and satisfaction. So many of these professional women then resigned from their employment to form their own business. This was a challenge to the assumption that only men could be successful in business. Now in the 1990's women are emerging as successful BOs.

The Developing countries tried to follow the footsteps of the developed nations (also discussed in chapter 2), but they had a different set of characteristics. For example, some countries had a very strong culture that associated men with business, and placed women firmly in the home. As well most of these countries had very large uneducated rural populations and undeveloped infrastructure conducive to the development of SMEs.

While some of the countries like Singapore, Taiwan, China, and Philippines, with the right policies (did not necessarily include women) have been able to achieve success in the development of SMEs others are still struggling.

Chapter 3, explained the cultural and social obligations of the PICs and outlined examples of successful cases in SMEs from the Pacific. The PI cases also showed that women were also successful in business and managed to operate their business alongside their cultural and family obligations.

While there were some distinct differences in emphases on cultural obligations between the major cultural groups like Melanesians and Polynesians stemming from their historical and social background, they were similar in that cultural ideals are built on communalism and reciprocity. While these ideals worked successfully in traditional society they are often seen as a financial burden in today's society and in direct contrast to the business ideals of profit making for the individual. This is due mainly to the fact that most PICs do not have a welfare system so the people because of their cultural beliefs have to look after their extended families and *wantoks*. In today's cash economy this places financial strains on families, decreasing their chances of saving towards a SB or expanding their SB. As well some aspects of culture have become commercialised for example in Samoa the *fa'alavelaves*, in PNG and Solomon Islands; the bride price.

Another major cultural difficulty is related to the fact that land and local resources are communally owned which makes it difficult for individuals to obtain loans for businesses or for the governments to develop infrastructure because of the compensation claims. As well most PICs have fast growing largely uneducated rural populations that the government must not only find jobs for but also assist to find an accepted balance between their traditional and the modern world culture.

The PI cases have shown that especially with education/experience both within and outside the country, people can learn to manage culture and still establish profitable businesses. It has also been shown, especially by the Goroka cases, that Pacific Island peoples can grow their businesses into successful businesses and at the same time redistribute their wealth and benefits to their extended family in a positive manner.

6.3 Small Business and Gender

Women in most countries are now entering business in the formal sector, through choice. Through education/experience women have become empowered to enter into self employment. They make use of the personal skills and/or professional skills to succeed. Although they have encountered all kinds of gender barriers they have managed to prosper in the small business sector. Women in most developed countries are entering into business at a faster rate than men and are proving to be successful business owners and entrepreneurs.

In the PICs it is also evident that women are slowly emerging in the formal business sector and that they are proving to be better or just as good as men in business. This could be due to their original role as the makers and keepers of wealth and that the family comes first. Also men of the Pacific, both in Polynesian and Melanesian societies seem to put greater emphases on giving, to improve their status in society to become a *matai* or a "big man". Furthermore, it seems that more men than women are becoming involved with drinking and gambling, which usually leads to the collapse of businesses.

6.4 Small Business Development for the Solomon Islands

There is indeed a future in SME development in the Solomon Islands, which would not only provide income for the owners and employees but also to the extended families both in urban and rural areas. However, the government will need to develop appropriate policies, with a clear set of guidelines to encourage the growth of the indigenous people especially

women in small business. This will be mainly in the areas of financial assistance programs, advisory offices, appropriate training and education, for SB development. At the same time Government will need to introduce appropriate policies to control resources, like land registration, compensation claims, and in the promotion of the private sector.

It is evident from the analyses of the case studies in Honiara that there needs to be easier access to start up capital, especially for women as shown by Trish's case. While she had difficulties obtaining a loan the others, did not and this could be attributed to the involvement of the male partners – joint loans. Liloqula (2001) confirms that bank loans still require the signature of the man and because of this even though he does not own the business he demands a share of the business.

Liloqula goes on to say that nearly all types of loans and grants that are available have a lot of complicated paper work that deters a lot of people especially women from applying for loans. Furthermore, she stated that the financial assistance programs that were available tried to make women fit into their programs rather than tailored to the women's needs.

This could be attributed to the fact that most of the loans scheme available from the aid donors like UNDP, Ausaid and NZODA (see chapter 4) are aimed at assisting the rural population or the unemployed housewives (Liloqula, 2001).

It is obvious that there are several distinct groups of people with distinct needs that could be mobilised into SB if the start up resources were available. These groups are the urban professional women, the urban unemployed or low-income women (the informal sector), and the rural women and the men. Liloqula (2001) mentions that some groups of women are only interested in small amounts like \$200.00 to \$500.00, but are offered \$5,000.00. This amount may suit the professional or women in employment who also want to go into business as they find that they

cannot meet their obligations through their fortnightly pay packet as Sipolo's poem on *Obligations* (Box 8) says "pay slip for me".

However, instead of aid donors rushing in with all sorts of grants with their own policies,

us women need to survey and find out what the true needs of women are and make a program that targets those areas of needs. At the moment all women's business is based on information from somewhere else, like the UNDP - where only housewives will get assistance. New Zealand assistance works the same way. When you look at it I am educated, (I am not eligible) everyone should be eligible for the funds. My needs - I have people to look after which is beyond the capacity of my pay, so those mothers to me, require equal assistance so that they can meet their obligations and to cover everyone. Because they are educated they can also provide that pilot modern role and also they can teach what they are doing to other women (Liloqula, 2001).

An audit of existing aid to SB development should also be carried out, as there is rumour and speculation that some of these funds are not administered and monitored properly to meet the set aims.

None of the women in the case studies were able to approach an office to get assistance in business as in Trish's case. Wendell did her own market survey and Rebecca merely made her decision to branch out based on her own intuition. So there needs to be a proper advisory office especially for women who are usually less familiar with business principles. Experience and research in Australia, Canada and the US suggests that women tend to prefer less formal, experienced-based training; to learn from women; to be helped/mentored by other women (OECD, 1997). Evidence shows that women learn better from women (OECD, 1997).

As Honiara only has a few experienced businesswomen (who are busy managing their own business) this women's business club should be a centre where women can link up with other women especially in the Pacific area. Local as well as experienced businesswomen from overseas

should staff the office. As Ritterbush et al. (1988), states that "if the climate for female-owned and operated business is enhanced, the national economies will benefit from increased revenues, greater employment opportunities, and a more dynamic private sector" (Ritterbush and Pearson, 1988, p206). However, possibilities should be investigated through a survey as discussed above, into the financial and business needs of women.

The cases also show that none of the women were involved with business bodies like the Chamber of Commerce so there is a need to get women into organisations like the Chamber of Commerce and other business groups to assist networking and co-operation.

It was clear from the four case studies that the BOs did not have any appropriate training in how to manage cultural obligations they just seemed to know/learn how to manage them maybe through their skills as a home manager or because of their education level. The SBEC tries to teach people how to manage cultural obligations and how to take these into account in the pricing system (Sale, 2001²³). However none of the BOs said that they were ever invited to the centre to give talks on their real life experience. In Liloqula's opinion,

some of those people who have never done any business in their lives should not be the teachers. I would prefer to see people like Daisy Betu and Trish be used to teach and explain to people how they did their business (Liloqula, 2001).

The SBEC also charges a \$100.00 (to attend the course), which Liloqula calls a disgrace, as most of these women cannot afford this \$100.00. For women to excel, there needs to be more appropriate training programs to train and advise women on business skills (Ritterbush and Pearson, 1988). These programs need to be held during suitable hours for women and at a reasonable cost.

²³ Mr. Sale's interview is in appendix 1

The case studies showed that three of the BOs were educated in related fields to their business while one BO learnt through her experience and by making use of her skills as a home manager. This is similar to findings in other countries and as Liloqula (2001) commented

women do not need education to become successful they just need the appropriate financial assistance. Just because women do not get an education does not mean that they cannot run a business – it is not correct. It is the opportunity, the finance/capital assistance is the problem to start - and in getting it there are too many rules attached to it Liloqula, 2001).

While the above may be true, it is all the more reason why an advisory office for women should be set up to assist women BOs, with business related issues and problems.

The National government is already aware of the need to increase education and this is a high priority on the government's National Plan. However, government could investigate ways of making the education system more conducive to the promotion of business. This could be through the formal education system by introducing subjects like business principles, culture and ethics, and development studies into the curriculum. The government should also use radio and NGOs like SIDT drama groups to teach people about the financial burdens of the *wantok* system, drinking and gambling.

6.5 Summary

As described in Chapter 4, there is a general lack of capital mainly because people with income are trying to support those without income through the *wantok* system. Rather than introducing the welfare system that makes people dependent the government could look to setting up suitable loans scheme to assist the people become independent.

The case studies in Chapter 5 have shown that despite the cultural obligations and gender barriers SMEs can flourish in Honiara and that

women are very successful in business. Also that while women control cultural obligations they still assist both the urban and rural relatives making them reliable agents for spreading equal development. However, in order to promote SMEs the government needs to establish suitable policies to cater for the different needs of the population and especially for women.

The main problem in the Solomon Islands like most third world countries is the lack of basic data upon which policies can be drawn up. Therefore there is a need for further research into the following areas,

- Surveys among the major categories of the population to ascertain the type of financial, advisory and training needs required. This will also confirm if there are indeed varying needs.
- Audit the current banks' lending policies to see if they are conducive to the promotion of indigenous SMEs and especially for women.
- Carry out an audit of current loan schemes available to see if they are meeting their objectives and if they are meeting the needs of the various sectors in the society that is the professional women, urban women in the informal sector, rural women and men.
- To research the various types of loan schemes and policies in other countries with a view of making adaptations to suitable policies. For example the Grameen Bank, model which originated in Bangladesh and has granted over a million loans (90% to women) (OECD, 1998) is a model that could be adapted to suit the Solomon Islands especially the rural population.
- Government needs to audit itself if it is providing policies favourable to the development of indigenous business. For example suitable business registration policies and land registration policies.

Once further research is done then the correct policies can be formulated to promote the development of SMEs as a means of providing employment and income for the people. These policies should be aimed at making women equal partners in development and to make development a more equal process.

Interview with Mr Andrew Sale Manager, Small Business Enterprise Centre (SBEC) 16th January,2000.

The following is a narration following an interview with Mr. Sale about SBEC.

The SBEC runs training programs for both male and females but always holds one session for women only. This is to enable the women to have free discussion of their own ideas and problems without intimidation from the men. To date he says that there has been about 50% participation of women in the course.

He went on to explain that culture is seen as a hindrance in town especially to those trying to do business. The centre tries to teach people how to handle cultural obligations towards marriages and deaths by building these costs into the pricing of goods. They needed to budget for these expenses. Most small businesses in town also tended to employ *wantoks* or junior staff, mainly because relatives are not so fussy with pay levels or payday. It is seen as helping with the family business - gain status by being part of the family that owns the business.

On the other hand in town owners have more room to say "no" to family members that are looking for credit because there are other customers that can be attracted unlike in the villages.

He pointed out that many problems of jointly owned businesses (husband and wife) occurred because the couple do not spell out the lines of responsibilities about whose doing what. For example dropping and collecting kids from school, taking a sick child to the doctor. Suddenly there is a crisis when one partner feels over burdened with family responsibilities.

Business is still done in a very casual way with no marketing of products of advertising of the business. Some of the business people do not seem to be serious about making profits I think it is because they know that they have other resources in the village to rely on. Those that do not, concentrate better on their business.

Mr. Sale told me that it was very difficult at the moment to know how many businesses were owned by indigenous Solomon Islanders in Honiara as there were no proper records available and his Centre was in the process of recruiting someone to try to record all the businesses.

**Interview with Ruth Liloqula Under Secretary (National
planning)**

Can you give me your views on SB in Honiara in terms of culture and gender?

In Honiara and throughout the country, women are much better business people than men and also they have the ability to explain and make a stand where culture and business comes in. That's the main issue. They can put their foot down. The way they explain it they don't make excuses but give you the bare facts of how according to their limited knowledge it is going to be done. Even with loan repayments they are the best loan repayers and that is based on data that we have. They are best also on management of funds. The main barrier for women doing business is access to funding institutions. The rules, regulations and requirements do not suit women. They are not made for women; they were probably made for men and whoever else except women! Like the men don't require (Hard facts...) they can lie to the bank and because he is a man they will accept his application but women - the kind of things they are subjected to is too much. And at the end of the day they still need the man's signature or he has to certify, make recommendation etc. before they are given anything. They are not assessed on their own merit but assessed on somebody else's merit. Most of the time it is too time consuming and also too costly for the women so this is one thing that is an embarrassment to them. The government through government channels also helps women to do business but the guidelines and the rules etc. almost make it impossible for women to apply. They try to make women fit into that - not make the program fit in terms of how women operate, in terms of running business or in terms of conducting their lives. They do not look at the many varied roles that women play. So this is some of the issues. At the same time, as women are used to managing so many things in her life that her management capability in terms of organising - that's not taken into consideration. The other thing too is that women are not crazy.

The amount of money that financial institutions are offering do not suit most of the women's needs or want. They are looking for \$200.00 to \$500.00, but are offered \$5,000.00 with a time limit for repayment. Also the training is not based on real experiences e.g.. like if you have a group of women that go for training - like the SBEC runs - those people who have never done any business in their lives should not be the teachers. I would prefer to see people like Daisy Betu and Trish be used to teach and explain to people how they did their business! The other thing too is that they have to pay \$100.00 (to attend the course) and it's a disgrace! Most of these women - where are they going to get their \$100.00.

What are the financial requirements for loans?

The financial requirement is that the man has to endorse or sign for the bank loan so at the end of the day the man although he is not running the business he thinks he has a cut of the cake. Also there are even things like when you borrow the money - there's no sense of ownership.

Can you explain that?

What I am saying is that when you go and get the money there are so many rules about it. You are not making any rules at all. I mean its like you're not making any decisions. When you go to get that money in my opinion, if I am going to ask for the money, I already know how I am going to run the business for me to be successful and be able to pay back the loan. But instead when you go to them to borrow the money, rules *em stucker* (too many rules). There are too many requirements - at the end of the day its like you are working for somebody else – you are not working for yourself. Now that's the biggest demoralising factor!

How much do they assist urban unemployed women?

Maybe \$500.00 and there is so much form filling.

For example, there is a group in east Kwaio, an SDA group, and they were given \$50,000.00 to go ahead. It was left up to the group to organise the funds - who should borrow and what for. It is managed by women for women themselves and it is most successful. There is that ownership. They have increased their funds. Women started off borrowing small amounts e.g. for one drum of kerosene then after that is sold they buy two drums. Now they are running bigger fuel supplies. Start small and learn to manage and gain experience. They manage it - sense of ownership. If you get the money you can successfully use the profits to run other things as well as feed their revolving funds to do bigger things.

What is your opinion of the urban funds success rate?

People who run it will say it is successful but to me it still has a lot of problems most of all how it is managed. Women are their own enemies when it comes to that kind of funds whereas if a financial institute makes the money available then says Okay we assist in this - run like this-repayment like this – and makes a decision about who is qualified to run the funds and apply.

Is there monitoring of funds?

Yeah, they do have a kind of monitoring but I think the problem with the UNDP funds is management from those who are handling the funds and not those that are getting the funds. And also like the time repayment - em too much now! Because they are expected to repay monthly and things like that, within a short space of time which is not possible. O Kay, if it is a

grant - given money – for people it has different connotations - some relatives will think it is free money - whereas if you borrow from the banks or the financial institution, make it available straight out to you for business then you have that commitment. But when you know it is a grant there is no commitment. Even if you do not repay who is going to take you to court! This is a grant.

There are funds: I think 100,000 UNDP, funds from AusAid, the Development Bank and the European Union. So there are funds available but hard to access because there are too many forms to fill in and women do not know about these.

What do you think about male opinion of women in SB in the country?

Women have to earn that respect but once you prove yourself - you have that respect! If you are this and that, no respect. True business people do respect you. It is not so hard here in the Solomons – it is getting that business going and established and getting yourself that reputation.

In my opinion I do not want to be respected if I want to do business because I am a woman, but because I am a successful businessperson. Apart from the financial institutions the conditions are the same for men and women. If more women can get into business then the more successful they will be.

There is also another thing; financial institutions tend to make a mess of things. For example, the assessment report, some people talk too much but there is no business. Like my brother or sister are probably more business minded than me. Just because women do not get an education does not mean that they cannot run a business – it is not correct. It is the opportunity, the finance/capital assistance is the problem to start - and in getting it there are too many rules attached to it.

Are cultural obligations stronger in town than at home?

It is. It is to do more with the safety of the family rather than the cultural aspect of it, change of emphases. You have to do things to prevent your family at risk whether it is cultural or not. It is for the safety of your family and security of land. Village it's Okay. But it is the safety of your family in town. In the village you are subject to the same life style so you can make decisions and there are those who can support you that you know it is out of value not reward. Some support you because they expect something in return whereas in the village this does not happen, they support youonly those who genuinely support you will speak out for you and not out of wanting money from you.

Do women complain that there is pressure from the family to assist in various family and cultural obligations?

I hear that a lot from those employed but I think from businesswomen they manage in such a way that they do have something on stand by for those kinds of obligations. Even women not working also go out to earn and send something back. If women are going to progress then the system we use needs to be mandated by women.

How will this happen?

Us women need to survey and find out what the true needs of women are and make a program that targets those areas of needs. At the moment all women's business is based on information from somewhere else, like the UNDP - where only housewives will get assistance. New Zealand assistance works the same way. When you look at it I am educated, everyone should be eligible for the funds. My needs - I have people to look after which is beyond the capacity of my pay, so those mothers to me, require equal assistance so that they can meet their obligations and to cover everyone. Because they are educated they can also provide that pilot modern role and also they can teach what they are doing to other women.

People who really want to be successful in business do not go through that kind of loan scheme. no more now, and they are successful. But there has not been a study done to find out the market possibilities for businesses, like handicrafts for both local and overseas markets. Back at home we have identified a local and overseas market for traditional handicrafts including carvings, pottery and artefacts made out of shells. While the women are still taught the skills of beautifying the home that is sewing and cooking, we want them to be taught these traditional skills that can earn them an income.

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