Reindeer Herders in Finland: Pulled to Community-based Entrepreneurship & Pushed to Individualistic Firms

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Abstract
Content analysis of interviews conducted with reindeer herders – referred to as reindeer husbandry entrepreneurs, by the Reindeer Herders’ Association – from two ethnic communities in Finland reveals that participants who identified themselves as ethnic Finns viewed their self-employment as an individualistic form of entrepreneurship and they focused their discussion on matters related to financial capital and profit. In contrast, Sámi respondents claimed that the causal variable behind their herding was maintenance of a cultural tradition and not necessarily limited to the maximisation of financial profits. Sámi respondents spoke much about their cooperative siida and the social capital it involved; and about reindeer herding skills that are acquired on the job, i.e., human capital; and also about aptitudes, beliefs, customs, habits, interests, lifestyle and round-up traditions, reflecting the fact that considerable cultural capital is passed from adults to children in the course of primary socialisation. A consequence of family participation in various aspects of community-based reindeer herding is that Sámi children learn the occupation from a young age. Technological change has transformed the sector such that the snowmobile and the helicopter facilitate herding; however, the community-based essence of Sámi reindeer herding remains. A frequent finding was that Sámi respondents – especially women – were often “pushed” into non-traditional forms of individualistic entrepreneurship, in order to supplement their otherwise inadequate income derived from community-based reindeer herding. Lower meat prices prompted greater involvement in individualistic entrepreneurship outside the reindeer sector. These findings may imply a need of entrepreneurship in policy to encompass the revealed cultural differences of entrepreneurship in reindeer herding in Finland.

Keywords:
Community entrepreneurship, social capital, human capital, cultural capital, Finland, Sámi, reindeer herding, husbandry

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1. Introduction

Reynolds noted, “Entrepreneurship scholars have generally focused on either individual entrepreneurial behavior or the activity of entrepreneurial (new) firms (1991, p. 48).” A problem identified by Davidson and Delmar (1992) is that most studies concentrated on entrepreneurs and ignored the general population from which these entrepreneurs emerged. An empirical study comparing entrepreneurs from Indigenous and non-Indigenous backgrounds concluded that the perception of opportunity for entrepreneurship is a function of culture (Dana, 1995). Drakopoulou Dodd and Anderson (2007) suggest that while the economic environment may explain some factors, it is also important to take account of the social and cultural aspects of entrepreneurial activity. This article will consider community-based entrepreneurship, as well as individual entrepreneurial behaviour, in the context of the culture of respective general populations (Indigenous and not) to which respondents belong. Participants in this study were reindeer-herders who qualified as entrepreneurs, according to the definition provided by Ely and Hess who defined them as “the ultimate owners of business enterprises, those who make the final decision and assume risks in such decisions (1893, p. 95).”

As noted by Turi, “The position of reindeer breeding in the northern areas is unique. No other land-based agricultural branch in northern areas has such long traditions in the Arctic as this economic activity…Domestic reindeer breeding represents not only sustainable exploitation of the marginal nature resources in the North, but is also the cultural basis of the many small tribal societies of the North (2000, p. 131).” Paine wrote, “capable herding bestows general esteem on a person (1964, p. 85).” In Finland – where the population includes Indigenous Sámi and mainstream non-Indigenous people – reindeer herding represents a lifestyle and occupation for about 1,000 families who rely on approximately 200,000 reindeer (Hukkinen, Müller-Wille and Heikkinen, 2003). The herders come from both of the general populations, Indigenous and not. For some herders, the profession is of cultural significance. Anderson suggested that “the reindeer still functions as a cultural focus with which all Saami identify (1983, p. 180).” The reindeer husbandry area in Finland covers 114 000 km², which is 36 percent of the entire surface area of this republic; nevertheless, Jernsletten and Klokov noted, “The pastures available for each reindeer areas Finland is relatively small, and the movement of the herd is restricted by fences (2002, p. 105).”

Morris observed, “One of the most salient and yet under-researched issues affecting microenterprises and small businesses concerns the acquisition and application of resources (2001, p. v).” How different is the acquisition and application of resources as practiced by Sámi and non-Sámi reindeer herders? Is there a marked difference today, between the entrepreneurship of Sámi reindeer herders and that of non-Sámi reindeer herders in Finland? This article shall report findings obtained from interviews conducted with reindeer herders in Finland, some of whom reported their profession as being a herder, while others owned reindeer in addition to participating in another occupation. Indigenous Sámi interviewees emphasised different aspects than did individuals from the mainstream Finnish population, making clear the cultural embeddedness of entrepreneurship.

2 Following the tradition of Hindle and Lansdowne (2005), this paper uses an upper case “T” to designate respect toward Indigenous peoples.

3 Sámi were formerly referred to in the literature as Lapps. This paper uses the term Sámi, except in quotations from authors who wrote otherwise.
2. General Populations in Northern Finland

Morris explained, “An ethnic group is a distinct category of the population in a larger society whose culture is usually different from its own. The members of such a group are, or feel themselves, or are thought to be, bound together by common ties (1968, p. 167).” In Finland, the Sámi are an important ethnic group, maintaining some ways distinct from mainstream society.

Since 1996, Finland considers an individual to be Sámi if: (i) the person considers himself/herself to be Sámi and has learned Sámi as mother-tongue; or (ii) the person considers himself/herself to be Sámi and Sámi was the first language of at least one parent or grandparent; or (iii) the parents or grandparents was recorded as a Lapp in 1932 or earlier.” Paine noted, “The Saami …are not immigrant groups but autochthonous – a fundamental distinction affecting their perceived context and values of ethnicity (1984, p. 212).” Lehtola provided a comprehensive definition, “a Sámi is defined as a person of Sámi origin who feels themselves to be Sámi and who has Sámi as their first language or at least one parent or grandparent who had Sámi as their first language (2002, p. 10).”

Traditionally, reindeer herding was important for Sámi people. An old Sámi legend recounts the story of Háhcešeatni and Njávešeatni, two sisters, each of whom were said to have had reindeer that came freely to be milked. Háhcešeatni was unkind to her reindeer, and these left her and gave rise to the wild herds. In contrast, Njávešeatni’s reindeer remarked, “I will never leave here. My mistress is much too good to me. She strokes me gently when she milks me. I do not have the heart to leave her to starve alone (Bergsmo, 2001, p. 11).” A greater number of animals signified more wealth and power. Lee, Press, Lee, Ingold and Kurttila elaborated on the subject of status, “The greater the number of reindeer owned the higher the status of the owner within Saami society (2000, p. 103).” More recently, Laakso confirmed that a larger herd still “gives a higher social status inside the local community (2009, p. 63).”

Today, self-employed reindeer herders in Finland include Sámi and non-Sámi persons. All are regulated by the Finnish Ministry of Agriculture and Forestry (Saarni. 2009), through the Reindeer Herding Law (Myrvoll, 2004). The maximum number of reindeer that a reindeer herder may own is 300 animals in the southern region of the reindeer husbandry area and 500 animals in the north. How do Sámi herders view their activity, when compared to herders from the mainstream Finnish population?

Clarke distinguished between the two different populations, mainstream Scandinavians whom he called Colonists or Peasants, and Indigenous Sámi people whom he called Laplanders, “The inhabitants are divided into what are called Colonists, or Peasants, and Laplanders (1824a, p. 474).” During the following century, Whitaker noticed “relations between the Lapps and … peasants … have deteriorated to some extent with the introduction of a money economy and the importation of a new set of values (1955, p. 103).” Focusing on livelihood and income structure, Siuruainen (1978) compared these groups in Northern Finland. Dana and Remes (2005) noted tension between Sámi respondents and non-Sámi who called themselves “Lappmen (2005, p. 189).” Müller-Wille, Granberg, Helander, Heikkilä, Länssman, Tuisku, and Berrouard noted tensions in “Relations between indigenous (minority) and immigrant (majority) populations (2008, p. 332)” in Finland. While both populations – mainstream Finns and Sámi people – have lived in Finland for many centuries, it is clear that each ethnic group had – and may continue to have – its respective values and distinctiveness.
3. Historical Background
According to Vorren (1973) Sámi reindeer hunting was replaced during 16th century, by domestic reindeer management. The Sámi thus evolved from being a food-extracting society to a food-producing society.

As explained by Lähteenmäki, “Finnish Lapland emerged in 1809 when Sweden lost its eastern part of Lapland to Russia after the Finnish War. The area ceded was integrated into the Grand Duchy of Finland, an autonomous area in the Russian Empire (2006, p. 696).” The Indigenous people of Lapland were the Sámi, and they were referred at the time as Lapps. During the 19th century, Clarke wrote, “The Laplanders, or Laps… constitute the only remaining branch of the ancient inhabitants of Finland … (1824a, p. 328-329).”

Traditional principles of Sámi entrepreneurship included the absence of land ownership and the absence of labour markets. The right of ownership was substituted by traditional usage rights to certain areas, often sequential. Land was neither bought nor sold. Likewise, manpower was not a good that could be bought and sold. The economic system was based on mutual exchange of services within the clan. Clarke wrote of the Sámi, “in their dealings demand specie, refusing the paper-currency of the country whenever it is offered Clarke (1824b, p. 169).”

In parallel, during the 19th century, Youatt wrote about the sheep business: “The milk and the wool were the only products for which this animal was domesticated, and for which, in some parts of the world, he is even at the present day bred. In proportion, however, as agriculture has improved, the milk of the sheep has ceased to be an article of human sustenance, and has been appropriated to its natural purpose, the food of the lamb (Youatt, 1866, p. 43).” In contrast, the Sámi made use of the entire reindeer, including its milk. Clarke (1824b) described the milking of “hundreds (1824b, p. 171)” of reindeer nightly. Ruong confirmed that reindeer milk used to be “an important item of food (1967, p. 31)” for the Sámi people.

Whereas the siida was the traditional unit of Sámi reindeer herding, in Finland in 1898 the Russian state initiated significant structural changes. Reindeer owners, be they Sámi or Finns, were required to establish geographically defined herding cooperative profit-making reindeer herding units. These will be discussed below.

Fisher observed, “When a reindeer is killed, every part of the carcass is utilized (1939, p. 648).” Reindeer hides were used for clothing and for shelter. The skin from a reindeer’s legs, referred to as bellingar, was used to make winter boots, sewn with thread of sinew. Antlers and bones that could not be eaten were turned into utensils. As Beach explained, “Reindeer antler, when mature and hardened, affords a strong material for innumerable uses (1990, p. 255).”

With regards to the size of a flock of sheep, Wrightson noted, “A flock of a thousand ewes is unquestionably a valuable property. Such a large flock…is maintained upon about 1,000 acres of land…Where 1,000 stock ewes are kept 1,100 lambs may be reasonably looked for (1905, p. 195).” In contrast, Whitaker wrote, “a family of 3 would require 20 reindeer for their own personal needs (i.e., food), apart from those sold to bring in income (1955, p. 35).” Usually, between 10 percent and 20 percent of the herd consisted of draught reindeer. Olson described reindeer transport during the 1930s, “In descending a very steep grade, the reindeer is hitched behind the sleigh. The animal
resents being pulled by the head and digs his forefeet into the snow, thus providing effective breaks (1938, p. 512).”

The Sámi in Finland were victims of Second World War (1939-1945), in particular the Skolt Sámi who were resettled due to boundary changes between Finland and the Soviet Union, see Ingold (1976) and Pelto (1962). In the post-war time Sámi still had a fully traditional resource use. According to Itkonen (1951), an average-sized Sámi family required 300 reindeer to support its members. Shor and Shor stated, “Twenty females are the minimum for a practical herd (1954, p. 269).” Shor and Shor noted the speed of reindeer, “In winter the splay-footed beasts pull Lapp polkas 10 miles an hour on long trips, easily reach twice that speed on shorter stretches (1954, p. 280).” Until the 1960s, draught reindeer were given names; when too old to travel, they were slaughtered and eaten.

In 1962, the Sámi of Utsjoki were the first in Finland to use snowmobiles in their herding. As noted by Pelto and Müller-Wille, “The use of reindeer sleds for any sort of transportation was almost completely obsolete by 1967, and even economically marginal households throughout northern Lapland found means to purchase machines during the late 60s (1972/3, p. 119).” Draught reindeer were completely replaced by snowmobiles (Hukkinen, Heikkinen, Raitio, and Müller-Wille, 2006; Müller-Wille, 1978; Müller-Wille and Pelto, 1971; Pelto, 1973. Lenstra observed, “reindeer herding has undergone over the past 10-15 years a change from a subsistence economy to an increasingly pronounced financial economy (1978, p. 43).” Pelto (1978) described such change as the de-localisation of resources. Herding activities became increasingly mechanical as the reindeer economy became a meat production business. Direct dependence on nature and on the traditional family business was reduced. Thus, traditional subsistence self-employment discussed by Barth (1952) yielded to a cash sector. Beach wrote, “Money economy is no longer simply an attractive alternative affording luxuries and new comforts, it is a vital need (1993, p. 25).” Burgess (1999) found that although nobody lives exclusively from fishing, this provides a supplementary source of income and food. A problem, however, is that substantial commercial fishing has overfished some waters. Some Sámi people must now buy fish and meat. Lee, Press, Lee, Ingold and Kurttila (2000) reported on reindeer herding in Finland at the turn of the millennium, noting that of about 7,000 reindeer owners in Finland, two-thirds owned fewer than 25, and 7 percent owned 100 or more, and that “Although many Saami herders have additional employment, reindeer herding is still regarded as being of high cultural importance (Lee, Press, Lee, Ingold and Kurttila, 2000, p. 103).”

Heikkinen (2006) observed three categories of cultural adaptation models among reindeer herders of the 21st century: (i) traditional models of reindeer herding emphasising variables such as the Indigenous; (ii) economic models; and (iii) adaptation avoidance models, such as the “opposition to change” and “profit or quit” models. As European Union regulations impacted reindeer herding in Finland, participants in a study of Sámi reindeer herders in Finland (Dana and Dana, 2007) expressed concern about the impact of external pressures on reindeer herding.

4. Community-based Reindeer Herding in the Literature
Mason defined community as “a group of people who share a range of values, a way of life, identify with the group and its participants and recognize each other as members of
that group (2000, p. 21).” Much has been written about the community-based nature of reindeer herding among the Sámi.

Fisher suggested, “Here we find the usual order of things reversed, man’s life being ruled by an animal’s needs (1939, p. 641).” Unlike individualistic entrepreneurship that exists in scenarios where the entrepreneur is independent, Sámi reindeer herders have always owned their reindeer individually, but herding has traditionally taken place within a siida, which informally unites entrepreneurs into a working community. The siida – the plural of which is siidât – does not claim to be democratic; rather, solutions are reached by consensus and for this reason cooperation is essential. Manker explained “Siida is a normalized form of the Lappish term for ‘the group’, a group of families who migrate together, have their reindeer in a common herd and their dwellings in the same place (1953, p. 13).”

Whitaker wrote, “The natural basic unit of Lappish society is the elementary family (1955, p. 37).” He described the siida as, “the herding unit. It is basically a group of reindeer owners who cooperate for the purposes of maintaining their herds together as a single working entity and dividing the work of herding among themselves, but the term is also used to connote the tents and persons as well as their herd (Whitaker, 1955, p. 54).” He elaborated, “that the individuals retain all property rights over their reindeer, and their right to leave the unit at any time (Whitaker, 1955, p. 54).” He also noted, “The basis of the sii’dâ is a network of kinship ties (Whitaker, 1955, p. 57).”

Haetta wrote, “The Sámi people have always had common ownership, land belonging to the group, siida. This is advantageous and necessary because stocks of fish, game, valuable fur animals and other resources are unevenly distributed within a district. Dividing the land into private sectors would be difficult and pointless. If land were individually owned and could be passed on to children, the size of each piece would soon become smaller and smaller from one generation to the next. Finally, individual families would not have enough land to maintain their semi-nomadic way of life (1996, p. 21).”

Jääskö elaborated on the importance of kin, “it should be noted that the most effective and most durable economic unit in reindeer herding is not the reindeer woman or reindeer man, but the family (1999, p. 36).” Tuisku wrote, “The most important characteristic of pastoralism is that it is a predominant economic activity in which the whole family participates (2002, p. 101).” Turi (2002) confirmed that a crucial element in the organisation of reindeer herding is the siida, which he defined as a working community consisting of one or more families. Riseth (2009) listed the regulatory principles of Sámi herding society: (i) the autonomy of the husbander, in “that all husbanders are their own masters (p. 128)”; (ii) the social bonds of the extensive kinship system, resulting in “a network of mutual obligations through genetic and social safety net (p. 128)” ; (iii) partnership and siida solidarity; (iv) dialogue and consensus; and (v) responsibility toward the land and the spirits.4

Bjørklund added, “the siida represents a flexible cooperative unit between people and animals (Bjørklund, 2004, p. 126).” Flexibility is crucial; in the winter, when a pasture might not sustain a specific herd, a Sámi strategy is frequently to divide the herd into smaller ones and to move each to a different area. “The strategy of the pastoralists is

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4 Man, society and nature are viewed as interconnected. For a discussion of the land and the spirits of the Lule Sámi, see Rydving (1993).
never to be in a position where the size and composition of the herd is not in proportion to the available labour and pasture (Bjørklund, 2004, p. 126).”

As is evident from the above, unlike entrepreneurs who compete against one another in other cultural contexts, the success of each Sámi reindeer herder has traditionally been dependent on the mutual cooperation of reindeer herders. The community-based siida continues to be central to reindeer herding. Dana (2008), focused on cooperation within the Sámi siida in Norway.

While the siida continues to be the folk model of reindeer herding in Finland, reindeer husbandry units each called paliskunta (plural = paliskunnat) are the only legally representative organisations of reindeer herding in this country (Heikkinen 2006). A paliskunta is actually a cooperative of reindeer herdsmen administering a defined herding area, within a system of associational management among self-employed reindeer owners. Beach wrote, “A paliskunta is a type of economic cooperative with a communal treasury to which members pay according to their reindeer herdings (1990, p. 277).” Heikkinen explained, “The paliskunta system spread from southeast to north from the beginning of the eighteenth century to the end of nineteenth century. It was established in the areas of small-scale reindeer herding and influential peasant culture, because the communally organised paliskunta system was developed initially to take care of multiple, but small reindeer herds of permanently settled population with a complex livelihood structure. The cooperative paliskunta system confronted prolonged resistance mainly in the areas of nomad Sámi culture, which were organised with their own reindeer village (Siida) system that, for example, emphasised kin organisations and year-round tending of reindeer…(2006, p. 189).”

Myrvoll (2004) compared different paliskunnat. She observed, “The co-operatives are organized differently between districts and regions. The further south in the reindeer herding area, the more co-operative management one will find (Myrvoll, 2004, p. 101).” More recently, Heikkinen wrote, “Reindeer herding is an old and impressively adapted livelihood supporting a unique cultural continuity of both Sámi and Finnish populations in northern Finland… Reindeer herding in Finland has developed rather differently than in its Scandinavian counterparts…reindeer herding is based on the ‘paliskunta’ system rather than that of Sámi villages…the majority of herders are Finnish… In Finland the development of reindeer herding can be divided into two main streams: firstly, a western tradition that developed from or in contact with the nomadic Sámi herding, and secondly, an eastern, somewhat older tradition, of small-scale reindeer herding originally practised by the Forest, Inari and Skolt Sámi and later on by Finnish peasants. An essential trait of all these latter cultures was that they combined several livelihoods (fishing, hunting, smallscale farming, herding, etc.). This eastern tradition in Finland utilised reindeer mainly as a transport animal, but also as a source of subsistence production of meat, pelts and bone. Important also is that almost all families had some reindeer, but only a few had plenty of them…(2006, p. 187).”

Heikkinen, Lakomäki, and Baldridge (2007) interviewed Sámi and non-Sámi reindeer herders, with a focus on sustainability and neo-entrepreneurial development. Among the most recent studies of reindeer herding in Finland is Heikkinen, Sarkki, Jokinen, and Fornander (2010); they identified problems created when applying international standards in a reindeer herding region.
5. Methodology
Entrepreneurship research has traditionally been quantitative in nature, and dominated by the logical empiricist paradigm, assuming absolute knowledge, independent of cultural, social and political factors; findings which are not directly linked to the predetermined hypotheses are often ignored. However, hypotheses may have a cultural bias, and cultural variables are open to interpretation (Geertz, 1973; 1983). Crozier and Friedberg (1977) suggested that to understand the role of culture and the general population from which entrepreneurs emerge, a more effective research strategy should involve an inductive approach with qualitative interpretation. This paper is based on interviews, with no pre-determined hypotheses.

Whitaker wrote, “there are several cases of daughters being given a handsome number of reindeer as a sort of dowry by wealthy parents; the actual amounts involved are however seldom divulged (1955, p. 40).” A big herd provided people with security, but actual numbers were not discussed with strangers. In fact, asking a Sámi person how many reindeer he has may be perceived as culturally insensitive. To avoid uncomfortable situations, potential participants were consulted during the creation of the survey instrument used in this study. The specialised questionnaire, as recommended by Bherer, Gagnon, and Roberge (1989) was then sent for approval by local leaders with expertise on cultural sensitivity.

With the objective to learn about entrepreneurship conducted by individuals for mutual gain (Bull and Winter, 1991; Johannisson and Nilsson, 1989; Light and Karageorgis, 1994; Lyons, 2002; Selsky and Smith, 1994; Spear, 2006), approved questions related to community-based reindeer-herding and also to other business activities conducted by reindeer owners. Viewing entrepreneurship as a societal phenomenon rather than as a purely economic activity (Steyaert, 2007), questions inquired about non-economic causal variables as well as economic goals. Actual participants were selected by means of snowball sampling (Goodman, 1961; Müller-Wille and Hukkinen, 1999). For the purposes of this study, Sámi identity was based on self-identification. Triangulation was used to cross-validate (Patton, 1982; 1987; 1990).

Heikkinen (2007) included both Indigenous Sámi and Finnish reindeer herders from the mainstream population. Heikkinen, Lakomäki, and Baldridge conducted “semi-structured interviews in 17 enterprises run by both Saami and Finnish reindeer herders (2007, p. 25).” Accepting that entrepreneurship is embedded in a social context (Aldrich and Zimmer, 1986), the present paper is likewise based on semi-structured interviews with entrepreneurs from the mainstream Finnish population as well as with Sámi entrepreneurs in the same sector. All participants were reindeer herders, but some were also involved in other professional activities or occupations.

6. Findings
Participants in this study signed a release form and were assured anonymity in this paper. For this reason, no names are provided below. The oldest participant was born in 1939. The youngest was 12 years old. All interviewees were self-employed reindeer-herders, but some also had some unrelated expertise; formal education levels ranged from “almost nothing because I learn from parents” to “I am a qualified engineer.” Some had experience as employees, e.g., “I worked two months when I was 16.” One Sámi
respondent claimed he had always been a subsistence hunter and fisherman, with minimal activity in the formal economy.

The first question that participants were asked was what (or who) motivated them to become self-employed. In most cases – Sámi and non-Sámi alike – there was mention of a family member or other mentor. However, most Sámi reindeer herders in the sample also added something related to ethnicity and/or cultural traditions. Answers provided by Sámi interviewees included:

- “Every Sámi should have reindeer.”
- “I come from a prominent tradition of reindeer herders.”
- “I married a Sámi so I had to become a herder too, to be accepted.”
- “Tradition!”
- “It is in our culture.”
- “I follow the footsteps of my father.”
- “We learn this as children.”
- “It makes me proud to be like my ancestors, especially if I have a large herd.”

Sámi respondents often referred to social capital, e.g., “The family is set up for this.” Reference was also made to human capital, e.g., “This is what I learned when I was infant doing this.” Cultural capital was evident, e.g., “This is my interest since ever.” All of the Sámi interviewees declared that they had relatives who owned reindeer; this was not the case among non-Sámi respondents.

Every Sámi respondent mentioned his or her siida and it was clearly explained that reindeer-related knowledge is part of the vocational culture in a siida; reindeer herding expertise is stored in the cohesive group. Among Sámi participants, the siida continues to be the common vehicle of community-based entrepreneurship. In contrast, content analysis of interviews with non-Sámi entrepreneurs who are equally involved in the reindeer sector suggests they use the word *paliskunta* much more frequently than their Sámi counterparts who focused on the siida.

When asked about employees, most respondents said that other than family members they had “only occasional” or “seasonal” employees if any, and intended to have the same after five years. When asked about technology, elder participants expressed concern about “a double-edged sword” that “creates needs and expenses.” Sámi participants emphasised the importance of reciprocity within the siida. “Within a siida one sees an exchange of services and obligations rather than exchange of money,” explained one Sámi interviewee; given that the social network can enforce sanctions, reciprocity is ensured – with no free rider problem.

All participants, regardless of ethnicity, expressed that they enjoyed reindeer herding. Several said they would have liked for their herds to be bigger, regardless of whether this would enhance their material well-being. None stated that they were pushed into the sector. With regards to their views on government, views were mixed. These ranged from “The government does not do enough to help us,” to “There are too many regulations.” There did not seem to be any relationship between government views and ethnic background.

When asked about propensity for risk, one Sámi respondent explained, “Being an employee has more risk because you can get fired.” A non-Sámi participant responded, “The greatest risk is if we get a loan so we stay away from that.” Another Sámi
interviewee stated, “Risk is not desirable but it is inevitable, so we do another business too and that reduces risk.”

Several respondents, mostly women, explained that supplementary income was required, “especially when the price of meat is low.” This was obtained from diversification into other activities, in addition to reindeer herding. These included: carving, exporting reindeer hides, felt-making, fishing to supplement the sale of reindeer meat, handicrafts, jewellery, real estate investment, retailing, teaching, and tourism-related activities. In some cases, the secondary enterprise involved a high degree of internationalisation. One Sámi had a strategy of vertical integration, selling reindeer-related handicrafts and exporting reindeer antlers to Asian markets. Several respondents mentioned that “exports depend on the Internet.”

Participants were asked where they saw themselves five years into the future. There were some interviewees who liked the status quo. A Sámi herder stated, “This is not business that we change. This is our way of life. I will herd even if reindeer bring no money.” Another Sámi herder said, “No change hopefully, but we are worried if they replace our activity by large-scale reindeer ranching.” A non-Sámi interviewee stated “exactly as now, provided the money is good.” Across cultural groups there was also mention of diversification: A Sámi participant replied, “Not all the eggs in same basket. I will follow opportunities, in addition to reindeer.” A non-Sámi respondent said he wanted to diversify into tourism, in addition to running his carpentry business and part-time herding. Other non-Sámi participants were willing to “give up reindeer altogether” or “do only what makes the most money.” For these, profitability seemed more important than owning reindeer.

One Sámi participant who was a part-time reindeer herder stated that he relied on his hotel to provide him most of his income. Although he had been “pushed” into the hotel business because traditional reindeer herding did not provide the cash necessary to maintain the standard of living that he chose for himself, his goal for the future was to become a full-time reindeer herder. Among elder interviewees, several expected to be retired in five years. In contrast to Sámi respondents who said things along the lines of “I will give the business to the children,” non-Sámi participants used the phrase “sell the business.”

7. Discussion
Penrose wrote, “The fact that businessmen, though interested in profits, have a variety of other ambitions as well, some of which seem to influence (or distort) their judgment about the ‘best’ way of making money, has often been discussed primarily in connection with the controversial subject of ‘profit maximization’. From our point of view it will be useful to distinguish two broad types of entrepreneurial ambition, which are difficult to define with any precision, but which will be easily recognizable from a brief description…There are some entrepreneurs who seem to be primarily interested in the profitability and growth of their firm as an organization for the production and distribution of goods and services…Another type of entrepreneur, whom we might call the ‘empire builder’ is of a different order (1959, p. 39).” The present study likewise found two sets of ambitions. The analysis of findings indicates the existence of non-Sámi

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5For a discussion of women in the sector, see Karlstad et al. (2002), Joks (2007), and Reindriftsforvaltningen (2010).
reindeer herders who indicated their goal as maximising profits, whether in the reindeer business or any other; as well, there are Sámi participants who are reindeer husbandry entrepreneurs more for the reindeer aspect than for economic profit maximisation. This is consistent with the findings of Jernsletten and Klokkov who stated that for some people, “reindeer husbandry forms a ‘way-of-life’ more than a ‘way of production’...(2002, p. 21).” Indeed, subsistence resource harvesting has a traditional value that is not measured in currency.

In the words of Ingold, “Whereas pastoralism recommends a man to slaughter only the minimum of deer needed to maintain his family, stock-rearing requires him to leave alive only the minimum needed to maintain his herd (1978, p. 121).” Paine (1988) noted that reindeer have their own social organisation, and Beach added that “Herders sensitive to … aspects of reindeer social life are able to use them to control the deer…Traditional herders do not force the reindeer if need be, but they often know how to achieve the desired result by utilizing the herd’s own propensities and instilling in it the desired behaviour pattern…Of particular note is the ever-increasing integration of reindeer pastoralism with the cash economy and the wider network of marketing that it entails. The application of cost/profit concepts to herding results in pressure to ‘rationalize’ what is now often considered the ‘herding industry (1990, p. 258-261).’ The same is true today; Sámi herders expressed to the authors a pride related to having a large herd, regardless of impact on profitability. Again, the present study suggests support for Jernsletten and Klokkov who indicated, “that the self-esteem and self-respect of the people involved in reindeer husbandry is strong, even increasing (2002, p. 21).” From the present study it could be generalised that in contrast to ethnic-Finnish entrepreneurs who wished to maximise profits in the reindeer meat industry, Sámi respondents expressed interest in non-monetary factors as well as economic profit.

Nevertheless, Sámi participants in this study acknowledged the importance of profit, and many were pushed to enterprise in other sectors, in order to supplement profits from reindeer herding. This supports findings of Lee, Press, Lee, Ingold and Kurttila who observed, “Reindeer herding is an important source of income for the Sámi, bringing in between half and three-quarters of their gross earnings. However, this income has to be supplemented by agricultural and forestry work, as well as cash-earning jobs (2000, p. 101).” Findings are also in line with Labba and Jernsletten, who wrote, “When the price of reindeer meat decreases, this does not automatically mean that the reindeer owner will sell a larger amount to compensate for the economic losses caused by the price decrease. Rather the opposite: the reindeer owner sells a smaller amount and compensates with money earned from other income sources (2004, p. 136).” Bosted (2005) found that reindeer herders in Sweden had backward bending supply curves, in a quantitative study only 37 percent of the reindeer herders would increase their slaughtering at increasing prices, whereas Ulvevadet (2000) found that Sámi herders in Finnmark, Norway would not change their economic strategies to achieve governmental subsidies. Labba and Riseth (2007) in a quantitative study found that Sámi reindeer herders in Sweden and Norway had varied economic strategies depending on contextual variables, but there definitely had to be other factors than economic profitability that made Sámi herders stay in a low profit business (cf. Riseth, 2006). Nordin (2007) in a following qualitative study concluded that traditional values and ideological motivation are more important for Sámi herder households than reindeer herding economic profitability.
Sámi participants in this study commented how recruitment and training for reindeer-herding in their communities was unlike meat production among non-Sámi who might employ non-family members. “Our children learn on the job since they are tiny small,” explained one respondent. Another said, “They learn everything in the siida and when they grow up, our children will know our business better than they could ever learn in the school.” This supports Helander (1999) who discussed how Sámi reindeer herders were trained on the job; and also Ruotsala who explained, “Often an important factor is that this is a profession passed down from generation to the next, primarily from father to son, which is carried on in the same place as the previous generation (1999, p. 43).” This also supports Bjørklund who wrote, “Traditionally, Saami cultural arrangements had taken care of recruitment into pastoral society. Animals were allocated to children during certain ritual occasions… Along with the gift also came the responsibility of being a reindeer owner. Children learned how to take care of their animals and were thus socialised into the world of reindeer pastoralism. When the time came to marry, both spouses were in possession of knowledge and enough animals – together with the animals given to them as wedding gifts – to make it possible to establish themselves as their own husbandry and perhaps herding unit (2004, p. 133).”

Let’s consider the four capital resources: (i) financial capital; (ii) social capital; (iii) human capital; and (iv) cultural capital. Bourdieu (1980) pioneered the concept of social capital, defined as “the aggregate of actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationship of more or mutual acquaintance and recognition (1986, p. 248).” To Coleman, social capital involved “a variety of entities with two elements in common: they all consist of some aspect of social structures, and they facilitate certain action of actors – whether persons or corporate actors – within the structure (1988, p. S98).” Putnam (1993) focused on social capital being a set of properties of a social entity, including trust and social networks that enables joint activities and cooperation for mutual benefit. Putnam, Leonardi, and Nanetti suggested, “Voluntary cooperation is easier in a community that has inherited a substantial stock of social capital, in the form of norms of reciprocity and networks of civic engagement (1993, p. 167).” More recently, Rušinović (2006) emphasised the fact that social capital provides access to formal and informal social networks that facilitate and support entrepreneurship. Winsa (2007) focused on the social capital among Indigenous Sámi people. Rønning stressed the distinction between “business-related and civil society-related social capital (2009, p. 232).” As discussed by Becker (1964), skills that are acquired on the job fall in the category of human capital. The fourth form of entrepreneurial capital is cultural capital (Light, 2004), as exemplified by Weber (1904-5). This refers aptitudes, beliefs, customs, habits, interests, and lifestyles. In contrast to non-Sámi respondents who mentioned financial concerns, Sámi participants in this study made reference to social capital; human capital; and cultural capital specific to their Indigenous background.

8. Toward the Future
As observed by Weber, “Reindeer thrive under conditions and on fare that would quickly exterminate less hardy animals (1939, p. 481).” Although reindeer do not need humans, “The reindeer, although independent by nature, is amongst the easiest of animals to tame. It is of gentle disposition, of manageable size, and appreciative of the comforts that
association with man can provide (Ingold, 1980, p. 97).” Over time, the species “has been tamed as a decoy animal to lure its wild brethren into the hunter’s grasp. It has been used as a pack animal over bare ground and as a sled-pulling draft animal in winter (Beach, 1990, p. 255).” Nowadays reindeer are herded for their meat. Reindeer meat is fine-fibred, and lean; it contains unsaturated oleic acid, found to reduce dangerous cholesterol levels. A kilogram of reindeer meat contains more protein, more vitamins and more minerals than the same quantity of beef. When compared to beef or pork, reindeer meat is particularly richer in calcium, magnesium, manganese, nitrogen, phosphorus, potassium, silicon, sulphur, and zinc. Reindeer meat contains at least five times more selenium than does beef.

Using the words of Barth, “Let us therefore provisionally focus on the differing character of pastoral and agricultural activities (1973, p. 12).” This paper has focused on cooperative entrepreneurship in the context of the folk model of reindeer herding, i.e., the siida, and in the context of the paliskunta. Sámi reindeer herders, who were interviewed during this study, are concerned that community-based, pastoral self-employment may soon be phased out in favour of agricultural reindeer business. As argued by Beach, “In the Soviet Union large-scale reindeer ranching already exists, but in Fennoscandia growth toward ranching can be painful for the Saami. They face a difficult dilemma: large market-oriented ranching businesses seem to promise the best economic return (especially in the light of state policies fostering this development), and, with a rapidly rising cost of living, increased profits are most attractive. At the same time, traditional Saami social relations, with private ownership of reindeer…do not support such a move (1990, p. 295-296).”

Today, in Finland, reindeer are herded by part-time herders and by full-time herders. Although reindeer are individually owned, an individual cannot herd alone. Some herders identify themselves as being Sámi while others not. Sámi herders indicated to the authors that, unlike Western-style meat-production, their community-based reindeer herding involves more than the maximisation of economic profit. They view herding as an expression of traditional cultural values and they value the communal activity revolving around the family. Interviews suggest that, with a preference for work within the natural portion of the value chain, self-employed Sámi people have been pulled to community-based reindeer herding because of social conditioning including a close relationship with animals, but pushed into individualistic secondary enterprises, in order to make a living without leaving their traditional area. The importance of culturally-influenced preferences should not be neglected by policy-makers.

The relevance of our finding has been demonstrated by a conflict in Nellim, Ivalo Paliskunta. The essence of the conflict was that three Sámi brothers refused to fullfill their slaughter requirement set by the Paliskunta as they had a lower production having their animals on natural pasture; not using supplementary feeding as the non-Sámi herders. The conflict, which is part of a larger conflict including differences in economic adaptation between Sámi and Finnish herders (Raitio 2008), went to court and was spring 2010 still not resolved (Ari Laakso, pers. comm.).

9. Policy Implications
A discussion of policy options needs to be related to general possibilities and constraints of modern reindeer herding as well as the specific context of Finland. Modern motorized
and market based reindeer herding basically face a double challenge: (1) a rising subsistence minimum (Beach 1981, Riseth 2009), similar to the problem of the Agricultural Treadmill (Cochrane 1958, Levins and Cochrane, 1996); i.e. a propensity that a herder household year by year needs an increasing number of reindeer to cover necessary costs, and (2) shrinking lands, in Finland and Sweden in particular caused by large scale forestry; the overall outcome becomes a economic squeeze that requires increased income/efficiency. This challenge can be met by different policies, and a comparison with neighbour countries can be useful.

Finland and Sweden have both been EU-members since 1995; the membership requires subsidies to reindeer herding but the two governments have chosen different schemes. In Finland, full-time reindeer herders receive a headage payment and a relative low total level of support. The minimum number of animals to receive the payment is increasing. In Sweden the government provides a price support per slaughtered animal\(^6\), which amounts to about 20% of the net income from reindeer meat. In years of difficult winter pasture conditions, the governmental pay a partial support of supplementary feeding expenses. Both\(^7\) countries have compensations for loss of reindeer due to predators, traffic (trains and cars), and radioactive contamination\(^8\).

The non EU-member country Norway has an extensive scheme of subsidies including direct support divided into several arrangements\(^9\). The support level is high but to be eligible for direct support general conditions as a minimum production and a herd size below a maximum quota have to be fulfilled. For some particular subsidies, general preconditions were included in the rules, e.g., to fulfil a so-called slaughter requirement equal to a calculated annual production\(^10\). The subsidy scheme is based on a General Agreement for the Reindeer Industry\(^11\) (from 1976) between the parties; the Ministry of Agriculture and Food and Norgga Boazosâmpelaččaid Riikasearvi (The Sami Reindeer Herders’ Association of Norway). Since 1977 the parties perform annual negotiations about levels and conditions for a scheme of subsidies (Riseth et al. 2003).

In Finland, the herder cooperatives (paliskunnat) are represented by the umbrella organization Paliskuntain Yhdisthys (The Reindeer Herders Association) which has the objective: “The role of the Reindeer Herders’ Association is to direct reindeer husbandry, develop reindeer herding, promote research into it, and to handle reindeer husbandry relations with the rest of society”(Paliskuntain Yhdisthys, 2010). Reindeer herders interviewed by Laakso (2002) felt that the association is “only a subordinate of the Ministry of Agriculture and Forestry promoting the Ministry’s organisational goal and

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\(^6\) to increase calf slaughtering, the support per kilo is about 60% higher for calves than for adult animals.

\(^7\) As well as in Norway

\(^8\) due to the Chernobyl accident 1986

\(^9\) Main types are: Production support, calf slaughter support, early slaughter support, operation support, spouse support, district support, and freight support (It is important to note that reindeer management in Norway has not received direct price support since 1992) In addition, there is a development fund governed by a board which administer funding for planned development actions both from individual herders and districts. Firms in the reindeer slaughter business, research and extension projects have also received considerable contributions. Specific subsidy arrangements were made to promote for example increased production, investments in necessary fencing facilities etc. Moreover, extra-ordinary support can be provided in difficult situations

\(^10\) I.e. rules of the type “if you do not adapt to this rule you do not receive your intended portion of this pot of money.”

\(^11\) with explicit political objectives focusing optimising meat production and sustaining the natural resource base
controlling the herding cooperatives” and that “(t)he herders …expressed the need for an organisation for the individual herders that would be independent of the autocratic system or reindeer herding management” (Laakso, 2002:88). The herders stating this critique assert that the Ministry and Paliskuntain Yhdistys have the goal to “centralize reindeer herding and make it a primary industry for fewer herders” via the subsidy system and the quota system (Laakso: 2002:90).

Seen in comparison, there are clear indications that Finland is the one of the three Nordic countries that most clearly has chosen a policy that stimulates the continuation of the underlying tendencies of reducing the number of herders.

10. Conclusion
We found that self-employed Sámi people have been pulled to community-based reindeer herding because of social conditioning including a close relationship with animals, but pushed into individualistic secondary enterprises. Seeing this finding in the perspective of general herding policy, suggests that Sámi herders in Finland face a double challenge. Firstly, Finland seems to be one of the Nordic countries where the pressure on herders to act profit-oriented is highest. Secondly, unlike her neighbouring countries Sweden and Norway, within in reindeer herding in Finland Sámi are but a minority, while an overwhelming majority in Norway and Sweden. Accordingly, it seems as Sámi herders in Finland need specific protection for performing their business in accordance with their cultural values. We hold that the basic requirement for improved conditions for Sámi cultural values in reindeer herding would be recognition of Sámi cultural values in legislation. Maybe adoption of the proposed Nordic Sámi Convention12 could help. Further, there will be a need to discuss the implementation in practical management.

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