

CYRUS CHRONICLE JOURNAL (CCJ):
Contemporary Economic and Management Studies in Asia and Africa

The flagship journal of the CYRUS Institute of Knowledge

**THE CYRUS CHRONICLE
JOURNAL (CCJ)**

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Purpose:

The CYRUS Institute of Knowledge (CIK) Journal is a refereed interdisciplinary journal. The editorial objective is to create opportunities for scholars and practitioners to share theoretical and applied knowledge. The subject fields are management sciences, economic development, sustainable growth, and related disciplines applicable to the Middle East, Central Asia (MENA) and North Africa. Being in transitional stages, these regions can greatly benefit from applied research relevant to their development. **CCJ** provides a platform for dissemination of high quality research about these regions. We welcome contributions from researchers in academia and practitioners in broadly defined areas of management sciences, economic development, and sustainable growth. The Journal's scope includes, but is not limited to, the following:

*Business Development and
Governance*

Entrepreneurship

Ethics and Social Responsibility

*International Business and Cultural
Issues*

International Economics

International Finance

Innovation and Development

Institutions and Development

Leadership and Cultural Characteristics

*Natural Resources and Sustainable
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Organization and Cultural Issues

Strategy and Development

Women and Business Development

Authors are responsible for the views expressed and the accuracy of the facts provided. Authors' opinions do not necessarily reflect the position of the CYRUS Institute of Knowledge, the Editor, or the Editorial Advisory Board of **CCJ**.

Editorial Advisory Board Members:

Professor Tagi Sagafi-nejad is the editor of **CCJ**. Dr. Sagafi-nejad is ex-editor of International Trade Journal, the author, in collaboration with John Dunning of The UN and Transnational Corporations: From Codes of Conduct to Global Compact, (2008) and "The Evolution of International Business Textbooks" (2014). He was the Radcliffe Killam Distinguished Professor of International Business, founding Director of the PhD Program in International Business, and Director and Center for the Study of Western Hemispheric Trade at Texas A&M International University (2003-2013). Dr. Sagafi-nejad is well-known internationally and has outstanding credentials to develop The Cyrus Chronicle into a high quality publication. He will be assisted by an editorial board consisting of distinguished members from world-class institutions of higher learning, practice and industry.

Submission Process:

We invite authors to submit their papers and case studies to Editor@Cyrusik.org. We will have a quick turn-around review process of less than two months. We intend to begin with two issues per year consisting of about 5-8 papers and case studies per issue. The first issue is being planned for the fall of 2015. A selected number of papers submitted to the CIK conference will be double-blind reviewed for inclusion in **THE CCJ**. We intend to have special issues on themes that are within the scope of Journal. Also, we will have invited guest issues.

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Background:

This is a historical time for the mentioned regions, and The Cyrus Chronicle intends to offer what is most urgently needed. There is no question that organizations and businesses that are capable of analyzing and applying advanced knowledge in management sciences and development are in high demand, and especially during transitional periods. It is an unusual time in the target regions and the world, a time which requires active intellectual participation and contributions. It is the era of revolution in terms of communication, technology and minds for billions of people. It is a time for intellectuals, entrepreneurs, and philanthropists to help enlighten minds and therefore enrich the quality of life for millions. It is a time to focus intensely on the regions' historical characteristics, achievements, human and natural resources, and its significant deficit in development, management sciences, and democracy. CIK's vision, "to cultivate the discourse on human capital potentials for better living," is the appropriate response to current challenges, and the journal is a platform for sharing the perspectives of scholars and practitioner with a wider audience.

CYRUS associates tend to have a foot in two worlds. First, most of the associates possess a wealth of intellectual and experiential knowledge which is enhanced by their active involvement in business, consulting and scholarly research and collegiate teaching. Second, some associates are sons and daughters of the affirmation regions and possess an ethnic identity, language skills, and the insights only embraced by insiders. Third, most of the CIK board of directors' members and associates are well-known scholars, members of editorial boards of journals, and even editors. CYRUS possesses depth, breadth, and a competitive edge to successfully manage chronicle.

CYRUS is committed to developing knowledge that positively contributes to the life of the world citizens, especially, the target regions. CIK is a charitable, educational, and scientific organization that has been in operation since 2011. It is a secular and nonpartisan organization that has many scholars and practitioner as member.

For more information on the Institute, please contact: Editor@Cyrusik.org; Sagafinejad@loyola.edu; Nasgary@Cyrusik.org. *CYRUS Institute of Knowledge (CIK), Box 380003, Cambridge, MA 02238-0003, USA*

Editor's Introduction

Welcome to the premier issue of *Cyrus Chronicle Journal (CCJ): Contemporary Economic and Management Studies in Asia and Africa*. The journal intends to cover scholarship pertaining to the two vibrant and rapidly growing continents, Asia and Africa. They tend to be either ignored or misunderstood; and there are limited outlets for scholars who work on these countries to share their scholarly outputs. Focusing on these two continents will help researchers from both developed countries as well as these two continents - which together account for the largest portion of the world population and growth. The CCJ intends to fill these gaps. An examination of our mission may shed some light on this question. The primary purpose of the journal is four-fold:

1. To share and promote knowledge of economic, management, and development issues facing countries of Asia and Africa. Focusing on assessment, evaluation, and possible solutions help advance countries in this two continent which has the largest world habitants. Development challenges are global; virtually every country faces problems concerning economic development, sustainability, food and water, population and environmental degradation. Yet no country gains by shunning opportunities that globalization can provide, with the possible exception of a few countries whose leaders lack a full understanding of the opportunities that globalization can offer. To take advantage of such opportunities, knowledge is the primary requisite. And this journal aspires to make a contribution to this body of knowledge.
2. To encourage the generation and dissemination of knowledge by local scholars whose access to mainstream academic outlets may be limited? We know many scholars from academic, public and private sector organizations whose first-hand knowledge of problems and solutions isn't being shared for lack of an appropriate outlet for dissemination. The CCJ may provide an opportunity for spreading such knowledge.
3. To focus on countries that span the northern band of Asia – from China to Turkey – to the northern tier of Africa, areas that have not previously been the subject of much attention. In the past these countries have tended to gain the attention of scholars and the media only in times of manmade or natural crises. But in fact, these nations have many challenges similar to those of others. They wrestle with shortages of food and water and the growth of population and pollution. Although they have educated their own citizens, especially in countries that had been under the shackles of dictatorship for decades, now they have become freer to express ideas in journals such as this.
4. Academic scholarship emanating from the region under the journal's coverage tend to get lost in the academic jungle where the pressure of "publish or perish" leaves behind the younger and less experienced members. This journal will give an opportunity to the scholars with first-hand knowledge of these areas to publish their research and thereby make important contributions to the management and development body of scholarship on which the journal will concentrate. We need to know more about these topics in countries such as Afghanistan, Kazakhstan and Tunisia as well as other countries covered by this journal. The CCJ will provide a platform for established as well as younger scholars who might collaborate with them in their research.

On the journal's operational side, we want to make the publication more accessible to a wide audience across the world, and so, consistent with the 21st century trend toward electronic media, we will publish this journal online. To maintain rigor and originality, articles submitted to the journal will undergo the standard blind review process. Reviewers' anonymous comments are shared with authors, as appropriate.

Submission guidelines and procedures are delineated on the journal's website <http://www.cyrusik.org/research/the-cyrus-chronicle/>.

As the first editor of the journal, I am pleased and proud to accept this challenge. I bring some experience; my first editorial assignment was as an undergraduate at then Pahlavi University in Shiraz, Iran, a top ranking institution in the region. A few students and I founded and published *Danesh-Pajouh* (knowledge seeker). In those days when freedom of expression was severely limited, we managed to publish one issue in March 1965 before the censors put a stop to the enterprise.

Years later, while directing a doctoral program in international business in Texas in the early 2000s, I also was the co-editor - and eventually editor - of the *International Trade Journal* (ITJ) until my retirement in 2013. Under my leadership ITJ acceptance fell below 10%.

As editor of the *CCJ*, I hope to accomplish the goals of the journal elucidated above. In the premier issue, we have already reached a threshold of about 20% in acceptance. Still, *CCJ* needs your support and so I ask for your help in the following ways:

1. Contribute articles;
2. Encourage your colleagues to do the same;
3. Spread the word, especially in countries where *CCJ* can be most effective;
4. Cite the articles published in this journal in your own research when applicable;
5. Attend the annual conferences of the CIK (<http://www.Cyrusik.org>) that serve as a spawning ground for articles that may ultimately be published in this journal;
6. Give us your feedback by telling us how we can further promote and improve the journal?

Welcome and thank you.

Tagi Sagafi-nejad, Editor

Ethnicity in the Middle East and Neighboring Regions: Developing Appropriate Economic Strategies and Policies.

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Abstract

Indigenous people and ethnic minorities face economic and social pressures that potentially disturb the social order, undercut cooperation, and spawn distrust. Such pressures can threaten prosperity, peace, and security for all. Strategies are needed that help distinctive groups gain parity, self-determinism, and sustainability. Supplementing neoclassical economic models with more socially relevant paradigms (such as substantive economic anthropology and the triple bottom line) are means of doing so. Regions ethnic groups are showcased to demonstrate to value of such an approach.

Keywords: Indigenous people, ethnic minorities, Berber, Kurds, Kuchi, Triple Bottom Line, anomie, cultural stress, mitigation, neoclassical economics, substantive economics.

INTRODUCTION

Increasingly the universal models provided by mainstream economics and management are being supplemented by more culturally specific perspectives. Such developments are especially useful in an era when mainstream businesses are expanding their operations into hinterland regions such as those that exist in the Middle East, North Africa, and Central Asia. Culturally appropriate strategies need to (1) resonate from the distinctiveness of local cultures and populations (2) while recognizing differences between the goals of the “mainstream” world and those of ethnic enclaves. This paper offers useful and actionable suggestions in this regard. Many conventional business practitioners and theorists, however, tend to deemphasize the distinctiveness of atypical circumstances or social groups in order to focus upon universal strategic principles that can be routinely applied in an endless assortment of situations. Although doing so offers greater efficiency, focusing upon generic “one size fits all” strategies and responses is often inappropriate when dealing with unique peoples who harbor idiosyncratic agendas and/or face unusual challenges. Many conventional business practitioners and theorists, however, tend to deemphasize the principles that can be routinely applied in an endless assortment of situations. Although doing so offers greater efficiency, focusing upon generic “one size fits all” strategies and responses is often inappropriate when dealing with unique peoples who harbor idiosyncratic agendas and/or face unusual challenges.

Embracing the principles of neoclassical economics, for example, mainstream advisors tend to view business decisions with reference to some sort of cost benefit analysis involving (1) the level of monetary risk or commitment that must be tolerated (2) in order to achieve an anticipated goal. Viewing these processes as universal, the neoclassical paradigm can easily overlook areas of distinctiveness that need to be recognized and addressed. The harmful implications of carelessly employing neoclassical economic models are discussed in a later section of this paper.

Building upon cultural understanding, advocates of social sensitivity often transcend universal tactics in order to respond to the specific goals, needs, and vulnerabilities of particular peoples. Doing so can help facilitate equitable collaboration and cooperation between indigenous populations and outsiders who seek relationships with or concessions from particular populations.

This paper begins with a discussion of indigenous strategies of empowerment that are emerging as part of a unified worldwide movement. Having offered this backdrop, a comparison of neoclassical and substantive economic theories is presented in order to draw a distinction between the rational/universal perspectives of the mainstream business community vs. the culturally specific orientations suggested by the qualitative social sciences. Using this context as a foundation, discussions regarding (1) the assessment of opportunities involving indigenous people and (2) mitigating harmful consequences of outside intrusion and change are discussed. These thoughts set the stage to discuss a number of indigenous peoples from the Middle East and neighboring regions.

THE GROWING SOPHISTICATED OF INDIGENOUS PEOPLE

There was a time when indigenous people and rural ethnic enclaves were naïve and easily manipulated by outsiders. We have all heard stories of Western imperialists, colonialists, or adventurers who extracted gigantic profits by taking advantage of people who lacked an understanding of contemporary business and/or the true value of the assets, rights, knowledge, and so forth that they carelessly bartered away. Representative of this tendency is the legend that

Dutch settlers bought Manhattan Island (the current site of New York City) from a local tribe for \$24.00 worth of beads. Many other less colorful but more profound examples of inequitable compensation exist.

At some point in history, however, indigenous people began to acquire the knowledge and abilities needed to effectively negotiate. An example of this growing skill is the success of late 20th century Seneca Indians who renegotiated a lease agreement made a century before. In the 19th century, a group of investors in central New York (USA) leased a tract of Seneca land for 99 years. When the original contract was drawing to an end, the Seneca stated their intention to significantly raise the rent. The tenants laughed at first, eventually fought back with lawsuits, and ultimately lost as the Seneca proved to be tough negotiators. In the legal battle that followed, non-compliant residents were evicted for non-payment of the required rent as the Seneca prevailed. (See Hogan 1974 for background information.)

The actions of the Seneca are not unique. Indigenous people throughout the world are gaining the ability to professionally manage their affairs and to negotiate on an equal footing with outsiders. A number of factors contribute to this increase in savvy including (1) Indigenous people are better informed, (2) indigenous leaders are learning from each other, and (3) various indigenous peoples, in contact with each other, are collaborating and/or sharing strategies. Indigenous peoples, furthermore, increasingly have access to resources such as consultants, lawyers, and negotiators who act on their behalf. Each of these issues is discussed below.

Indigenous people are increasingly informed.

There was a time when the leaders of indigenous peoples and rural ethnic enclaves tended to possess minimal “mainstream” educations; as a result, they lacked the ability to function effectively in the larger, dominant, culture. This situation gave a significant negotiating advantage to outsiders.

Such observations fit well with theories of “neo-colonialism” that explore how countries and organizations from the developed world manipulate the people of developing regions in

self-serving ways. Observers of neo-colonialism, of course, maintain that after the end of the colonial era (following World War II) the former “mother countries” developed techniques to maintain their economic and political dominance. In countries (such as the United States) that are the home to indigenous minorities, furthermore, old patterns of control by the mainstream society tended to continue, in a manner that parallels neo-colonialism. Even when these countries established legal rights for their indigenous populations, equity and parity was often slow in coming.

Critics of this system complain that the resulting pattern of “rich vs. poor” and/or “informed vs. ignorant” trapped developing regions into the roles of supplying raw materials and cheap laborer. That situation is now being eclipsed in many places as education is increasingly available to all people and the image of indigenous people as unaware, uneducated, and easily manipulated is becoming passé. Today, many indigenous individuals are college trained and possess the skills needed to understand the full implications of their actions and to negotiate with savvy.

In this emerging environment, indigenous leaders often focus upon upgrading the educational resources available to their people. The work of Maori (New Zealand indigenous people) leader Graham Smith is a good example of this trend. Smith has spent his career helping the Maori and other indigenous people develop strategies that (1) provide the skills necessary to be effective in the larger world while (2) simultaneously using education to strengthen local traditions and identities. Smith’s efforts have resulted in a major initiative designed to help members of the Maori community earn advanced degrees so they can contribute to cultural and economic revitalization. Smith’s work is internationally recognized and praised.

Not only does Smith’s work have significance within New Zealand and the Maori community, he has become an international spokesman for indigenous education. Speaking to the Alaska Federation of Natives, Smith (2003) noted a number of key principles involving indigenous thinking and action. Below is an abstraction of these principles (that has been

generalized beyond the Maori focus that Smith provides):

Self-determination/relative autonomy.

Indigenous peoples need increased control over their lives and their heritage (including greater autonomy over decision-making in education.) Indigenous people should be able to make choices and decisions that reflect their cultural, political, economic, and social preferences.

Validating and legitimating cultural aspirations/identity

Smith emphasizes that a common flaw of educational strategies within indigenous communities has been an inadequate attention to the maintenance of the local culture and identity. This trend needs to be reversed and mitigated.

Incorporating culturally preferred pedagogy

In many cases, educational strategies that are introduced into indigenous communities fail to fit within the culture and, as a result, they are not effective. Methods that connect with the backgrounds and lifestyles of people should be embraced so students can most effectively learn in a culturally relevant manner and one that does not trigger alienation.

Mediate conflicts

Indigenous people need to recognize that schooling can be a positive experience despite other social and economic impediments that may exist in the wider community. Education can help to mediate or intervene when unequal power relationships exist between a local community and the larger, more powerful, outside world.

Emphasize 'collective' as well as 'individual' identities

Indigenous people and cultures possess identities and needs that transcend beyond the individual. As a result, simultaneously focusing upon both personal and group priorities is useful. Centering only upon individual and/or short term issues can be counterproductive and weaken indigenous power and identity. This reality needs to be recognized.

A shared and collective vision

Indigenous people need to develop and express their political, social, economic and cultural aspirations. A well-articulated pronouncement of these goals can provide direction and a yardstick that can be used when evaluating options.

Indigenous people increasingly envision education in ways that are reflective of Smith's vision and those who hold similar views. As a result, not only are indigenous people gaining ad hoc skills, their educations are being designed to reinforce, not undercut, cultures, traditional priorities, and social relationships. Mainstream negotiators can expect future indigenous negotiators to be (1) better informed and to be more effective at the bargaining table as well as (2) more attuned to their cultural and heritage.

Indigenous people are learning from each other.

Indigenous people are unique. Cultures are distinct. Different indigenous communities, furthermore, have often been in conflict with one another. A key strategy of the old colonial powers was to systematically pit local groups against another in ways that (1) weakened their control (2) in ways that shifted the balance of power to outsiders.

Although specific indigenous cultures are distinctive and should be envisioned as such, they are often subjected to similar challenges and pressures from the outside world. As a result, although particular people are distinctive, they often encounter parallel pressures and tensions when subjected to outside contact. The common ground created by these parallel experiences is increasingly being recognized by indigenous people from throughout the world.

In the United States, for example, there has been a great growth in what are called "intertribal pow-wows" (meetings involving different indigenous groups.) In the past, tribes and bands often remained relatively isolated and, as a result, they did not profit from the experiences of others. Today, in contrast, different indigenous groups tend to exchange information, offer advice, and collaborate with each other. In some cases, different peoples act in concert with each other in order to gain the critical mass needed to effectively pursue a course of

action. In other situations, indigenous people who have benefited using a specific strategy, share this information so it can be borrowed and applied elsewhere.

The rapid diffusion of tactics and strategies

Today's world, of course, is caught up in a digital revolution spearheaded by the internet. The services and advice offered by this technological advance are quickly and cheaply available. In earlier eras when indigenous peoples were largely cut off from the outside world, ideas and knowledge diffused slowly if at all. Today, in contrast, few barriers exist to inhibit the free flow of information; even the desperately poor have access to the internet and cellular phones. "Rising tides float all ships": the digital revolution is ubiquitous and provides aid to hitherto disenfranchised ethnic groups and small hinterland populations, not merely large corporations and the mainstream world. Today, a wide range of indigenous people are communicating via the internet allowing ideas and strategies to quickly disseminate. In the past, outsiders often dominated because indigenous people lacked knowledge and had trouble communicating. Those days are largely drawing to a close.

Professional help is available.

Although local people are gaining knowledge and skills, the aid of outside experts and consultants is often required. In the past, these experts championed views that reflected the perspectives of mainstream outsiders who often depicted the views of local people as passé and on the wane. Today, in contrast, the recognition is growing that specific peoples have their own priorities that might be legitimate even if such ideas fail to mesh with the conventional wisdoms and strategic paradigms embraced by outside corporations.

When acknowledging such alternative visions, the full impact of a decision is evaluated with reference to the goals, fears, aspirations, and so forth held by the local community. This broader vision allows the full implications of a business strategy to be perceived in a more robust manner.

A key point to remember is that indigenous societies are increasingly informed. As a result, they are no longer easily manipulated. The old stereotype of "ignorant savages", easily

bested in negotiations, is no longer accurate under most conditions.

The Middle East and neighboring regions contains a wide number of indigenous peoples, some of which will be briefly discussed later in this paper. Many of these peoples harbor specific priorities that are not reflective of the models typically embraced by mainstream business strategists. In order to effectively deal with these populations, understanding their motivations and preferred strategies and responding in a meaningful manner is essential. One way to envision this issue is to realize that different and competing models of economics exist.

RIVAL ECONOMIC MODELS

As discussed above, indigenous people are typically gaining sophistication and developing the tools needed to successfully negotiate with outsiders. In many cases, however, these people envision their lives and options in ways that conflict with the recommendations of mainstream consultants and business partners. Outsiders are likely to write off these deviations as artifacts of ignorance and fuzzy-minded thinking even when the people clearly understand their goals. In order to clarify the situation, a juxtaposition of neoclassical and substantive economic theory is useful.

The neoclassical model is the economic paradigm that long dominated contemporary business theory and practice. In spite of internal debates, all neoclassical economists embrace rational and universal assumptions that assert:

1. Economic decisions are essentially rational in nature.
2. Individuals seek the most “utility” and/or the lowest cost.
3. People have access to perfect information.
4. People tend to act independently of each other.
5. Individuals/consumers seek utility, organizations seek profits.

Although sophisticated economists understand that complex decisions involve emotional and/or irrational factors (such as those raised by behavioral economics), the neoclassicists assert that the most effective economic models focus on rational thought that is geared around some sort of (conscious or

intuitive) cost-benefit analysis. Some key assumptions of the method are discussed below.

Economic Man Model:

Neoclassical thinkers embrace some version of the “economic man” model which assumes that people act in rational ways designed to maximize benefits and/or minimize costs. Thus, people are viewed as (1) seeking specific goals (2) while hoping to gain these benefits at the lowest “cost” as defined by the context. These assumptions, of course, do not imply that people’s choices are inevitably wise, intelligent, or truly in their self-interest, but merely that economic actions are triggered by some sort of rational thought that centers around winning what are perceived to be maximum benefits and/or minimizing costs.

Perfect Information Model

The neoclassical model often assumes that economic actors have access to perfect information and that they interact in an environment of perfect competition. In other words, each participant in an economic sphere is presumed to possess all the facts regarding costs, product quality, etc. Although this projection is seldom if ever completely true, the model has proved useful in many contexts.

Profit Motive Model

The neoclassical model depicts consumers/customers as seeking to maximize utility (getting something for a minimal cost) while firms or suppliers are viewed as seeking maximizes profits. As a result, there is a tendency for organizations to offer customers what they want at a competitive price and for customers to strategically buy with care.

IN SUMMARY: neoclassical theory simplifies the analysis of economic behavior by making certain assumptions that are might not be totally accurate. Many scholars and practitioners embrace these imperfect models in the belief that they are accurate enough to provide useful insights. Under certain circumstances behavioral economics tempers these assumptions; nonetheless, the neoclassical model remains powerful. Economic perspectives developed by social anthropologists, in contrast, often view economic (as well as all

other) behavior from within a broader social and cultural context. Significant differences between these two approaches need to be discussed.

As suggested above, those who embrace neoclassical thinking portray it as universal, rational, and inevitable, even if somewhat tempered by behavioral economics. This orientation can lead to the conclusion that significant variations from this pattern among hinterland people should be written off as reactionary, out of touch, backward, and/or due to ignorance.

An alternative position suggests that alternative paradigms that address the social/cultural milieu of economic behavior is needed. In other words, under certain circumstances economic behavior might not be universal as the neoclassicists believe, but responds for local beliefs, traditions and perspectives. These perspectives have a long history in anthropology and deal with local challenges to the neoclassical model just as behavioral economics, challenges neoclassicism using psychological perspectives.

Thus, neoclassical theories often need to be supplemented by models that are more culturally specific and emotional in nature, not universal and rational. In order to consider this option, we will briefly consider substantive economic theory (see Plattner 1989 & Wilk, R. 1996.)

The classic statement of the substantive position, of course, is found in Karl Polanyi's *The Great Transformation* which argues that a great divide in humanity is marked by the transition from small scale societies (in which people interact in intimate ways involving face to face contact) to the environment spawned by the industrial revolution (that is typified by wage labor, increasingly impersonal relationships, and an economy based on money.) Polanyi argues that the transformations triggered by industrialization creates patterns of life and human interaction that are profoundly different from what had been experienced in earlier times and still exists in various small scale societies (Polanyi 1968.)

Polanyi and those who embrace his perspectives believe that the modern industrial world is a specific realm where rational actions

and strategic decisions (largely reflective of the neoclassical model) dominate. People in such a system are assumed to be striving to advance their individual situation in overt, rational, and calculated ways. Thus, these people tend to function in ways that reflect neoclassical economics.

The substantivist position, however, insists that that these patterns of social and economic response are not universal and that the neoclassical framework is an artifact of the industrial age, not a general model that can be applied to all people.

In specific, the substantivists argue that within many small scale societies, economic activity is not a separate and distinct realm of strategic behavior; instead, it is subtly intertwined within the entire culture (including kinship patterns, mores, religion, ceremony, etc.) When social, cultural, and economic pressures and responses are enmeshed in such a manner, one-dimensional neoclassical analysis is not robust enough to portray economic behavior in all its complexity. By conceptualizing economics in a broader substantive manner, the rational and universal aspects of economic life are no longer viewed as the only mainsprings influencing action.

Polanyi made significant use of two terms, "redistribution" and "reciprocity." Reciprocity involves a long-term pattern of mutually exchanging of goods and/or services, typically among those who are perceived to be equals. Interacting in this way emerges as part of the fabric of life and not as payment, charity, or a calculated "quid pro quo." Redistribution, in contrast, takes place when a strong leader or political force gathers resources that are then doled out in accordance with some culturally established formula. Scarce and desirable goods are dispersed even though the rational marketplace (that is modeled by neoclassical theory) is not the mechanism that does so.

Polanyi and the substantivists use the term "embedded" to indicate how this process actually works. Instead of economic activity being a distinct and discrete part of life and culture, distribution and allocation are nested within the entire cultural and its social framework. Thus, economic life is not totally dictated by rational

and universal responses that take place in relative isolation. (For a fuller discussion see (Granovetter1985.)

Many examples of such non-neoclassical behavior have been documented. The Inupiaq of modern day Alaska, for example, continue to hunt bowhead whales (Walle 2009.) The majority of the meat is shared with the community, given away in a traditional fashion. The home of a successful whaling boat captain is opened to the public for a feast and everybody goes home with a sack of whale blubber and meat. At various other times in the year (such as Thanksgiving) additional redistributions take place. This culturally regulated dispersal remains a significant part of life for the Inupiaq even though they are increasingly connected with the larger outside world.

Certainly, neoclassical economists can portray the acts of these donors as merely seeking to capture respect (a scarce and desired commodity) in a manner reminiscent of philanthropists in the developed world who seek prestige and notoriety through charity. Nonetheless, the whole process is much more complex and it is intimately connected to the cultural heritage of the people. Attitudes and behaviors are structured in accord with long standing traditions. Adherence to these cultural dictates is not viewed as optional; sharing the whale is a part of the Inupiaq way of life. Under such circumstances, economic activities and other traditions are seamlessly intertwined.

Those who attempt to apply neoclassical techniques within such a context can inadvertently act in inappropriate ways. Mental health professionals (such as substance abuse counselors), for example, often tap the experience and wisdom of local healers and elders. Western trained professionals who have been aided by such indigenous healers might ask something like: "How much are you charging for these services?" The traditional healer might respond by saying, "Nothing, I never receive payment when I help someone."

Hearing this, the Western trained professional, who embraces a mainstream economic perspective, might close the conversation with a hollow "Well, thank you very much", sending the healer on his or her way.

Westerners, who may think purely in financial terms that revolve around services provided for a demanded price, often fail to understand that the healers are operating within a substantive context. No specific benefits are expected for a particular service; instead, exchanges take place within an established social milieu that harbors a number of informal expectations. Maybe a load of firewood will be anonymously delivered to the door of the healer; perhaps, proceeds from a successful hunt expedition will be shared, and so forth. Healers are understandably concerned when they help therapists to earn money while being denied the benefits and respect that has long been provided them by local people via the substantive system. Westerners, however, can easily overlook this reality and the need to deal with it (Walle 2005-2008.)

The substantivist paradigm can avoid such problems by viewing the various institutions of the culture (family, social structure, religion, mores, etc.) as combining to create the frame within which economic response takes place. In a variety of circumstances, doing so can provide a much richer and more robust understanding than neoclassical analysis.

In traditional and small scale societies, a substantive economic system is likely to exist side by side with whatever market/cash economy is simultaneously present. Being attuned to such substantive responses can help intrusive outsiders to understand that neoclassical models, although functioning well under certain conditions, might not be appropriate in other circumstances. In short, neoclassical thinking is a specialized tool (not a universally applicable method.)

As any other paradigm, the substantive model is not immune to criticisms. Thus, Pratts (1982) reminds us that the distinction between primitive and modern economies is largely arbitrary even though Polanyi seemingly argued in black and white terms. My rebuttal is that Polanyi was merely using a dialectical style of argumentation to juxtapose rival points of view. No doubt Polanyi recognized the obvious: many variants exist in economic life (as well as in all other phases of society and culture.)

A further critique of the substantivist model comes from members of a splinter group

often called the culturalists, such as Steven Gudeman (1986.) Even more socially focused than the substantivists, the culturalists focus upon the way economic behavior is perceived by local people. Rejecting the paradigms of outsiders, the culturalists insist that local perspectives should dominate the way economic activity is envisioned, modeled, and studied. Gudeman, for example, uses the phrase “people’s own economic construction” (1986:1) when doing so.

Although the culturalists make some good points, their work can best be viewed as a clarifying refinement of the substantivist approach and not as a new school of thought.

In summary and conclusion, three distinct means of modeling and interpreting economic behavior exist. The neoclassical perspective reflects conventional business thinking and tends to be rational and universal. Behavioral economics emphasizes that psychological variable can undercut the neoclassical model. The substantive alternative views the neoclassical model as an artifact of the industrial revolution that is not broad enough to be usefully applied in all cultural and social situations. As an alternative, substantive analysis looks at economic activity from within a cultural context.

ASSESSING AND MITIGATING CHANGE AND DISRUPTION

So far, this paper has argued that indigenous peoples throughout the world are gaining increased sophistication and developing the skills required for negotiating in an effective and informed manner. Due to this growing savvy, the old stereotype of indigenous peoples as “ignorant” and “easily manipulated” dupes is fading. Our discussions have also acknowledged that universal and rational models, such as neoclassical economics, may not be appropriate when dealing with many indigenous peoples who respond to cultural specifics, not economic universals.

When strategies are envisioned, they need to be viewed accordingly and, where necessary, their impacts may require mitigation that copes with whatever harmful implications might arise. Both of these considerations are discussed below.

Assessing

A representative means of assessing and evaluating economic options (and one that is increasingly employed in projects receiving United Nations funding) is commonly called the “Triple Bottom Line.” Popularized in John Elkington’s book *Cannibals with Forks: The Triple Bottom Line of 21st Century Business*, this method offers an alternative to neoclassical models when assessing the full impacts of a business intervention. Elkington’s model, more robust than relying solely on financial accounting data, simultaneously factors in (1) the effects upon people and (2) the impacts upon the environment. Elkington argues that these additional measures need to be considered along with profits if adequate assessment and evaluation is to take place.

The “people” component refers to the impacts of a business decision upon the population. When thinking in terms of this variable, mainstream evaluators are likely to focus upon issues such as good working conditions, avoiding the use of child labor, etc. When dealing with indigenous enclaves, however, additional considerations, such as the amount of cultural disruption triggered by an initiative, may be necessary. How much psychological depression, alienation, etc. can be expected if a project triggers rapid and uncontrolled change? These are real and measureable costs that need to be considered but can be overlooked by models such as neoclassicism.

In addition to people, Elkington insists that the health of the environment also needs to be addressed. Striving towards long term sustainability (both locally and worldwide) should also be a goal. Care is required to prevent the ecological system from being pushed past its carrying capacity. Strategies for lowering the consumption of energy, reducing pollution, minimizing waste, and so forth, are discussed. Besides of these generic considerations, indigenous peoples may have special needs and vulnerabilities because they often live close to the earth and their ways of life depend upon some sort of ecological stability. Many indigenous peoples, for example, reject or oppose lucrative extractive and mining opportunities that involve commodities such as oil, coal, gold, copper, etc. because these activities might undermine

subsistence hunting and fishing which the culture values and wants to maintain. As a result of these community priorities, indigenous people often make decisions that appear to be nonsensical to those who embrace more mainstream views and goals.

As a result, the triple bottom line reminds us that the quest for profits needs to be moderated by a consideration of human and environmental issues. Praised in many circles, the approach is condemned by detractors who are likely to complain that criteria like “people” and “planet”, unlike financial accounting notations, are difficult to measure and/or objectively quantify. Relying upon fuzzy yardsticks of evaluation like “people” and “planet”, the logic continues, can lead to sloppy and non-actionable thinking. As a result, some critics advocate eliminating these criteria from the decision making process (Norman and MacDonald 2003.)

Although critiques such as these might be legitimate, they should be viewed as suggestions for refining the triple bottom line, not as evidence that the approach is fatally flawed. Those who are concerned with assessing the full impacts of economic development, cultural changes, etc., have long attempted to temper the profit motive with broader perspectives. Elkington’s model offers a means of doing so.

In conclusion, the yardsticks needed to evaluate economic decisions should acknowledge the possibility that specific people have legitimate priorities that neoclassical analysis might ignore or discount. This reality needs to be accepted along with the realization that such atypical perspectives might be informed and not naïve.

Mitigating

The assessment process is likely to identify significant changes and stresses that a specific course of action might trigger. The concept of anomie provides a useful way to envision the harmful side effects of a strategy in need of mitigation. Anomie, as a major concept of the social sciences, can be traced to 19th century anthropologist Emile Durkheim who sought a means of dealing with the impacts of unprecedented social and economic change and how it breaks down the rules, norms, and traditions of society. Discussing the impact of the

Industrial Revolution, for example, Durkheim argues that the population shifted to urban areas and the face-to-face subsistence way of life gave way to a wage-based cash economy. As a result of these changes, people were forced to live in a manner that was in conflict with the essence of their culture and their heritage. Harmful side effects developed as a result.

Anomie typically creates discomfort when people become confused regarding how to act and no longer know what to expect from others. As the heritage, mores, relationships, and traditions of earlier times fade or are weakened, shared norms, beliefs, hopes, and expectations become increasingly unable to unite people in a positive and constructive ways. Durkheim linked anomie to harmful dysfunctions such as a rise in the suicide rate.

In the mid-20th century, sociologist Robert Merton expanded the concept of anomie by arguing that its key cause is a disparity between (1) the goals that society gives to people, coupled with (2) an inability to achieve these objectives in the socially acceptable manner. When this unhealthy situation arises, anomie is the likely result (Merton 1957: 121-94.) The resulting discontinuity and discrepancy can trigger painful stress and potential dysfunction.

Merton went on to suggest that when people cannot achieve their goals in socially acceptable ways, the propensity for deviant and counterproductive behavior triggered by anomie increases. Small rural communities that are experiencing unprecedented social and economic change are especially likely to be at risk.

In the contemporary era, American business commentator Alvin Toffler (1970) has argued that even in the modern industrial world unrelenting change wrought by snowballing technological transformations can reap staggering emotional, cultural, and social costs, especially if they are left unchecked and unmitigated.

Toffler suggests that the industrialized West (that has already modernized) is typified by this kind of alienation and social disruption. In the developing countries and among indigenous populations, social change wrought by outside forces can be even more profound and harmful.

This tendency is demonstrated by Harold Napoleon’s *Yuuyaraq: The Way of Being Human*

(1996) which deals with the trauma faced by indigenous Alaskans due to unanticipated and unmitigated social change. Napoleon points to the tragic irony that just as the conditions of material life began to improve for Native Alaskans, a rash of dysfunction and suicide arose within indigenous communities. Napoleon explains this ironic situation as the product of social change that created harmful conditions that people were not prepared to endure. Thus, Napoleon, although seemingly unaware of the sociological concept of anomie, independently reinvents many of the concepts presented by Durkheim and Merton.

As suggested above, outside business leaders often lack the specific skills needed to assess and mitigate the unanticipated and harmful impacts of the interventions they propose. Applied anthropology, however, has long sought to predict and cushion change in culturally specific ways. Applied anthropologists, for example, are quick to dismiss the tenets of neoclassical economics that so many business leaders embrace. Although business leaders often assume that cultural specifics must inevitably give way to universal economic laws and trends, applied anthropologists debate this truism. Representative of such ideas is David Maybury-Lewis who observes: "There is no natural or historic law that militates against small societies. There are only political [and economic] choices" (Maybury-Lewis 1977.)

Thus, although the conventional models often embraced by business leaders might dismiss small scale, indigenous cultures as remnants slated for inevitable oblivion, applied anthropologists realize this decline is not preordained.

Although change might be inevitable, applied anthropologists focus upon orderly transformations coupled with the possibility of preserving a people's heritage and their traditional way of life. On many occasions, this can be accomplished by helping to bolster the indigenous culture. G.N. Appell, for example, insists that a viable cultural heritage can help mitigate the impacts of traumatic change. He insists: "A society undergoing change ... has a right to access its cultural traditions, its language and its social history" (Appell 1977: 14.) Appell senses that doing so is important because people are often

victimized by what he calls the social separation syndrome:

.. [which] involves role conflict and ambiguity, threat to one's self esteem, and an impaired social identity ... Social bereavement arising from social change seems to follow a developmental sequence similar to personal bereavement ... There is first a period of denial and numbness accompanied by anxiety, fear, and feelings of threat to one's identity. This is succeeded by a phase of frustrated searching for the lost world or individual, hoping for a reversal and then bitter pining and unrelieved sense of pain ... Following this is a period of depression and apathy ... Finally there is the phase of reorganization when the bereaved begins to build new plans and assumptions about the world (1977: 14.)

Appell's model parallels the concept of anomie as discussed by Merton who, as we have seen, argues that the culture provides the goals that people should seek as well as a socially acceptable means of achieving them. Rapid and unmitigated social and economic change, however, often creates a situation where sought-after goals cannot be won in a socially legitimate manner. This situation can lead to anomie and alienation, which parallels what Appell describes as the social separation syndrome.

Thus, change (even when it has positive aspects) can exert harmful results when it undercuts the ability of people to legitimately achieve their goals. This situation can lead to a multitude of personal and societal dysfunctions. No wonder many indigenous people are deeply concerned about preserving their heritage as a "going concern" even though they realize the future will trigger inevitable transformations.

Although mainstream outsiders may feel they know what is best, people have a right to self-determinism even though the impacts of stability and change need to be addressed. In this regard, Ormund Loomis once observed: Proposing ... efforts to stem inevitable change in society would be pointless. Further, in a free society, even ... to slow the progress would be wrong ... It is possible, however, to temper change so that it proceeds in accordance with the will of the people, and not in response to the pressures of faddish trends or insensitive public or private projects (Loomis 1983: 29.)

These tactics are perceived as means by which stress and disruption triggered by change and contact can be mitigated in ways that reflect the will of the people. Doing so can be important because cultural traditions are often the “ballast” that prevents people’s lives from being toppled by a storm of opportunities and obligations that are centered around the demands of the outside world. Paying attention to the specific culture and the priorities of its people can provide strategies regarding the mitigation of harmful impacts spawned by contact and growing economic relationships.

INDIGENOUS PEOPLE OF THE “GREATER” MIDDLE EAST

The Middle East and neighboring regions are the home to a wide variety of indigenous populations. These people tend to possess a distinctiveness that needs to be recognized as economic and cultural strategies are implemented. In order to portray some of the issues demanding attention, a representative sample of three indigenous groups are discussed. Going from west to east, these groups are the Berbers, the Kurds, and the Kuchi. No specific agenda was in mind when choosing these groups, except they are well known.

Each indigenous group is briefly discussed although, due to issues of space, only the barest and universally known details are provided in an informal narrative devoid of complex documentation. Although the struggles of these peoples are multifaceted and complicated, it is not the purpose of this paper to take sides; our goal is merely to point to the fact that indigenous peoples exist in the Middle East and neighboring regions and that they have their own needs, agendas, and desires.

Berbers

The Berbers are a people of North Africa who began living in the region long before the Arab conquests that took place over a thousand years ago. They continue to be a major demographic and ethnic group in countries such as Algeria and Morocco.

During the era of European intervention that reached a high point in the 19th century and ended after World War 2, colonial administrations tended to moderate the relationships between

those of Berber and Arab identity so neither group gained an upper hand. After independence, however, those of Arab descent and the Arabic language tended to gain dominance causing many Berbers to complain that discrimination has risen as a result. Some of the Berbers in the south, furthermore, claim that the darker skinned people living there refuse to treat them in an equitable manner. Indeed, the regrettable military actions in recently playing out in Mali are often depicted by Berbers apologists as an attempt to create a place for those of Berber descent to live a self-determined life. Since I am not political scientist, this paper has no opinion regarding such claims. Many Berbers, however, hold these views and act accordingly.

Kurds

The Mohawk Indians live in New York State and the Province of Ontario (straddling the border of the United States and Canada.) Both countries have a history of demanding that members of this tribe declare their country of citizenship. Many Mohawk refuse to do so on the grounds that their identity as Mohawks predates the boundaries of the current political regimes and, therefore, their pre-existing nation takes precedence. In doing so, the Mohawk affirm they are a cultural and political entity that happens to be located in newer countries that have been superimposed on their territory. Various tensions and disruptions have occurred because of this polemical stance.

The Kurdish people of the Middle East face a similar situation and make a parallel argument. Their homeland territory (typically referred to as Kurdistan) is currently divided among a number of countries including Turkey, Iran, Iraq, and Syria. In each of these sovereign nations, the Kurds are a minority. If Kurdistan were united as a separate country, however, the Kurds would be in a solid majority. The Kurds, furthermore, have long pressured for a country of their own in a quest going back at least to the 19th century (and for a short time after World War 1 a Kurdistan did exist). Up to and including the present time, tensions and violence have often broken out over this issue both sides suffering as a result.

In some cases (such as in Iraq) the national government has been accused of

committing atrocities against the Kurds because of their ethnicity. Even when not treated this harshly, many Kurds believe that their interests are not best served because of their minority status.

Many Kurds continue to pressure for the creation of a country of Kurdistan where the Kurds will have their own government and not suffer from a minority status. The countries that would have to give up territory to accomplish this goal, however, are unwilling to do so. This situation is the cause of international tensions.

Kuchi.

The Kuchi of Afghanistan are a nomadic group that herds animals and tends to migrate into Pakistan and back to Afghanistan on a seasonal basis (although more secure national boundaries make this age-old pattern of movement increasingly problematic. For many years, the Kuchi provided the people of Afghanistan with a large percentage of their meat and other animal products. The Kuchi have also mastered a number of skills such as jewelry making in order to provide services and supplement their incomes. In recent decades, unfortunately, the Kuchi have lost a number of important economic concessions, such as the right to summer pastureland. They have also suffered due to war and natural disasters. These events are creating hardships and placing the people and their way of life in harm's way.

In summary, the Middle East and neighboring regions are not culturally homogeneous. Great variation exists and many significant ethnic groups dot this diverse part of the world. Their actions, furthermore, appear to be fueled by motivations that clearly expand beyond purely rational neoclassical economics. These peoples often show signs of being displaced and/or cut off from their way of life. As a result, the pressures and pains of anomie are likely to be faced. We have briefly discussed three representative groups that portray this potential; they are a sampling of a larger reality and in no way meant to be exhaustive.

These peoples have their own goals and priorities that tend to transcend mainstream economic considerations. As a result of this reality, more robust methods of evaluating these

people and understanding their needs and demands are required.

DISCUSSION AND CONCLUSION

Outside intruders, such as businesses, are increasingly interacting with indigenous ethnic groups. When dealing with these peoples, models and strategies that transcend neoclassical economics are often needed.

The amount of cultural disruption faced by a people typically needs to be considered. The triple bottom line (that acknowledges the importance of people and the environment as well as profit margins) provide a means of advancing this dialogue. The concept of anomie, (the lack of an ability to achieve socially acceptable goals in a culturally sanctioned manner) also needs to be considered because it has often triggered unhappiness and dysfunction. Appell uses the term "cultural separation syndrome" to deal with such situations. Mainstream methods of analysis (such as neoclassical economics), however, may not be robust enough to adequately deal with all of these important variables. The substantive alternative, in contrast, offers a more robust means of understanding.

The Middle East and neighboring regions are the home to a wide range of indigenous peoples. These ethnic groups often respond to business opportunities in a manner that reflects their culture and traditions. In many cases, indigenous people harbor a conscious desire to protect and revitalize their heritage. In essence, they seek ways to reduce the amount of anomie faced by stabilizing their cultures, mores, and way of life. By modeling their responses with this in mind, the actions of such peoples can be more readily understood.

The ethnic strife triggered by recent advances by ISIS and the way in which these events will impact the ethnic groups and indigenous people involved also needs to be considered.

In addition to perceiving these triggers of response, business scholars and practitioners need to be aware (1) that indigenous people are gaining greater sophistication and negotiating skills and (2) that they tend to be consciously motivated by a desire for self-determinism. By keeping these issues in mind, businesses seeking to establish

relationships with indigenous populations are likely to be more successful.

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- Walle, Alf H. (2005-2008) Alf H. Walle is a state certified substance abuse counselor with significant experience working with Alaska Native clients. As such, he has had numerous conversations regarding the use of elders and native healers within the context of Native therapy.