

**Please cite the Published Version**

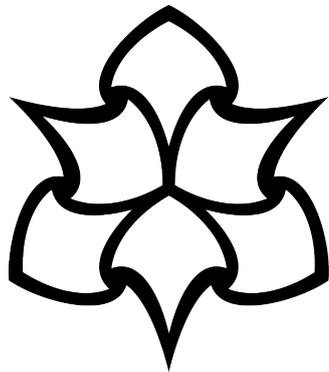
Nowak, Victoria (2016) Understanding entrepreneurship in low-income communities: A substantivist approach. In: 2nd EMES-Polanyi International Seminar 'Societies in transition – Social and solidarity economy, the commons, public action and livelihood, 19 May 2016 - 20 May 2016, Paris, France.

**Version:** Accepted Version

**Downloaded from:** <https://e-space.mmu.ac.uk/624189/>

**Enquiries:**

If you have questions about this document, contact [openresearch@mmu.ac.uk](mailto:openresearch@mmu.ac.uk). Please include the URL of the record in e-space. If you believe that your, or a third party's rights have been compromised through this document please see our Take Down policy (available from <https://www.mmu.ac.uk/library/using-the-library/policies-and-guidelines>)



**Manchester  
Metropolitan  
University**

---

[Nowak, Victoria](#) (2019) Understanding entrepreneurship in low-income communities: A substantivist approach. In: 2nd EMES-Polanyi International Seminar 'Societies in transition – Social and solidarity economy, the commons, public action and livelihood, 19 May 2016 - 20 May 2016, CNAM, Paris. (Submitted)

---

**Downloaded from:** <http://e-space.mmu.ac.uk/624189/>

Please cite the published version

<https://e-space.mmu.ac.uk>

## 2<sup>nd</sup> EMES-Polanyi International Seminar, Paris, 19-20 May 2016

### Axis 4 – Steps Towards Buen Vivir

**Title: Understanding entrepreneurship in low-income communities: A substantivist approach**

Author: Vicky Nowak<sup>1</sup>

Supervisors: Peter North<sup>2</sup>, Alan Southern<sup>3</sup>

<sup>1</sup> University of Liverpool Management School/Department of Geography and Planning, [v.nowak@liverpool.ac.uk](mailto:v.nowak@liverpool.ac.uk) <sup>2</sup> University of Liverpool Department of Geography and Planning, [p.j.north@liverpool.ac.uk](mailto:p.j.north@liverpool.ac.uk) <sup>3</sup> University of Liverpool Management School, [alan.southern@liverpool.ac.uk](mailto:alan.southern@liverpool.ac.uk)

### Abstract

This research seeks to widen the economic lens of mainstream research that defines entrepreneurship according to profit and growth and marginalizes much everyday and social entrepreneurship. This paper questions these assumptions by discussing business support in a low-income community in the UK. By introducing two cases, one based on mainstream heroic conceptions of entrepreneurship and another founded on alternative conceptions of entrepreneurship and economy that sees different types of enterprise potential in local people, it illustrates how success can be measured in terms of work-life balance, economic security, health, well-being and contribution to the local community, rather than by profits or growth. A Polanyian inspired substantivist approach to understanding entrepreneurship that pays attention to individual and community well being is introduced.

*Keywords:* everyday entrepreneurship; substantive approach; Liverpool; business support

### I. Introduction

While entrepreneurship research is illuminating, interesting and often provocative, it remains important to develop conceptualisation of entrepreneurship in order to achieve a deeper understanding of *all* entrepreneurial endeavours (Steyaert and Katz 2004). Entrepreneurs and entrepreneurship is portrayed in an overwhelmingly positive light, both in academia (Calas et al. 2009; Blackburn and Kovalainen 2009) and broader society (Drakopoulou Dodd et al. 2013). Encouraging businesses to set up in the inner city is thought to create employment and reverse decline, and has been positioned as the solution to regional inequality and the problems faced by low-income communities for over 30 years. Within the context of global economic shifts towards marketization and deregulation (Harvey 2005) and drawing on the work of Porter (1995), governments have abandoned welfare policies in favour of enterprise solutions to address social and economic problems in both developed and developing nations. The approach has failed to address poverty and deprivation in low-income urban communities (Southern 2011). Yet the image of the heroic

entrepreneur regenerating the inner city persists in academia, policy and practice. Drawing on case studies of business support, this paper questions normative assumptions of mainstream entrepreneurship research that take a narrow economic view, leading to the marginalisation of much entrepreneurial practice (Blackburn and Kovalainen 2009; Williams and Nadin 2013). It suggests an alternative substantive approach as helpful to further develop the contextual turn in entrepreneurship research (Down 2013). As contextual accounts tend to concentrate on immediate social and cultural contexts rather than understanding entrepreneurship as part of broader economic forces (Wadhvani 2012), this research proposes a quite different theoretical context. A substantive approach to entrepreneurship research considers how context is created, taking the construction of the formal and informal rules that govern the operation of society and economy into account (Polanyi 1957; Polanyi 1944).

## **II. Conceptualising entrepreneurship in low-income communities**

Entrepreneurship scholarship is dominated by research that takes a scientific approach, seeking to abstract and generalise from data, concerned with developing 'grand theory' (Davidsson 2013; Welter and Lasch 2008; Rosa 2013). A preoccupation with tightly defining entrepreneurship in order to delineate it as a field of research (Shane and Venkataraman 2000) has served to contribute to this narrow view and arguably led to an oversimplification of epistemological and ontological foundations (Calas, Smirchich and Bourne 2009). Calas et al (2009) critique the most widely used definition of entrepreneurship in the field<sup>1</sup>, on account of an economic focus that requires entrepreneurial firms to be 'profitable' and 'exploited through firms and markets', and on the conception of opportunities as objective phenomena (Calas et al. 2009:552). Placing opportunities as 'out there' waiting to be discovered supports the logic of entrepreneurs as having special abilities able to find and exploit opportunities for profit, giving credence to theories of entrepreneurial personality (Gartner 1989). This understanding can be traced back to abstract neoclassical assumptions of the economy that leads to reductive conceptualization. An influential and growing body of entrepreneurship scholarship agitates for more open methodological approaches, emphasising how research should be viewed as a 'societal phenomenon' grounded within context (Rosa 2013). This 'European tradition' (Davidsson 2013) critiques the dominant positivist views on the basis that complex statistical processes that involve 'stabilising' 'transformation' and 'normalisation' of large data sets in order to achieve an objective 'scientific' result detaches the research from reality (Hjorth, Jones, Gartner 2011).

A growing number of entrepreneurship researchers seek a deeper understanding of the social, cultural, political and economic environment (Welter and Lasch 2008),

---

<sup>1</sup> The definition most commonly adopted in the field is provided by Shane and Venkataraman (2000): "...the scholarly examination of how, by whom, and with what effects opportunities to create future goods and services are discovered, evaluated and exploited. Consequently, the field involves the study of sources of opportunities; the processes of discovery, evaluation, and exploitation of opportunities; and the set of individuals who discover, evaluate, and exploit them." (2000 p.218) This

recognizing that entrepreneurship is not just about business, but also about society (Hjorth, Jones, Gartner 2011; Steyaert and Katz 2004). Entrepreneurial choices, decisions, opportunities and motivations are influenced by factors outside the individual entrepreneur, with factors such as time, place and social networks identified as important (Davidsson and Honig 2003; Hoang and Antoncic 2003; Anderson and Drakopoulou Dodd 2007). To stay in touch with the reality of entrepreneurial experience context must be accounted for in entrepreneurship research and theory. An emphasis on the process of entrepreneuring rather than the individual entrepreneur allows contextual dimensions to be accounted for (Johannisson 2011; Moroz and Hindle, 2012:8), enabling researchers to consider the interrelated exchanges between the entrepreneur, their social networks, and their venture and the surrounding context (Lamine et al. 2015). Contextual approaches tend to concentrate on social context (Anderson and Drakopoulou Dodd 2007), often overlooking political and class aspects, while focusing on the influence of context upon entrepreneurship rather than questioning the structural interplay that creates context. Thus entrepreneurial network theories tend to consider the influence of social systems rather than questioning how these systems arise. While making a sustained effort to present real world lived experiences contextual approaches often fail to take account of underlying ontological and epistemological assumptions concerning entrepreneurship that privilege the promotion of entrepreneurship and assumes a connection between entrepreneurship and economic growth (Blackburn and Kovalainen 2009). Wadhvani (2012) identifies how Gartner's narrow definition of entrepreneurship as a 'process of new firm creation' restricts attention to micro issues such as entrepreneurial decision making and opportunity identification, rather than considering how entrepreneurship can be understood as part of broader economic structures and processes, as "*a process or function related to our understanding of capitalism*" (Wadhvani 2012:255).

Although the contextual turn in entrepreneurship research brings the dominant scientific approach into question, both approaches have contributions to make to understanding entrepreneurship (Davidsson 2013). Both also leave gaps. While contextual based approaches strengthen theory, with some notable exceptions (see for example Rehn and Taalas 2004; Steyaert and Katz 2004), they also continue to adopt normative assumptions concerning the benefits of entrepreneurship. Paralleling the economics field, entrepreneurship research can be criticized for an unquestioned dominance of neoliberal thinking that privileges the market, sidelines reciprocal entrepreneurial behaviours (Rehn and Taalas 2004), and marginalizes the public sector (Massey 2013; Southern and Whittam 2015). This thinking reinforces the withdrawal of welfare responses to urban problems, and reinforces the continued promotion of entrepreneurship as a solution to local economic development that will address the multiple deprivation experienced by those living in low-income communities (Southern 2011). However, to understand the place of entrepreneurship in low income communities there is a need to consider the relationship between entrepreneurship and productivity and growth of capitalist economies, and how entrepreneurship affects and is affected by structural change (Wadhvani 2012:227).

### **III. Entrepreneurship and industrial restructuring**

The thirty years following World War II saw a period of economic stability for the USA and western Europe, perceived as a 'Golden Age' of capitalism associated with high levels of growth and employment, reduced inequality, improving living standards and social stability (Glyn et al. 1990; Elam 1990). The 'Fordist' political-cultural framework of this period was characterised by mass-production and mass-consumption supported by a range of cultural and state structures that helped to create an efficient and productive workforce creating hegemony (Gramsci 1971). Crises emerged during the late 60's and early 70's with social protests over US involvement in Vietnam, declining productivity, rising inflation, the oil crisis, and increasing unemployment as 'baby boomers' reached working age (Peet and Hartwick 1999). There was a revived interest in economic cycles to explain the change and instability including Schumpeter's clustering of entrepreneurial innovation, Mandel's explanation of the cyclical nature of capitalism, and the regulationist approach that considers the economic system in relation to society and institutions (Schumpeter 2000; Mandel 1972; Aglietta 2000; Aglietta 1979). Theories revealed consensus that the economic crises of the 1970's could be explained by the industrial restructuring that was taking place comprising major technological changes, industrial restructuring and opening up of global markets that involved production being outsourced to developing countries to cut costs and governmental changes in their approach to economic management (Hirst and Zeitlin 1991). With Keynesian policies unable to address the ensuing stagflation, critics launched an ideological attack on social welfare policies and market interventions that addressed inequalities. This heralded a shift in the course of economies towards marketisation, deregulation and a rolling back of the state (see for example Hall, 2011; Harvey, 2005).

Interrelated with restructuring governments turned to their attention to the small firm as key job creators (Curran and Blackburn 2001), highlighting the role of the entrepreneur supporting a policy shift towards increasing the supply of entrepreneurs (Birch 2000), that departed from approaches targeting industries or localities hitherto adopted (Bolton Committee 1971). Entrepreneurship became associated with economic growth, whether through an ability to respond quickly to niche markets (Piore and Sabel 1984), or creating opportunities through innovation (Freeman and Perez 1988; Thurik et al. 2013), entrepreneurs became seen as key to revitalising depressed areas (Porter 1995). These utopian views of entrepreneurship assumed the market represents a natural order, emerging organically thus preferred and beneficial to 'unnatural' market interventions. Whether all entrepreneurship is beneficial to the economy can be questioned (Calas et al. 2009), particularly when 'successful' companies that epitomise normative entrepreneurial ideals (such as Google, Apple and Starbucks) are lambasted for tax avoidance (Fortune 2016), associated with sweatshops, child labour and creating environmental degradation in the global south (The Daily Telegraph, 2010), and a global rise of the precariat (Lee and Kofman 2012). Multi-nationals appear not have a commitment to people or places, withdrawing from areas in response to dips in global demand, creating untold misery and industrial decline for those left behind, rather than displaying long-term vision or commitment. This is not to suggest that all entrepreneurship is bad, but to

reinforce that it varies, and we should not be blind to the possibility that it may also be destructive (Jones and Murtola 2012). This makes space for a view of entrepreneurship that highlights how markets are constructed or 'instituted in society', and questions the extent to which the market (and thus entrepreneurship) is beneficial for society.

## **V. A Substantive Approach**

Although a number of scholars have highlighted the variety of entrepreneurship both within society and academia (Ramoglou 2013; Drakopoulou Dodd et al. 2013), a tendency to assume a rosy view of the benefits of entrepreneurship persists (Blackburn and Kovalainen 2009). Whether the entrepreneur is presented as a hero, or villain (Jones and Spicer 2005), the role of the market and entrepreneurs as the prime movers in satisfying our material wants is largely uncontested (with some exceptions, see for example Rehn and Taalas 2004 for an account of reciprocal entrepreneurship in the former Soviet Union), while alternative modes are excluded. Substantivists critique the rationality and 'formalism' of neoclassical economics, and the imposition of market structures on society as the natural way, regardless of the evident diversity of society, refuting the assumption that it is in man's nature to 'barter truck and exchange' (Polanyi 1944; Sahlins 1972; Mitchell 2002). Formalist approaches reify the market excluding motivations other than profit such as altruism, love, empathy, reciprocity and care (Benería 1999). This raises questions over the assumed imperative to profit maximise, and allows a wide range of motivations for setting up in business that go beyond financial gains to include work-life balance and personal freedom, and may take on-board community, political or environmental motivations. A different way of looking at entrepreneurship that does not assume all entrepreneurs operate within a rational free market, motivated by profit, opens it up to multiple influences and outcomes, that enables us to accept entrepreneurial contributions other than economic growth (see for example Williams and Nadin 2013). This chimes with feminist anti-essentialist approaches to understanding economy that seek to denaturalize dominant neoliberal market structures by discussing diverse rather than capitalist economies (Gibson-Graham 2006; North 2015).

Gibson-Graham (2006) argue that capitalism is over-determined with the real economy made up of a myriad of different forms of exchange that exist alongside (and intersect with) capitalist markets, highlighting how non-capitalist forms of exchange are defined according to their relationship with capitalism. Applying this thinking to entrepreneurship means a departure from the scholarly tendency to marginalise enterprise that does not concentrate on growth and profits (Frankish et al. 2014; Nightingale and Coad 2013; Shane 2009), and we can see evidence of entrepreneurial activity in diverse forms, for example black markets, volunteering, work in the home and social enterprises (Gibson-Graham 2008; Gibson-Graham 2006). We can also recognise where an entrepreneur may indirectly create growth through supporting skills development or networking, and recognise that in the process of their business, entrepreneurs may have other priorities - whether they be political, social, redistributive, green or communitarian (Johnstone and Lionais 2004; North and Nurse 2014). For example, a factory owner who is committed to a green

agenda may spend more on low energy technology, and dedicate time and effort spreading an environmental message to the wider business community, rather than pursuing a purely for-profit agenda (North and Nurse 2014). The substantive understanding allows us to appreciate contingent influences and outcomes and explore how low income communities may be harnessing entrepreneurial thinking in sustaining and recreating their local economies and supporting local people into business and work. Thus policy makers can support different types of entrepreneurs and go beyond the superficiality of 'picking winners', betting on the next 'gazelles'<sup>2</sup> that are going to fail within a few years thus perpetuating uncertainty; and pay attention to the deeper broader context that attends to social and everyday or mundane entrepreneurship.

## **VI. Approach to the Research and Methodology**

This study is guided by the literature that questions formalistic approaches to entrepreneurship, taking an anti-essentialist, substantive approach that acknowledges how research contributes to the enactment of entrepreneurship (Steayart and Dey 2010). Accordingly the intention is to critique the ways in which entrepreneurship is enacted within the dominant formalist agenda, and in so doing open up alternative ways of understanding entrepreneurship. A case study of a business support setting built upon intensely formalistic ideas with an objective to create jobs and growth illustrates how normative conceptions of entrepreneurship outlined above influence the experience of starting a business. This is set against a community organisation that provides business support to everyday and social enterprises with an objective to improve the lives of local people. Drawing on the extended case method, both cases are interpreted as representing local manifestation of macro forces (Burawoy 1998).

The research is considered within the specific research context of Liverpool. Once the 'second city of the Empire', Liverpool is a city of contradiction and flux. The city's architecture, from the neo-classical elegance of St George's Hall to the magnificence of the UNESCO recognised 'Three Graces', act as visual reminders of Liverpool's former economic glory. But even during the city's pomp, social deprivation went hand-in-hand with the wealth accrued as a result of Liverpool's pivotal place in world trade. Today, after decades of economic upheaval these contradictions remain central to Liverpool's identity. New apartment buildings and shopping plazas dominate the city centre and the city has successfully re-positioned itself as a cultural hub and destination city. But beyond the city centre, poverty and social deprivation still loom large. Employment rates in Liverpool are 13 percentage points below the national average and the city consistently ranks amongst the most deprived in the country (Liverpool City Council 2015a; Liverpool City Council 2015b). Since the 1980's the city has taken on board policy prescriptions for addressing

---

<sup>2</sup> Although most jobs are created Gazelles (Landström 1996), they are incredibly volatile, thus the 'best predictor of decline is present growth and best predictor of growth is present decline' (Landstrom 2007: 169 paraphrasing Birch and Medoff 1994). This creates instability in the job market, highlighting that although Gazelles grow quickly they fail harder and faster and the employment effects diminish within five years (Acs and Mueller, 2008). However, governments (and arguably entrepreneurship researchers) continue to chase gazelles.

poverty and deprivation through enterprise, seeking to increase low rates of business start-up (Christie 2013; Southern 2015). Yet, despite years of adhering to such measures, start-up rates remain stubbornly low<sup>3</sup>, and low-income urban communities await their entrepreneurial salvation.

This study is focussed on the staff and participants of two business support programmes Velocity and Northern Community Development (NCD)<sup>4</sup>. Velocity is a business support programme open to businesses that have been operating for less than two years was in its infancy, supporting a third cohort of businesses. Located in prestigious city-centre offices, it offered a shared workspace along with support that included an intensive five-day boot camp followed by weekly seminars, mentors, networking events and pitching events. A team of mentors and the Velocity Chief Executive advised on progress and actions during weekly 'business panel' meetings. NCD is a social enterprise involved in many projects including delivery of training and business support. They provide support with business planning that identifies additional training, development and practical help necessary start-ups and existing businesses. Support is delivered on a 1:1 basis usually taking place in the community on an out-reach basis. NCD are based to the north of the city, in one of the most deprived areas of Liverpool, located off one of the main arterial routes into the city less than a mile away from both football grounds. The area has been in decline since extensive job losses in dock-related industries and withdrawal of large employers such as British American Tobacco and Tate and Lyle in the 1970's and 1980's. Over the past two years this area has undergone extensive urban clearance in preparation for a regeneration project that has since been delayed and cut back; local shops, the café, library and health centre were demolished a year ago, with rebuilding yet to start.

Over 80 hours of participant observation was carried out in Velocity at various times over a six-month time period between April and September 2015. In addition, in-depth, unstructured interviews were carried out with the Chief Executive, two staff and 14 participant businesses. Two months participant observation has been completed in NCD during an on going six-month internship and four interviews with participant business carried out. Data was collected in the form of written field-notes of observations of and participation in various meetings and events, and of interactions around the offices, and each interview lasted between 30 minutes and two hours. Interviews were audio recorded and transcribed for analysis. The data was categorised into recurring themes through reading and rereading, constantly comparing and returning to the data. Analysis was approached with a concern to 'denaturalise' common assumptions surrounding entrepreneurship (Steyaert and Dey 2010). Thus this interpretation of the data focuses on deconstructing the enactment of mainstream entrepreneurial theories that coalesce around the heroic entrepreneur.

---

<sup>3</sup> In 2013 there was a deficit of a deficit of 18,500 firms across the city region compared to the national average (Christie 2013).

<sup>4</sup> All names and some details have been changed to preserve anonymity

## VII. Findings and Discussion

### *Velocity and the heroic entrepreneur*

The Velocity team view entrepreneurs as ‘special’ people born with positive qualities that set them apart from others. The positive ideology is apparent in the motivational quotes on the walls highlighting ‘heroic’ characteristics. Efforts made to enthuse and inspire participants to take on the entrepreneur mantle included advice on how entrepreneurs dress, behave and speak. Observations and interviews revealed negative views about the entrepreneurial culture of the city – local people were viewed as somehow entrepreneurially deficient, with an ‘ingrained dependency culture’ blamed for low rates of business start-up. There was a suggestion that local people had too much government support over the years; that it had become an expectation that people setting up new businesses should be given free advice and financial support, associated with the local Council’s attitude towards enterprise:

“There is a sense of entitlement – businesses in Liverpool expect grants to grow... The councillor outlook is symptomatic of the Liverpool culture around business and entrepreneurialism – more about welfare than self help”

Mentor B (observation)

The Chief Executive frequently described the city as lacking in enterprise, suggesting that the city needed to rely on newcomers for growth. This negative thinking was applied to local participants, who were criticised for reticence, a lack of ambition and fear of failure. That some would never make it in business was a recurring theme. The programme is successful in helping some participants to develop and grow, but drop out rates were high and most businesses remained small. Staff explained that in order to grow this new initiative, some who ‘*were not real entrepreneurs*’ were given a place, relating the high number of dropouts to the amount of participants without what they consider a viable business. This is related to their perception of who is an entrepreneur.

“Instinct says if you haven’t got it, you haven’t got it’...(it) doesn’t necessarily apply to someone like a freelancer who has created like their HR consultancy and they have a few clients and it provides like a wage.”

Staff (interview)

The dominant view was that a business must be growth focussed to be entrepreneurial, thus the Chief Executive was often frustrated by an apparent lack of ambition and contentment of some businesses to remain small and ‘just make a living’. Marginalisation of businesses likely to remain small or not achieving expected growth was evident to participants. Polly, a consultant and project manager, recognised that her business would remain small-scale, but was confident that it could provide her with an income and saw community benefits and personal satisfaction. She found the programme demoralising, repeatedly telling how the advisors on the programme did not believe in her.

“So yeah it has been quite challenging when you go into a panel meeting and basically all three people in the room tell you you should give up, and not bother, and go and get a job stacking shelves in Tesco”

Polly (interview)

Billy, who is setting up two businesses while working full time recognises that there is differential treatment according to who is more successful. He struggles to commit as much time as he would like to growing his businesses as he must earn a living and support himself, but felt continued pressure to grow, and side-lined for not making enough progress.

Analysis of the staff interview transcripts and participant observation field-notes reveals how Velocity's approach to business support is driven by formalist ideas of entrepreneurship that position the entrepreneur as the heroic solution to a depressed local economy. The Chief Executive's strong adherence to the ideal of the heroic entrepreneur created the subtext for the organisation, and interactions involving staff and mentors reveal understandings of entrepreneurship that emphasise profit and growth. This conception of entrepreneurship was apparent in the adherence to explanations of entrepreneurial traits – the view that entrepreneurs were special people able to find and exploit objective opportunities. There was a very clear picture of what an entrepreneur should be and the support provided revealed a desire to mould participants into this. Participants were encouraged to take on this entrepreneurial guise, in their mode of dress, behaviour and speech, in order for them to *become* entrepreneurs. In one sense this inspired participants, giving them the confidence and enthusiasm necessary to develop their business. However, this went hand in hand with an emphasis on growth that marginalised other forms of entrepreneurship, particularly consultancy, self-employment and business that would remain small. Thus Velocity guided a particular enactment of entrepreneurship that reproduces the dominant understanding, 'othering' alternative forms of entrepreneurship (Law 2004; Law and Urry 2004). This chimes with Gibson-Graham's argument that the over-determination of capitalism essentialises diverse and alternative forms of exchange, thus marginalising them and stunting their development (J. Gibson-Graham 2008).

Velocity illustrates how dominant functionalist understandings of entrepreneurship influence the support provided to new business, by branding certain activities, people and places as 'un-entrepreneurial'. While they operated in the city and vocal about their commitment, the negative views held by Velocity staff indicates their adherence to stereotypical views of the city that position locals as un-enterprising (Boland 2008). The normative views of what an entrepreneur was (or should be), was directly attached to place with the locality repeatedly described as un-entrepreneurial, by those providing business support. Although links were made to local cultural and historical context the references remain superficial. For example, references to the large-scale dock industry creating a lack of entrepreneurialism does not take into account the numerous small businesses that sprang up to serve the supply chain, including small engineering and import/exporters, or the shops, housing and amenities servicing workforce. It assumes that this large-scale employment helped create a population with no imagination, unable to innovate or think for themselves. While the criticism that the business support culture was 'more about welfare than self-help' did not take on board the multiple barriers that include intergenerational unemployment, low skill and education levels and health issues, nor the limited markets of inner-urban areas reliant on welfare.

#### *NCD and diverse entrepreneurial motivations*

Reflecting their ethos to support local people in developing happy, healthy and productive futures. NCD staff frequently referred to the importance of enabling people to be economically independent while contributing to the local area. Staff

talk about how some people come to them having never worked or been unemployed for many years, with few skills and qualifications and low aspirations. NCD tutors see education as intrinsically valuable, regarding their courses as a first small step to people obtaining employment or potentially setting up their own business. Fundamentally, they see the potential in everyone who comes to them and have a strong belief that with support local people can change their own lives. This was evident when they talked about providing training for people coming to them for business support having never used a computer before, not knowing how to manage their accounts.

“They have got the ability. They can do it. They just don’t know it yet.”

Member of staff (trainer)

The NCD approach to business support recognises the relative lack of employment opportunities in the area and considers self-employment as a way of providing economic self-sufficiency while contributing to the local economy through providing services and contributing to the local economic multiplier. There is an emphasis on sustainability – the Chief Executive refers to Schumacher’s ‘Small is Beautiful’ as an influence when discussing NCD’s commitment to people over profit and belief in the enterprise potential of the local community. They insist on commitment from the businesses they support, recognising that some who approach them lack real dedication to become self-employed. They are direct about weaker business ideas, and will redirect people to a more viable business, employment or education, rather than setting people up in self-exploiting self-employment.

NCD are well embedded in the local community. The training room, open daily between 9-5.30, is a busy social as well as a learning hub. The chief executive who grew up in the area joined NCD eight years ago when it was at risk of closing, managing to secure its future, although it remains precarious. Family, friends, former students and businesses supported frequently drop in for a chat or advice. Many visit the beautician NCD helped start up that shares the building, adding to the community feel. The two female salon owners talk about how they wanted to work locally with flexibility over opening hours while they raise their young families. The salon doesn’t open all the time, but it provides them with an income, (much of which is re-circulated in the local economy as both women live nearby) while providing a much-needed service to a local community (during the fieldwork period was starved of services following whole-scale clearance in advance of planned regeneration). Most of the business will not create employment other than for the founders, and profit is seen as a tool for achieving work-life balance. However, NCD recognise the impact that these small social enterprises have on the community, referring to one business that helps adults with autistic spectrum disorders into employment and education. They see this as benefiting individuals, their families and wider community through increased income, skills, happiness and aspiration, talking about people who were once ‘struggling and lost, and are now contributing to society’.

It is clear from the case study data that NCD see different types of enterprise potential in local people, valuing part-time, non-profit and everyday self-employment, thus taking a broader view of what entrepreneurship can be (Rehn and Taalas 2004). Their business support is holistic, encouraging start-ups to consider

what matters most to them. Self-employment is lauded for the potential to make a contribution to households, the local economy and community, with success measured in terms of work-life balance, economic security, health and wellbeing. Mainstream theories of entrepreneurship that focus on motivations of profit and growth (Shane 2009), have less resonance for NCD than theories that recognise diversity of motivations (JGibson-Graham 2008; North and Nurse 2014). While references were made to theories of Schumacher, the history of the area and NCD staff may also be influential. There were historic associations to the labour movement seen in staff connections (their own or parents) to trade unions and Labour politics alongside disillusionment in local democratic structures given the abandonment of the local area over the past forty years. Thus there was a strong sense of solidarity with the local community, that NCD are building given help is not forthcoming from elsewhere (Gibson-Graham et al. 2013). In doing so, they may be looking at entrepreneurship in a way that is helpful to them in resisting neoliberal forces (Southern and Whittam 2015).

### **VIII. Conclusions**

Velocity demonstrates how mainstream entrepreneurial theory translates into practice; how the implicit understanding that all entrepreneurship is positive, and that the focus for entrepreneurs should be profit and growth (Shane and Venkataraman 2000; Shane 2009) is enacted within the business support environment. It reveals how this normative conception of entrepreneurship may limit the potential of every-day and small-scale businesses, particularly where the founder originates in geographical areas with no history of enterprise. While communities may be locking themselves into a cycles of negative self-image and inertia, this research suggests that business support provision may be compounding the issue and concur with Parkinson et al in identifying a challenge for research, policy and practice to address the negative discursive cycle to support a positive future for businesses in these areas (Parkinson et al. 2016). This research illustrates how mainstream, formalist approaches to entrepreneurship limit understanding and the impact that this has in practice. Juxtaposed against the case of NCD, it underlines the need for contextual approaches to entrepreneurship research that would account for the broad context of the economy and it's variations in time and place. Such an approach highlights local context, allowing very local specificity to impact on how entrepreneurship presents itself, rather than being defined by national and regional context without losing sight of broader economic structures and shifts. This position rejects narrow economic conceptions of entrepreneurship to take on board motivations that may include work-life balance, personal satisfaction, environmental and community concerns (Benería 1999). Entrepreneurial activity taking place in the public sector, the home, informal and social economy is brought into focus, linking to diverse economies perspectives (Gibson-Graham 2006).

A substantive approach built upon Polanyian theory has much to contribute to entrepreneurship theory, emphasising context and embeddedness (Jack and Anderson 2002; Aldrich and Cliff 2003), while questioning constructions of

knowledge (Blackburn and Kovalainen 2009) and linking local to macro forces (Wadhvani 2012).

Economy as Instituted Process (Polanyi 1957) provides a strong theoretical direction as we consider the role of the entrepreneur within Polanyi's modes of integration - reciprocity, redistribution, exchange and householding – that are constructed through series of choices, decisions, rules, laws and organisation creation to develop the overarching structural framework<sup>5</sup>. For Polanyi, the economy is always hybrid with each element co-existing in space and time, thus all four modes of integration are ever-present and interrelated, but their respective strength and dominance varies over time and space according to local and temporal conditions (Polanyi 1957). Once we accept that markets do not always take the same form, particularly once we reject the assumption that they do not solely represent a site of rational exchanges to maximise utility (and profit), for entrepreneurship, it means that entrepreneurs (as market actors) might not be operating solely within an unfettered free-market, but will interact and be co-dependent on 'state redistributionist', 'customary-reciprocal' and household economic structures (Peck 2013c, Polanyi 1944 [2001]). These interactions underline a role for the state, broader society and the household in entrepreneurship theory, with interdependence evident at different scales.

Applying this to low-income communities such as North Liverpool, one would expect the proportion of the economy made up of redistributive structures to be higher than that of for example the City of London, and the tight family networks in North Liverpool might lead us to expect a greater level of householding. We can argue that historic criticisms that the problem with the city is that the people 'just aren't entrepreneurial enough' is based upon normative conceptions of entrepreneurship. A fuller more nuanced understanding would bring attention to the enterprise going on in the home, community, social and informal economy. Reframing entrepreneurship as social change (Calas et al. 2009), recognising it as a counter-movement (Polanyi 1944 [2001]), or form of resistance (Southern and Whittam 2015) enables us to recognise the transformative potential of entrepreneurship in low income communities, while drawing upon the practical work of Gibson-Graham creates the ability to envisage an enterprising future for Liverpool (Gibson-Graham et al. 2013). NCD is implicitly guided by these principles: Where the everyday entrepreneur is valued and supported, in recognition of their economic and community contribution and with a view to building local confidence and aspiration.

---

<sup>5</sup> Parallels can be drawn between Polanyian modes of integration and Gramsci's explanation of Fordism and regulationist explanations of post-Fordism (referred to earlier). Polanyi differs in that his modes of integration do not represent stages of development, clarifying that they represent 'ideal types' to be used as a theoretical basis for understanding actually existing economies and the interconnections between the different modes.

## References

- Aglietta, M., 1979. *A theory of Capitalist Regulation*, New Left Books.
- Aglietta, M., 2000. *A theory of capitalist regulation: the US experience*, Verso.
- Aldrich, H.E. & Cliff, J.E., 2003. The pervasive effects of family on entrepreneurship: Toward a family embeddedness perspective. *Journal of business Venturing*, 18(5), pp.573–596.
- Anderson, A.R. & Drakopoulou Dodd, S., 2007. Mumpsimus and the Mything of the Individualistic Entrepreneur. *International Small Business Journal*, 25(4), pp.341–360.
- Benería, L., 1999. Globalization, Gender And The Davos Man. *Feminist Economics*, 5(3), pp.61–83.
- Birch, D., 2000. The Job Generation Process (1979). In D. Storey, ed. *Small Business: Critical Perspectives on Business and Entrepreneurship*. Routledge.
- Blackburn, R. & Kovalainen, A., 2009. Researching small firms and entrepreneurship: Past, present and future. *International Journal of Management Reviews*, 11(2), pp.127–148.
- Boland, P., 2008. The construction of images of people and place: Labelling Liverpool and stereotyping Scousers. *Cities*, 25(6), pp.355–369.
- Burawoy, M., 1998. The extended case method. *Sociological theory*, 16(1), pp.4–33.
- Calas, M.B., Smircich, L. & Bourne, K.A., 2009. Extending the boundaries: Reframing “entrepreneurship as social change” through feminist perspectives. *Academy of Management Review*, 34(3), pp.552–569.
- Christie, N., 2013. *Liverpool City Region Evidence Report*, Liverpool.
- Committee, B., 1971. *Report of the committee of inquiry on small firms*,
- Curran, J. & Blackburn, R., 2001. Researching the Small Enterprise.
- Daily Telegraph 2010: <http://www.telegraph.co.uk/technology/apple/7330986/Apple-admits-using-child-labour.html>
- Davidsson, P., 2013. Some reflection on research “Schools” and geographies. *Entrepreneurship & Regional Development*, 25(1-2), pp.100–110.
- Davidsson, P. & Honig, B., 2003. The role of social and human capital among nascent entrepreneurs. *Journal of business Venturing*, 18(3), pp.301–331.
- Down, S., 2013. The distinctiveness of the European tradition in entrepreneurship research. *Entrepreneurship & Regional Development*, 25(1-2), pp.1–4.
- Drakopoulou Dodd, S., Anderson, A. & Jack, S., 2013. From admiration to abhorrence: the contentious appeal of entrepreneurship across Europe. *Entrepreneurship & Regional Development*, 25(1-2), pp.69–89.
- Elam, M.J., 1990. Puzzling Out the Post-Fordist Debate: Technology, Markets and Institutions. *Economic and Industrial Democracy*, 11(1), pp.9–37.
- Fortune March 2016 7 Corporate Giants Accused of Evading Billions in Taxes: <http://fortune.com/2016/03/11/apple-google-taxes-eu/>
- Frankish, J.S. et al., 2014. Is Entrepreneurship a Route Out of Deprivation? *Regional Studies*, 48(6), pp.1090–1107.
- Freeman, C. & Perez, C., 1988. Structural crises of adjustment, business cycles and investment behaviour. In G. Dosi et al., eds. *Technical Change and Economic Theory*. London, NY: Pinter, pp. 38–66.
- Gartner, W.B., 1989. “Who is an Entrepreneur ?” Is the Wrong Question. *Entrepreneurship: Theory and Practice*, 12, pp.47–67.
- Gibson-Graham, J., 2008. Diverse economies: performative practices for other worlds’. *Progress in Human Geography*, 32(5), pp.613–632.
- Gibson-Graham, J., 2006. *“The” End of Capitalism (as We Knew It): A Feminist Critique of Political Economy; with a New Introduction 2006th ed.*, University of Minnesota Press.
- Gibson-Graham, J., Cameron, J. & Healy, S., 2013. *Take back the economy*, Minnesota: University of Minnesota Press.
- Gibson-Graham, J.K., 2008. Diverse economies: performative practices for “other worlds.” *Progress in Human Geography*, 32(5), pp.613–632.
- Glyn, A. et al., 1990. The Golden Age of Capitalism. In S. Marglin & J. Schor, eds. *The Golden Age of Capitalism Reinterpreting the Postwar Experience Abstract and Keywords*. Clarendon Press Oxford, pp. 1–38.
- Gramsci, A., 1971. *Selections from the Prison Notebooks of Antonio Gramsci* Quintin Hoare & G. N. Smith, eds., International Publishers.

- Hall, S., 2011. THE NEO-LIBERAL REVOLUTION. *Cultural Studies*, 25(6), pp.705–728.
- Harvey, D., 2005. *A Brief History of Neoliberalism*, Oxford University Press.
- Hirst, P. & Zeitlin, J., 1991. Flexible specialization versus post-Fordism: theory, evidence and policy implications. *Economy and Society*, 20, pp.1–56.
- Hoang, H. & Antoncic, B., 2003. Network-based research in entrepreneurship. *Journal of Business Venturing*, 18(2), pp.165–187.
- Jack, S.L. & Anderson, A.R., 2002. The effects of embeddedness on the entrepreneurial process. *Journal of business Venturing*, 17(5), pp.467–487.
- Johannisson, B., 2011. Towards a practice theory of entrepreneuring. *Small Business Economics*.
- Johnstone, H. & Lionais, D., 2004. Depleted communities and community business entrepreneurship: revaluing space through place. *Entrepreneurship and Regional Development Development*, 16(3), pp.217–233.
- Jones, C. & Murtola, A., 2012. Entrepreneurship , crisis , critique. In D. Hjorth, ed. *Handbook on Organisational Entrepreneurship*. Edward Elgar Publishing, pp. 116–133.
- Jones, C. & Spicer, A., 2005. The sublime object of entrepreneurship. *Organization*, 12(2), pp.223–246.
- Lamine, W. et al., 2015. One step beyond? Towards a process view of social networks in entrepreneurship. *Entrepreneurship & Regional Development*, 27(7-8), pp.413–429.
- Landstrom, H., 2007. *Pioneers in Entrepreneurship and Small Business Research Volume 8.*, Springer Science & Business Media.
- Landström, H., 1996. Birch's Contributions to Entrepreneurship and Small Business. In *Global Award for Entrepreneurship Research*.
- Law, J., 2004. *After method: Mess in social science research*, Routledge.
- Law, J. & Urry, J., 2004. Enacting the social. *Economy and society*, 33(3), pp.390–410.
- Lee, C.K. & Kofman, Y., 2012. The Politics of Precarity: Views Beyond the United States. *Work and Occupations*, 39(4), pp.388–408.
- Liverpool City Council, 2015a. *The City of Liverpool KEY STATISTICS BULLETIN*,
- Liverpool City Council, 2015b. *The English Index of Multiple Deprivation 2015: A Liverpool Analysis*,
- Mandel, E., 1972. *Late Capitalism*. London: New Left Books, 1975.
- Massey, D., 2013. Vocabularies of the economy. *Soundings: A journal of politics and culture*, 54(1), pp.9–22.
- Mitchell, T., 2002. *Rule of experts: Egypt, techno-politics, modernity*, University of California Press.
- Moroz, P.W. & Hindle, K., 2012. Entrepreneurship as a process: Toward harmonizing multiple perspectives. *Entrepreneurship Theory and Practice*, 36(4), pp.781–818.
- Nightingale, P. & Coad, A., 2014. Muppets and gazelles: political and methodological biases in entrepreneurship research. *Industrial and Corporate Change*, 23(1), pp.113–143.
- North, P., 2015. The business of the Anthropocene? Substantivist and diverse economies perspectives on SME engagement in local low carbon transitions. *Progress in Human Geography*, (0309132515585049).
- North, P. & Nurse, A., 2014. “War Stories”: Morality, curiosity, enthusiasm and commitment as facilitators of SME owners' engagement in low carbon transitions. *Geoforum*, 52, pp.32–41.
- Parkinson, C., Howorth, C. & Southern, A., 2016. The crafting of an (un)enterprising community: Context and the social practice of talk. *International Small Business Journal*, p.0266242615621123–.
- Peck, J., 2013. Polanyi in the Pilbara. *Australian Geographer*, 44(3), pp.243–264.
- Piore, M. & Sabel, C., 1984. *The second industrial divide: possibilities for prosperity*, Basic books.
- Polanyi, K., 1957. Economy as instituted process. In K. Polanyi, C. Arensberg, & H. Pearson, eds. *Trade and Market in the Early Empires*. pp. 243–270.
- Polanyi, K., 1944. *The Great Transformation: The Political And Economic Origins Of Our Time* 2nd ed., Boston, MA: Beacon Press.
- Porter, M.E., 1995. The Competitive Advantage of the Inner City. *Harvard Business Review*, 73(3), pp.55–71.
- Ramoglou, S., 2013. Who is a “non-entrepreneur”? Taking the “others” of entrepreneurship seriously. *International Small Business Journal*, 31(4), pp.432–453.
- Rehn, A. & Taalas, S., 2004. “Znakomstva I Svyazi” (Acquaintances and connections) – Blat , the Soviet Union, and mundane entrepreneurship. *Entrepreneurship & Regional Development*, 16(May), pp.235–250.
- Rosa, P., 2013. Recent trends in leading entrepreneurship research: The challenge for European

- researchers. *Entrepreneurship Research Journal*, 3(1), pp.35–43.
- Sahlins, M., 1972. *Stone age economics*, New York: Aldine de Gruyter.
- Schumpeter, J.A., 2000. Entrepreneurship as innovation. In R. Swedberg, ed. *Entrepreneurship: The social science view*. pp. 51–75.
- Shane, S., 2009. Why encouraging more people to become entrepreneurs is bad public policy. *Small Business Economics*, 33(2), pp.141–149.
- Shane, S. & Venkataraman, S., 2000. The Promise of Entrepreneurship as a Field of Research. *Academy of Management Review*, 25(1), pp.217–226.
- Southern, A., 2011. *Enterprise, deprivation and social exclusion : the role of small business in addressing social and economic inequalities / edited by Alan Southern*, New York ; Routledge, 2011.
- Southern, A., 2014. Enterprise, Wealth Creation and Place: A Case Study of the Liverpool City-Region : Enterprising Places: Leadership and Governance Networks. In *Contemporary Issues in Entrepreneurship Research*.
- Southern, A. & Whittam, G., 2015. The Re-Appropriation of Enterprise and Urban Entrepreneurialism. In C. Mason et al., eds. *Entrepreneurship in Cities: Neighbourhoods, Households and Homes*. Edward Elgar Publishing, pp. 80–102.
- Steyaert, C. & Dey, P., 2010. Nine Verbs to Keep the Social Entrepreneurship Research Agenda "Dangerous." *Journal of Social Entrepreneurship*, 1(2), pp.231–254.
- Steyaert, C. & Katz, J., 2004. Reclaiming the space of entrepreneurship in society: geographical, discursive and social dimensions. *Entrepreneurship & regional development*, pp.179–196.
- Thurik, a. R., Stam, E. & Audretsch, D.B., 2013. The rise of the entrepreneurial economy and the future of dynamic capitalism. *Technovation*, 33(8-9), pp.302–310.
- Wadhvani, R.D., 2012. How Entrepreneurship Forgot Capitalism: Entrepreneurship Teaching and Research in Business Schools. *Society*, 49(3), pp.223–229.
- Welter, F. & Lasch, F., 2008. Entrepreneurship Research in Europe: Taking Stock and Looking Forward. *Entrepreneurship: Theory and Practice*, 32(2), pp.241–248.
- Williams, C.C. & Nadin, S.J., 2013. Beyond the entrepreneur as a heroic figurehead of capitalism: re-representing the lived practices of entrepreneurs. *Entrepreneurship & Regional Development*, 25(7/8), pp.552–568.