

# The Māori economy

There aren't discrete Māori and non-Māori economies, they are inter-woven. But the strength and influences of Māori-approaches to business are continuing to grow. This highlights emerging sets of values and skills that will shape Aotearoa's future economy.

## What we're seeing

### What is the Māori economy?

The Māori economy includes Māori as employees and employers, Māori-run businesses, and assets associated with iwi, collectives, trusts, & incorporations. It is a component of, rather than an alternative to, the general economy.

### It's not just about Treaty settlements

The Māori economy is not new, but has only recently been formally recognised by the financial sector, and government. Many Māori-run businesses existed before Te Tiriti settlements.

### Focus is on the longer term

Māori businesses tend to focus on social and cultural outcomes, not just financial ones. Healthy whānau and environments, along with cultural wellbeing can be greater motivating factors for business owners, and employees, than short-term returns. However, the pandemic has sharpened attention towards shorter term viability too.<sup>1</sup>

### A small but growing economic component

Depending on what is measured, the Māori economy represents between 6% and 15% of economic activity in Aotearoa. A recent assessment valued the Māori asset base at \$69 billion. However, Māori businesses are still under-represented in small and medium enterprises statistics, based on the size of the Māori population.<sup>2</sup>

### It is diversifying

Māori businesses are diversifying from the primary sector and tourism into real estate, manufacturing, transport, and construction. Renewable energy are likely to be important future investments. Agriculture, forestry, and fishing assets now represent only about one third of the asset base. The Auckland region is distinct, with more Māori businesses involved in higher value manufacturing and real estate services than many other parts of the motu.<sup>2</sup>

### Rapid growth expected to continue

An important driver for growth of the Māori economy is the large youthful Māori population. Over the next 15 years an additional 30% are expected to enter the workforce.

### Still barriers to development

Māori businesses face difficulties in getting access to capital. This can be partly due to banks being averse to lending money to develop collectively owned Māori land, or when that land is used as collateral. Māori businesses also tend to make longer term investment plans, which often don't align with the shorter term focus of financial institutions. Finding new Māori board members who have commercial or governance experience has also been challenging, but that is changing.<sup>3</sup>

## Potential implications

### Create

- Businesses based on non-financial values, and inter-generational outcomes

### Relate

- Business and social relationships focused on longer-term outcomes

### Consume

- Consumer decisions becoming more influenced by values than financial cost

### Degrade

- The dominance of western business models

### Connect

- Shared focus on non-financial outcomes increasingly facilitating partnerships

### Define

- The non-financial outcomes that motivate business and define success

### More information (links)

<sup>1</sup> [BDO Māori Business Sector Report 2021](#)

<sup>2</sup> [Te Ōhanga Māori 2018 \(BERL\)](#)

<sup>3</sup> [The Māori economy – obstacle and opportunities](#)