

## BOOK REVIEW

### LAW AND BUSINESS: BIG-MEN OR ALL MEN?

Ben R. Finney, *Big men and Business. Entrepreneurship and Economic Growth in the New Guinea Highlands*. Australian National University Press, Canberra, 1973. Price paid \$7.95.

In 1967-1968 Ben R. Finney carried out research into the wellsprings of economic motivation among the people of the Valley. The resulting book concentrates on ten men whom Finney considered business leaders in and near the town of Goroka.

Finney's main concerns are to argue against the prejudices he assumes some of his readers will have and to dispute the view that New Guineans are conservative. He describes Goroka as an unusual - but not unique - case of economic development, which illustrates his general argument that certain traditional values produce success in the modern world. Gorokan culture, Finney argues, was pre-adapted to achievement. Traditionally, a man's power and prestige were not ascribed at birth but achieved in his lifetime by his personal endeavour and his ability to get others to work for him, to acquire valuables and to manage exchanges with skill. This "preadaptation" to achievement in Goroka was fortunately coupled with auspicious external factors for development - coffee as a cash crop, for example, a good road network and somewhat helpful European settlers. Finney compares these favourable external factors with those that enabled the Tolais successfully to participate in business and contrasts it with the experience of less fortunate -- and less successful -- groups like the Orokaiva.

The ten Gorokan entrepreneurs are, therefore, business leaders in a traditional style. Manipulating the traditional style enabled the leader to get started in business. In contrast, Finney says, with other low income people in the world, the Gorokan people pool their small cash resources.

But, Finney rejects the view that the existence of entrepreneurs in a society inevitably leads to economic dynamism, and warns that the traditional style, while giving business

its initial impetus, will eventually hinder economic growth. A lack of technical and managerial skills and "the influence of traditional values and institutions . . . may hinder the operation of efficient enterprises [and] can greatly impede entrepreneurial performance and growth." The clan may have been a useful base for a man to start from, but sooner or later, if economic growth is to be sustained, the clan must be left behind. Finney's negative appraisal of traditional institutions is shared by the expatriate business community in Goroka and by government agents, precisely those people whose prejudices he is concerned elsewhere to refute.

Despite his interpretation of what is happening in Goroka, Finney does not hesitate to label the traditional orientation to achievement of prestige and power as "the spirit of capitalism," nor to call the purchase of trucks and stores "conspicuous investment." In a research field which continually confronts him with evidence of the tension between individually-owned businesses and group organisation of business endeavour, he fails to question the validity of theories based on the accumulating individual capitalist. For example, when Finney arrived in Goroka in 1967 Hari's store and restaurant were pointed out as the most successful business venture in the area. Europeans attributed their success to their individual ownership and operation by Hari "whom they regarded as a young Gorokan who knew how to make a go of things on his own and how to avoid the entanglements of jointly owned and operated enterprises". When first interviewed, Hari told "essentially the same story of individual ownership," but it later emerges that Hari always tells this story to Europeans, because they expect it of him. With his own people, his fear of clan sanctions, especially sorcery, leads him to emphasis the group aspects of his ventures: the ventures "do not belong to me, they belong to all the people . . . That's what I say, they do not belong to me. . ."

Finney touches on this tension in another context. He argues that the business history of his ten entrepreneurs suggests different stages of Gorokan capital formation. In the early 1960's, Bimai (and this is the only example given) raised money from 784 people to purchase a truck. A survey carried out by Finney in 1968 showed that the mean number of contributors per truck was 7.4. Finney believes that larger coffee holdings and greater earnings have made the smaller groups possible. While obviously a factor, it is not the only explanation for the trend. Would-be entrepreneurs in Goroka are assisted by well-meaning expatriates, government extension workers and agencies like the Development Bank, all invoking their model of how business is best organised.

Reading *Big Men*, one gets the impression of a wonderful continuity between traditional and modern life - "old society, new economy" as Finney puts it. One is encouraged to believe that "typically Papua New Guinean forms of organisation" (to use the phrasing of the *Eight Points*) are in play. Tradition is being adapted, Finney says. Yet evidence in his study demonstrates that the structure of the old society is being undermined. He does not recognise this because he confuses motivation to achieve with the spirit of capitalism, and he neglects to look closely at the organisation and structure of Gorokan society - at "the Stone-Age setting." While he writes of "colonial factors" restraining further business development, he does not analyse the structural implications of these factors. Western cash economy is qualitatively different from traditional accumulation and exchange. Cash earned by Gorokans cannot be continuously redistributed throughout the community. It is drained away into expatriate hands to pay for trucks, mechanical repairs, trade store goods and liquor. At the same time, some Gorokans are gaining a "level of affluence far above" others in their clan. Business leaders are trying to get clansmen to allow them to convert titles in land as "collateral for obtaining bank loans" so "that they and their heirs would have an assured title to the land and its improvements." As Andrew Strathern has suggested, the lending policy of the Development Bank can release people from dependence on their clansmen and make "incipient capitalists" out of "nascent bigmen."<sup>1</sup> Whatever the motivation of Gorokans, the social organisation of their future is being determined by external agents. If we hope to achieve a "typically Papua New Guinean form of organisation," then it is information on the structural implications of business organisation that is required from students of Papua New Guinean society.

Finney's approach accords with theories of economic development dominant in Papua New Guinea when he did his research. Since then the government has accepted better theories and adopted new aims -- increased popular participation, equality and small-scale ventures in traditional Papua New Guinean forms. There can hardly be a place in this for crude theories of individual accumulation that view Papua New Guinean group ties negatively.

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1 Strathern, "The Entrepreneurial Model of Social Change" *Ethnology* (1972) 372.

Finney does provide some material useful in assessing the concrete implications of the government's new policies. The setting and sequel of Bimai's case raises problems relating to succession, which are considered by Kassam in this issue of the Journal. A telling point -- which Finney does not raise -- is that Bimai's estate exceeded \$6000.00 in net value,<sup>2</sup> yet estimated per capita income from crops in the Gorokan area in the year he died was \$8.50.<sup>3</sup> Strong egalitarian pressures can result in the wide distribution of accumulated wealth on the death of a business leader, but (as happened with Bimai) this will often result also in the death of the venture. Conversely, if the leader's immediate successors withstand these pressures, inequality is that much closer to becoming the norm. Hence the organisation needed for these ventures -- especially the modes of participation and sharing -- becomes a more fundamental issue even than succession.

Finney provides much useful information on organisation, but, at the risk of repetition, the limits of his information must be stressed. There is no evidence that the selection of his sample of businessmen was anything but preconceived; it excludes examples of most kinds of business organisation in the area, such as "mere examples of clan business," as Finney puts it. The government has recognised the variety of organisational responses to development in its proposed *General Purpose Corporations Act*, which will overcome the ideological bias inherent in the present law by accommodating typically Papua New Guinean forms of organisation. Finney's study does serve to indicate that these forms of organisation are ideologically ambiguous in their interaction with the cash economy.<sup>4</sup> To fulfil its aims of participation and

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2 *In the Goods of Bimai Noimbano* (1967-68) P. & N.G.L.R. 256.

3 This figure is taken from Finney's "New Guinea Entrepreneurs", *New Guinea Research Bulletin* No. 27 (1969) 14. The equivalent figures in the later book (p.68) are strangely truncated and, as a result, wrong.

4 For the potential of this problem among the Tolai see Epstein, "The Tolai 'Big Man'", 7 *New Guinea*, (1972) 56-57.

equality, the government may have to provide for and encourage a specific form of organisation, which could however derive partly from traditional patterns. The obvious but superficial analogy would be with *ujamaa* villages in Tanzania, although *ujamaa* -- or "familyhood" -- may well be different in Papua New Guinea.

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