

Innovating through commons use: community-based enterprises

Fikret Berkes

Natural Resources Institute, University of Manitoba,
berkes@cc.umanitoba.ca

Iain J. Davidson-Hunt

Natural Resources Institute, University of Manitoba,
davidso4@cc.umanitoba.ca

Community-based enterprises are of interest to commons researchers because they offer a means to study how local institutions respond to opportunities, develop networks, new skills and knowledge, and evolve. Nevertheless, the relationship between commons and community-based enterprises has received little attention, with a few exceptions (Bray et al. 2005; Berkes and Davidson-Hunt 2007). Therefore, we decided to organize a conference session and explore this relationship in more detail. We invited a diverse array of scholars and practitioners active with indigenous enterprises, community development, community forestry, ecotourism and conservation-development projects. This Special Issue includes peer-reviewed and edited versions of seven of the papers (plus two additional invited papers) presented at the two panels on “Innovating through commons use: community-based enterprises”, at the 12th Biennial Conference of the International Association for the Study of the Commons (IASC 2008) in Cheltenham, England.

Commons institutions evolve all the time, shaped by the use of commons for local needs. But in addition to that, in recent years, national and global economic opportunities are increasingly impacting the use of local commons, giving rise to community-based enterprises (Timmer and Juma 2005; Berkes 2007). Many of these community-based enterprises seem to be able to take advantage of collapsing spatial scales that characterize globalization to engage with national and global markets, thus “opting in” to the global economy (Anderson et al. 2006). Rural and indigenous groups use community-based enterprises as a means for improving their livelihoods by creating new sources of income. But many of them also use these enterprises to secure better access to their resources or consolidate their land claims.

In many cases, empowerment is a major objective, and the enterprises are used in the political struggle for the control of contested land and resources. In many

cases, enterprises also serve social and cultural objectives. Hence, community-based enterprises differ from most conventional businesses in that they are not based on utilitarian economic models but have broader goals – political, social, cultural, environmental, as well as economic. Business enterprises are the vehicle used by communities in support of these broader goals. Business management scholars have noted that community-based enterprises, especially the indigenous ones, not only have broader goals but also they tend to exhibit diverse forms of ownership, organization and operation, giving rise to a new field of indigenous entrepreneurship (Hindle and Lansdowne 2005; Peredo and Chrisman 2006; Dana and Anderson 2007).

Here we use the term community-based enterprise interchangeably with social enterprise. Pearce (2003) distinguishes social enterprise from other forms by emphasizing that the social purpose is the principal driver of activity, organizational sustainability is a core objective, there is little if any distribution of profit to individuals, and the organization is democratically run and is accountable. Anderson et al. (2006) point out that development activities of indigenous peoples in Canada and elsewhere are entirely consistent with this definition. Some authors prefer to use the term, aboriginal economic development (Boyd and Trosper, this issue), rather than community-based enterprise or social enterprise; others use terminology that identifies the kind of resources used, as in community forest enterprises (Antinori and Bray 2005) and community-based ecotourism (Stronza, this issue).

The papers in this collection are about the use of commons in community-based enterprises or social enterprises. They deal with a variety of natural resources, all of them common-pool resources, in which “(i) exclusion of beneficiaries through physical and institutional means is especially costly, and (ii) exploitation by one user reduces resource availability for others” (Ostrom et al. 1999, 278). As well, these papers all involve common property as a social relationship, and they deal with people and their environment as integrated social-ecological systems (Berkes and Folke 1998). Much of the social enterprises literature focuses on indigenous enterprises (Dana and Anderson 2007). However, in this collection, we take a broader view. Even though the majority of the nine papers are about indigenous peoples, our set of community-based enterprises also includes non-indigenous rural peoples (McIntosh et al. and some of the groups in Hoole and Seixas and Berkes) and one example of non-indigenous urban people (Lawrence).

The papers provide examples of the diverse ways in which commons are used, not purely for economic benefit but for multiple objectives. Significantly, the use of commons involves the development of new understandings, social relations, skills and knowledge, and the crafting of new institutions. A number of features of these community-based enterprises are highlighted in the papers of the Special Issue and in other recent literature:

- *Political and cultural significance.* Many indigenous and other rural communities have been gaining control of their local natural resources so that

they can be utilized to build local economies under local political control, and using local and indigenous cultural values. Examples include the use of indigenous land rights in Canada as a foundation for development (Anderson et al. 2006) and the Nuevo San Juan community forestry enterprise in Mexico (Orozco-Quintero and Davidson-Hunt, this issue).

- *Community-based conservation and resource management.* Some indigenous enterprises are based on local cultural values that may act in support of biodiversity protection, as in conservation-development projects (Berkes 2007), including wildlife management in Namibia (Hoole, this issue). Examples also include integrated resource conservation in the Caribbean (McIntosh et al., this issue) and the combination of vicuña conservation and poverty alleviation in Andean countries (Lichtenstein, this issue).
- *Development of new skills and relationships.* Community-based enterprises tend to require the innovation of new types of social organization, and capacity building that goes with it. This is noted for example in the development of new skills and social relationships in land management in Alaska (Dayo and Kofinas, this issue), some indigenous-led ecotourism projects (Stronza, this issue) and community development projects (McIntosh et al., this issue).
- *Development of new kinds of knowledge.* Local and traditional knowledge can develop in new ways in response to both local needs and new market opportunities, as in smallholder forestry in the Amazon (Sears et al. 2007). New ecological knowledge can emerge remarkably quickly, as in the case of (non-indigenous) commercial harvesters of salal in the forests of Washington State (Ballard and Hunstinger 2006). The development of hybrid kinds of knowledge, along with new skills and linkages, characterizes many conservation-development projects (Seixas and Berkes, this issue).

These features are of interest to commons researchers because they make it possible to investigate how local institutions can develop linkages, networks, relations, new skills, and new knowledge. Perhaps most significant from a theoretical point of view, community-based enterprises provide a laboratory-like setting for the study of how institutions respond to various changes and evolve to meet the needs of commoners. “Crafting institutions” is a well recognized theme in commons research (Ostrom 1990, 2005), and community-based enterprises provide a particularly suitable venue for the investigation of how crafting takes place.

The set of papers explore these issues by pulling together a variety of perspectives and empirical findings from various geographic areas (England, Alaska, Canada, the Caribbean region, Mexico, Peru, Namibia, and multiple cases from the Equatorial region). They deal with a diversity of resource types: forests, wildlife, coastal resources, agriculture, ecotourism, indigenous lands), involving different kinds of community-based enterprises, to investigate the use of commons in the development of new understandings and skills through new institutions, and

innovations in which local and traditional institutions and knowledge are used in new ways.

The Special Issue opens with a paper by Orozco-Quintero and Davidson-Hunt that presents a community forestry case from Mexico. We chose Mexico as the lead case in part because the literature regarding community forestry in Mexico has provided some of the earliest articulations of the relationships between community economic development and the commons (Bray et al. 2005). We follow this with a paper by Boyd and Trosper that considers the connection between aboriginal economic development and forestry in British Columbia, Canada. In bringing together two forest enterprise cases, it is interesting to note that, in spite of different approaches and contexts, a cross-cutting theme emerges in the idea of an enterprise as a means to re-establish indigenous forest commons in the Americas.

We then turn to consider ecotourism enterprises with a paper by Stronza focused on a case in the Peruvian Amazon, followed by Hoole's paper that considers a case from Namibia. We decided to follow the forestry cases with those of ecotourism as they provide both parallels and contrasts. In both the forestry and ecotourism cases, one of the cross-cutting themes that emerge is the challenge for enterprise managers to be sensitive to local values, and to ensure that the operation of the enterprise is consistent with the core cultural values of the membership. While Boyd & Trosper and Hoole focus on the need to ensure local people taking on management responsibilities over time, the papers by Orozco-Quintero & Davidson-Hunt and Stronza note the tensions that can emerge within a community upon the establishment of an enterprise. The latter two papers serve to highlight internal divisions within communities with respect to power and privilege.

In contrast to the forestry cases, the ecotourism cases focus on a "high-end" tourism product that requires specialized management to retain the character of the landscape desired by the consumer. As Stronza points out, this can cause a conflict between the local use of the landscape and the landscape being marketed for ecotourism. The pace of change vs. adaptation is also an issue. In some cases of indigenous ecotourism enterprises, the slow pace business, while bad for communal income generation, seems to have allowed gradual social and economic adaptation (Ohl-Schacherer et al. 2008). Both types of cases, forestry and ecotourism, indicate that the use of the commons for community-based enterprises still requires accommodation between exchange and direct use values. This can heighten tension within a community if a strong external partner creates client-based relationships with sectors of the community to favour a particular type of value.

The next set of papers are consistent with the first four in that they focus on a single case but depart from them by not focusing on a clearly defined sector or resource type. Lichtenstein follows Hoole's interest in wildlife but focuses on the sale of vicuña fibre by indigenous communities in the

Andes. The case presented by Lichtenstein is interesting as the commons is not land or landscape, but the fibre and animals and their ability to move freely. The case shows the shortcomings of focusing on commons as territory or land, and forces a wider consideration of commons as relationships: a system of institutions, norms, and values and how these intersect with identity and enterprise. With a case from urban England, Lawrence, Molteno and Butterworth also expands our notion of commons, identity and enterprise by emphasizing how social enterprises are not all focused on exchange and use values. Social enterprises can be the vehicle through which people recreate a space through collective action, and by doing so, create an identity linked to others and place. Here the enterprise is purely social; it does not generate any cash value at all.

Dayo and Kofinas present a case regarding the establishment of social enterprises as a land-holding entity for Alaska native peoples. The ANCSA (*Alaska Native Claims Settlement Act* of 1971) provided the means by which lands could be held collectively by Alaska Natives instead of being parcelled out to individuals. This paper highlights one of the cross-cutting themes amongst the indigenous cases in the Special Issue. A consistent challenge for many indigenous communities is the ability to retain the integrity of their commons as a whole. In the mainland United States, many indigenous territories were parcelled out to individuals and much of this land then sold. It is through this historic experience that many of the cases we include emphasize the linkages between the commons and identity and enterprises, as a way to hold onto the commons to provide collective benefits. This case also signals one of the potential conflicts that can emerge. In much of post-colonial Americas, there is often a mosaic of indigenous and settler communities. Ethnic identity based commons and enterprises can result in the creation of members and non-members. The post-colonial re-establishment of the commons can change the allocation of benefits to the diverse groups in the mosaic.

The final two papers by McIntosh and Renard and Seixas and Berkes differ from the previous papers in that they are overviews based upon the review of a number of single cases. In some ways, these two reviews provide complementary cross-cutting themes that reflect on some of the points noted in other papers. McIntosh and Renard emphasize that successful enterprises were rooted in existing capitals and capacities, and the enterprise re-enforced and grew what already existed. This is seen to be important when an enterprise requires external partnerships. If the community-based enterprise does not bring anything to the partnership, then it becomes dependent upon the external partner. Seixas and Berkes emphasize the key role of partnerships in the development of community-based enterprises; isolation is not an option. The ability to utilize an enterprise to develop partnerships and knowledge to confront external threats appears to be a strategy that has emerged in many of the UNDP Equator Initiative cases discussed in the paper, as well as in many of the other papers in the collection.

Success in many of the cases in Seixas and Berkes seem to hinge on capacity building for business development, but also on the ability to create social values, meaning and identity. The set of cases brought together for this Special Issue reflects the emergence of the relationship, commons-identity-enterprise. It is possible that this relationship is not an isolated phenomenon limited to the set of cases here but a generally applicable finding.

In making this collection possible, we thank IASC conference organizers at the University of Gloucestershire, Cheltenham, UK, and to the people who came to the panels, took part in the lively discussions, and contributed to the ideas presented in this Special Issue. In the editorial phase, we are thankful to many referees. Jacqueline Rittberg acted as editorial assistant and copy editor. We are grateful to Frank van Laerhoven and Erling Berge, the Managing Editors of the *International Journal of the Commons*, without whose help this enterprise would have taken much longer.

Literature Cited

- Anderson, R. B., L. P. Dana, and T. E. Dana. 2006. Indigenous land rights, entrepreneurship, and economic development in Canada: 'Opting-in' to the global economy. *Journal of World Business* 41:45–55.
- Antinori, C., and D. B. Bray. 2005. Community forest enterprises as entrepreneurial firms: Economic and institutional perspectives from Mexico. *World Development* 33:1529–1543.
- Ballard, H. L., and L. Hunstinger. 2006. Salal harvester local ecological knowledge, harvest practices and understory management on the Olympic Peninsula, Washington. *Human Ecology* 34:529–547.
- Berkes, F. 2007. Community-based conservation in a globalized world, *Proceedings of the National Academy of Sciences* 104:15188–15193.
- Berkes, F., and I. J. Davidson-Hunt. 2007. Communities and social enterprises in the age of globalization. *Journal of Enterprising Communities* 1:209–221.
- Berkes, F., and C. Folke, eds. 1998. *Linking Social and Ecological Systems*. Cambridge: Cambridge University Press.
- Bray, D. B., L. Merino-Pérez, and D. Barry. 2005. Community managed in the strong sense of the phrase: the community forest enterprises of Mexico. In *The Community Forests of Mexico: Managing for Sustainable Landscapes*, eds. D. B. Bray, L. Merino-Pérez, and D. Barry, 3–26. Austin: University of Texas Press.
- Dana, L. P., and R. B. Anderson, eds. 2007. *International Handbook of Research on Indigenous Entrepreneurship*. Cheltenham, UK: Edward Elgar.
- Hindle, K., and M. Lansdowne. 2005. Brave spirits on new paths: toward a globally relevant paradigm of indigenous entrepreneurship research. *Journal of Small Business and Entrepreneurship* 18:131–142.

- Ohl-Schacherer, J., E. Mannigel, C. Kirkby, G. H. Shepard Jr., and D. Wu. 2008. Indigenous ecotourism in the Amazon: a case of 'Casa Matsigenka' in Manu National Park, Peru. *Environmental Conservation* 35:14–25.
- Ostrom, E. 1990. *Governing the Commons: The Evolution of Institutions for Collective Action*. Cambridge: Cambridge University Press.
- Ostrom, E. 2005. *Understanding Institutional Diversity*. Princeton, NJ: Princeton University Press.
- Ostrom, E., J. Burger, C. B. Field, R. B. Norgaard, and D. Policansky. 1999. Revisiting the commons: local lessons, global challenges. *Science* 284:278–282.
- Pearce, J. 2003. *Social Enterprise in Any Town*. London: Calouste Gulbenkian Foundation.
- Peredo, A. M., and J. J. Chrisman. 2006. Toward a theory of community-based enterprise. *Academy of Management Review* 31(2):309–328.
- Sears, R. R., C. Padoch, and M. Pinedo-Vasquez. 2007. Amazon forestry transformed: integrating knowledge for smallholder timber management in eastern Brazil. *Human Ecology* 35:697–707.
- Timmer, V., and C. Juma. 2005. Biodiversity conservation and poverty reduction come together in the tropics: Lessons from the Equator Initiative. *Environment* 47(4):24–47.