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ENTREPRENEURIAL REFUSENIKS AND THE STRATEGIES OF 'LITTLE EARNERS' IN DEPRIVED COMMUNITIES[1]

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ABSTRACT

The greater levels of inequality adversely affecting developed Western economies in recent years has largely burdened the underprivileged. Engaging in context-sensitive theorising and challenging the preference of dominant ideal entrepreneurial types, we investigate how entrepreneurship manifests within deprived social housing neighbourhoods in a developed nation context. We introduce the notion of 'little earners' as a distinct manifestation of enterprise undertaken by entrepreneurial refuseniks – individuals who 'refuse what they are refused' and whose everyday entrepreneurial activity may not follow the societal letter of the law – to ameliorate contextual constraints and financial hardship. Drawing attention to how this activity is firmly place-based, our study questions the relevance of 'one size fits all' micro-enterprise support and entrepreneurial policy, especially concerning the standardisation of welfare benefits.

INTRODUCTION

Scholars have long critiqued how economic and related discourses romanticise a fairly exclusive image of the entrepreneur as heroic with self-driven qualities (Gill and Larson 2014; Laine and Kibler 2018) who is typically masculine (Marlow and Martinez Dy 2018), white (Knight 2006), and can create significant economic wealth and/or job opportunities (Patriotta and Siegel 2019; Redhead and Bika 2022). Accordingly, much entrepreneurship theorising focuses on explaining economic phenomena such as how entrepreneurs and their firms can improve economic performance (Shepherd et al. 2020) or agglomerate together forming a tightly clustered 'super-group' (Aversa et al. 2022; Laine and Kibler 2022). This is further reflected in the scale bias and almost dichotomous capital investment backing within entrepreneurship be it from public or private sources; public funding often seeks to incentivise the largest number of start-ups (Sarasvathy 2021) whereas private funding chases 'unicorns' whose ventures hold high growth potential (Gherhes et al. 2020; Welter et al. 2019). We know little, however, about the abundance of 'everyday' entrepreneurs who struggle alongside such intriguing unicorns (Dodd et al. 2023; Welter et al. 2017), somewhat positioning enterprise as "an enrichment and status strategy for [the] elite" (Dodd et al. 2023: 1846; Donald and Gray 2019).

REVISITING THE LACK OF FIT BETWEEN ENTERPRISE AND DEPRIVED AREAS

When talking about 'others' in entrepreneurship – i.e., the poor, disadvantaged, and/or those with a lower propensity for enterprise (Ramoglou 2013; Xavier-Oliveira et al. 2015) – the focus has long been on identifying barriers or resistance to their non-action. For many years, it

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appeared that in answering the question of *who* the entrepreneur is, scholars felt non-actors do not act because they cannot, and they cannot because they are non-entrepreneurs (and not entrepreneurs), therefore they must either be inhibited or lacking some special enabler as individuals (Ramoglou 2013). Yet, following "Gartner's assault on the entrepreneur/non-entrepreneur dichotomy" entrepreneurial non-action "was no longer explained by the absence of the required powers, but by the absence of the appropriate environmental particularities" (Ramoglou 2013: 438). Place thus matters in this new line of argumentation. In deprived areas, research indicates that individuals face significant challenges referred to as 'the liability of poorness' (Morris et al. 2020), resulting in lower levels of trust, skills, social mobility, physical health, and increased instances of injustice, insider privilege, and unequal opportunity (Santos et al. 2022; Xavier-Oliveira et al. 2015). Within this body of work, the overarching emphasis is placed on disparaging institutional voids as constraints for enterprise (Doh et al. 2017; Webb 2021; Williams et al. 2023) often located within emerging markets (Johan and Valenzuela 2021) and in lesser economically developed countries (Santos et al. 2022; Sarasvathy 2021). Here the poor are seen to be "persistently, across generations, denied the opportunities for economic betterment" (Nel 2006: 691) creating ventures which fall into the 'commodity trap' where margins are low, labour and competition are intense, and the entrepreneur has no bargaining power (Morris et al. 2018).

This literature testifies to the lack of 'fit' between enterprise and deprived areas, reflecting a structuralist perspective. As the residents of deprived areas feel 'defective' (in terms of skills, experience, and resources) this leads to despair, limited collective self-efficacy, and a lower propensity for enterprise (Bacq et al. 2023; Parkinson et al. 2017; Williams and Williams 2012). These are negative factors that make low-income individuals engage in necessity entrepreneurship, i.e., "venture creation activities by individuals who seek to fulfil their basic physiological and safety needs" (Dencker et al. 2021: 63), and heroically "defy expectations to do the impossible" (Bacq et al. 2023: 4). Such literature focuses on those who are pushed into entrepreneurship by unemployment rather than pulled into it by its allure, particularly in the context of lesser economically developed countries (Dencker et al. 2021). This dichotomous framing however offers limited opportunities for theoretical development; viewing the context and/or social positioning as systemically reproducing dependencies overlooks the rich processes and outcomes of necessity entrepreneurship in 'unconventional' settings (Muñoz and Kimmit 2018; Dencker et al. 2021; Santos et al. 2022) such as left-behind places in the developed world. Countering such pertinent gaps in knowledge, we ask: *how does entrepreneurship manifest within deprived social housing neighbourhoods in a developed nation context?*

METHODOLOGY

We chose to study Great Yarmouth, UK, a seaside borough on the east coast of England with a population of 99,800 (ONS 2021). Socioeconomic inequalities and deprivation continue to be a cause for concern for the borough where multiple wards are amongst the most deprived 10% in the country (Redhead and Bika 2022). This is reflected in a range of indicators that have been significantly worse in Great Yarmouth than the English average, including *inter alia* male life expectancy at birth, suicide rates, and GCSEs achieved at school (Abranches and Theuerkauf 2021). This is further represented by a high unemployment rate of 5.6% (UK average 3.9%) (ONS 2020), a modest self-employment rate of 3% (England average 15%) and the lowest ranked provision of education, skills and training out of 326 local authority areas (House of

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Lords 2019). With the once-popular tourism industry decimated and deteriorated socioeconomic conditions reducing opportunities for economic betterment (Lindebaum et al. 2022; Xavier-Oliveira et al. 2015), the sense of identity and purpose for the borough has diminished, marring underlying aspiration levels, contributing to reduced social mobility (House of Lords 2019), leaving a local feeling of discontent (McCann 2020) and, in this sense, the community has become 'depleted'. Interestingly, Great Yarmouth was also one of the biggest support sites for the 'Leave' vote with 71.5% (Barr 2016) earning it the informal title of 'Norfolk's Brexit capital' (Hannant 2018) despite being a popular destination for migrant workers.

Purposive sampling was employed to gain access to social housing residents after they had participated in a programme of micro-enterprise training and employment support (MEESS) that their local housing association (HA) provided at no cost. This was, however, not solely exclusive to social housing residents as support was opened to the borough's wider long-term unemployed community. Our open-ended interview protocol enabled "unanticipated statements and stories to emerge" (Charmaz 2006: 27), allowing for sensitivity whilst investigating delicate issues (mental and physical health issues, substance abuse, criminal records, grief), giving 'a voice to the voiceless' (Dodd et al. 2023) and offering a way to locate what is important. The sample consisted of 20 MEESS programme participants; 12 respondents were male and 8 were female. 16 were white British, three 'white other', and one was black Portuguese representing the ethnic profiles of Great Yarmouth (88.9%, 5.1%, and 0.9% respectively) (ONS 2021). Our participant data was further substantiated with three in-depth interviews from local key informants (via snowball sampling). All primary data was also triangulated with local press/media, archival material, and internet sources discussing four critical incidents occurring within the case study that impacted participants' agency and vice versa.

Both authors worked independently and as team to explore, organise, and analyse the primary and secondary data along with iterate theory to formulate themes and categories. Our open coding captured all instances of (non)entrepreneurial action citing financial hardship, confidence, support networks, commuting, family, migration, volunteering, precarity, education, and skills as important factors amongst others. We then built these open codes into focused codes consisting of negative experiences of place, health/stigma issues, unexercised powers, (un)exploited opportunities, aspirations, rationality of inaction, interdependence, and unconventional entrepreneurial skills. This novel integrative process of narrative analysis embraces everydayness moving beyond embedded assumptions in entrepreneurship theory, subsequently allowing the distinct 'little earners' theme to emerge – a previously unacknowledged manifestation of low-return necessity entrepreneurship.

FINDINGS

Here, we answer our research question viewed through some of our focused codes (in *italics*) covering individual storytelling 'with', entrepreneurial storytelling 'for', and collective storytelling 'of' the deprived context, with the latter framed by our critical incident triangulation.

Individual storytelling 'with' the deprived context

We found across ages and genders that many of the MEESS programme participants interviewed conveyed *negative experiences of place* unveiling how their environment is not always conducive to achieve more than survival. One particular way concerned education in the borough

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and how this was fraught with adversity ranging from the quality of teaching to social interactions and prolific bullying. Most importantly, those in our sample who live in social housing or receive welfare support in the form of Universal Credit (UC) reinforced how, when combined with place-based deprivation, these shared challenges leave little other option but to survive day-to-day in a depleted community. Digging deeper, it became clear that some often had *unexercised powers* surrounding opportunities due to personal circumstances, whereas others, found themselves stuck in a precarious cycle of seasonal and/or agency work, commonplace in Great Yarmouth, because they were willing to "take any job given" (RI15GY, 63, [M], White British).

> "Around here, it's hard trying to get a good job … there's a lot of seasonal work" (RI20GY, 46, [F], Portuguese).

> "I was signed up to about a dozen different agencies … if one place had run out, I'd just phone up another and find work through them … I felt like I was wasting my potential, I had been to college, got my qualifications and then done nothing with them" (RI01GY, 29, [M], White British).

> "They are all busy in the summer, everybody. You try to make your money to survive winter" (KI03GY, 65, [F], Greek Cypriot).

Whilst precarious work may be essential to ensure survival of firms within the case study, it is detrimentally harming to residents and their long-term career plans. With stepping into the unknown being risky and triggering fear, participants' *rationality of inaction* was almost akin to that of a business owner choosing not to make a specific investment; this is mostly due to the primacy of everyday commitments and needing money for living expenses. Such feelings were often solidified due to a widespread lack of local support networks and/or an unwillingness to compile resources and work with others:

> "I think Great Yarmouth is not really like a supportive place; everyone just stays in their own lane and doesn't interfere with others that much … No. [My business idea] that's just my personal thing" (RI06GY, 22, [M], Black Portuguese).

Entrepreneurial storytelling 'for' the deprived context

The above dilemmas associated with living in a deprived context meant that our interviewees would often undertake small scale enterprise beyond societies' normatively accepted understandings of entrepreneurship through building interdependencies, to get by:

> "I applied for a taxi licence, this was about 3-4 years ago. A taxi licence cost nearly £500-600 … then you have to pay for your own cab and that was like nearly £10,000 … [so instead] I use my [own] car to take people because I will be cheaper [than a taxi] … We call it *little earners*. That means you can earn a little bit of money, there's a little earner around the corner" (RI19GY, 54, [M], White British).

Considering that several of our interviewees have consistently encountered *negative experiences of place*, to accessing social housing, receiving minimal welfare support, having limited educational opportunities, and potentially holding a criminal record, their prospects are constrained. However, they are seen to demonstrate entrepreneurship by establishing modest 'little earners' to survive, prioritising a year-round local social economy engagement, and preserving their chosen lifestyle and time freedom over and above maximising profits. Often the premise behind such business activity was that it provided a mutually beneficial service within

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place (through acquiring relatively cheaper goods/services) and grew positive *interdependence* in residents' lives empathising with each other's similar position. Through strategies of little earners, our interviewees are content to continue to live in deprived social housing neighbourhoods, acting entrepreneurially around what they want to do and what is best for themselves beyond societal expectations. Such strategies of little earners were often developed to deal with the various breakdowns in relationships, life crises (including divorce and redundancy), and chronic physical and mental *health issues* facing our interviewees:

> "I still get UC because I have some mental health problems; I'll shut off; I used to dread having to ring up [work] and say I'm not feeling great, I need a day off. I don't have to worry about that anymore; there has been times I have cancelled like a week's worth of work, I know in my head I can't do it; I don't ever lose the work I just rearrange it" (RI18GY, 29, [F], White British – Mobile dog groomer).

Nearly all interviewees with little earners claim UC and viewed this as helpful and neither stigmatised nor an issue. This enables them to have a safety net whilst nurturing business *aspirations*, often being driven by finding their own purpose rather than a route out of poverty:

> "If you're at school, and you're not doing well and because your parents can't support you because they're not very educated, you have to just educate yourself … and once you know what your purpose and passion is [e.g., health, beauty and wellness], then you can get on in life … Say someone is suffering from depression, a massage can help that" (RI11GY, 38, [F], White British – Beauty clinician).

Our primary interview data shows that UC allows these individuals to diversify their income whilst simultaneously realising their enterprising goals and finding their own voice: "It's been a process, I found my voice" (RI04GY, 57, [F], White British – Animal education provider). Participants often demonstrated such agency in situ through employing conventional skills albeit in an *unconventionally entrepreneurial* time or place. In the case of the little earners discussed here building trust and respect emerge as alternative unconventional currencies in deprived contexts where health issues, precarious work, and social isolation are rife.

Collective storytelling 'of' the deprived context

Our archival material reaffirms our participants' perspective that a substantial portion of the population experiences simultaneous job losses during certain times of the year resulting in many being unable to secure employment and returning to UC. This is worsened by the relative isolation of Great Yarmouth and its somewhat lacking infrastructure:

> "End-of-the-line locations … is both their bane and their fortune … seaside towns have been neglected … and suffer from issues rooted in the decline of their core industries, most notably domestic tourism" (04/04/19 *The Future of Seaside Towns Report*, Lord Bassam of Brighton, Chairman).

In confirming the depleted nature of the borough, multiple press/media sources unveil that this is a seemingly perpetual cycle of disengagement, being derogatorily classed as:

> "[A] dumping ground for the unemployed and benefits-dependent" (11/08/13 *The Independent,* Oscar Quine, Journalist).

Collective storytelling further reveals that if remedial 'levelling up' measures are not pursued, it may be more reflective of society and our ongoing social system being designed in such a way that locally, nationally, or internationally not everyone succeeds at the same level.

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"It's not that there are no ambitions here, only that poverty crushes your feeling that you can achieve them" (03/08/14 *The World Weekly*, Andrew Forrest, The Priory Centre Social Services Hub).

DISCUSSION AND CONCLUSION

The case study evidence presented here has shown how everyday individuals are dipping their toe into enterprise within a developed nation low-income context, allowing the literature to move beyond a sequence of unfruitful dualisms (Hunt et al. 2021; Pahnke and Welter 2019) between entrepreneurs vs. non-entrepreneurs, opportunity vs. necessity entrepreneurship and the formal vs. informal economy. The nuanced porosity uncovered between breaking down these distinctions (Massey 1994) permits the dawn of a more dynamic worldview – that is, theorising an entrepreneurial pathway that is connected to both self and others (Bacq et al. 2023), its aim is to build interdependence, and in which unexploited opportunities may neatly coexist with unexercised agencies so we can "understand and appreciate [entrepreneurial] phenomena more deeply in ways [we] had not imagined" (Bartunek 2020: 225; Ramoglou 2013).

Despite prior research pejoratively discussing institutional voids as constraints (Doh et al. 2017) hostile to enterprise (Parkinson et al. 2017), our study adds to the voices that sees them as enabling not only in emerging, post-conflict or transition economies (Williams et al. 2023) but in developed ones too. This aids awareness of how the 'others' in entrepreneurship may be much more nuanced than first assumed (Ramoglou 2013) and attends closely to how an institutionally void context in a developed economy offers a surprising source of little earner entrepreneurial opportunities, strengthening place attachment to assumingly 'negative' places (Abranches and Theuerkauf 2021; Laine and Kibler 2022; Manzo 2013).

Our study also draws attention to unconventional entrepreneurial skills exhibited in how the residents of social housing neighbourhoods are choosing what *not* to invest in: business growth, debt, or formalisation. Reasoning for this is that such individuals "refuse what they are refused" (Skeggs and Loveday 2012: 487) instead prioritising their own personal and health issues over and above business success – a stark alternative to understanding value in purely economic terms (Aversa et al. 2022; Gill and Larson 2014; Laine and Kibler 2018; 2022; Patriotta and Siegel 2019; Shepherd et al. 2020). We term such an unwillingness to follow conventional entrepreneurship and the societal letter of the law as *entrepreneurial refuseniks* (Grint 2021); a term that effectively challenges longstanding assumptions embedded in government policy that entrepreneurship offers the universalistic means for moving up the socioeconomic ladder (Lounsbury and Glynn 2019; Ruebottom and Toubiana 2021; Santos et al. 2022; Shepherd et al. 2020), whilst welfare support and social housing are intended to be only a stepping-stone to economic stability and the private housing market (Manzo 2013) – thereby stigmatising anybody who chooses to maintain their social position and remain in place.

ENDNOTE

The full paper has been submitted for consideration to the *Journal of Management Studies* and the submission to the 2024 Academy of Management Meeting was made with the *Journal of Management Studies* approval.

REFERENCES AVAILABLE FROM THE AUTHOR(S)