TOPIC AREAS

- Green SMEs [1]
- Indigenous-Led SMEs
- Social Financing and SMEs [3]
- Housing and SMEs [4]
- Property Rights and SMEs [6]
- Post-Disaster SMEs [9]

Covering the G-20’s major economic initiative with a focus on indigenous businesses

Through the G-20 SME Finance Challenge [15], the G-20 is urgently working to find solutions to address the lack of access to finance for small and growing businesses in emerging economies. Among those that stand to benefit most are indigenous populations. Unlocking financing for indigenous-led small and medium-sized enterprises (SMEs), in particular, is critically important, as indigenous communities face serious issues of deep poverty and dire need at disproportionate levels.

SMEs are powerful economic engines that are typically praised for their ability to pull people into the middle class. Less heralded is their ability to reduce extreme poverty. Indigenous peoples make up about five percent of the world’s population but are one-third of the world’s 900 million extremely poor, marginalized, and vulnerable rural populations. Entrants in the SME Finance Challenge and other members of the Ashoka [16] and Changemakers [17] global community of innovators are spearheading solutions aimed at supporting indigenous-led SMEs.

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Here are some potential angles and interviews for unique, interesting coverage of indigenous entrepreneurs, for the G-20 Summit and beyond:

Indigenous peoples often live on a powerful asset: lands of great natural resources and beauty – Many of the yet-unexploited traditional indigenous land can offer exceptional opportunities for SME business development, geotourism, and economic growth in a way that allows indigenous peoples to preserve their traditions, environment, and lives, and escape dire poverty.

Example: Yachana Geotourism Lodge and School [19], a winner in a Changemakers geotourism competition [20], is a regional boarding school in the Amazon, with 80% indigenous students. The curriculum includes geotourism, organic farming, conservation and micro-enterprise development. Founder Douglas McMeekin [21], an Ashoka Fellow says, “We work with young people to teach and provide credit to those who complete the program and have a solid business plan. If incomes in these communities aren’t increased, rainforests don’t have much of a future.”

Indigenous techniques and knowledge + technology = business success – Indigenous communities are creating unique entrepreneurial initiatives, such as artisan and home décor production from local sustainable sources, tourism that focuses on local traditions, and farming and cultivation of unique indigenous plants. These products have value in local and export markets, and put people to work while retaining cultural traditions.

Example: Poloprub [22] in Brazil taps into the skills and traditions of indigenous rubber harvesters to create a modern, sustainable latex production operation that keeps the economic power squarely in the hands of the local Amazonian population. Founder Francisco Samonek, was an entrant in the Business Challenge for Social Change competition [23].

Supporting indigenous-led SMEs can reduce political instability – wide cultural and economic disparities are destabilizing forces. Support for indigenous SMEs helps reduce the gap and create a more inclusive society.

Example: According to Agnes Dasewicz, Chief Operating Officer of the Grassroots Business Fund, an entrant in the G-20 SME Finance Challenge [15], “In Latin America there is a huge economic gap between the upper class and indigenous populations, and with that disparity, countries are set up for all kinds of unrest such as we’ve seen in Bolivia and Venezuela. When indigenous people are left behind, it becomes dangerous for a country’s political stability.”

Indigenous SMEs are a good investment – Increasingly, investors and financing firms are looking anew at indigenous-led businesses. Though obstacles to their participation in formal financing are many (language, cultural, literacy, educational and regulatory barriers), indigenous-led SMEs are beginning to find opportunities among conduits of “patient capital.”

Example: Minlam Asset Management [24] channels private institutional capital to SME lenders, including many indigenous entrepreneurs, via local currency loans. Managing Director Michael Hokenson, an entrant in the G-20 SME Finance Challenge [15] extols the firms success: “Our financial institutions and their clients overall have been able to achieve stable growth and maintain their asset quality over the last three years as global markets experienced an especially volatile period.”

This is just a small fraction of the resources available through Ashoka and Changemakers. For further information and to access our global community of more than 140,000 changemakers around the world, please contact:

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