THE CO-CREATION OF ENTREPRENEURSHIP AND THE ENVIRONMENT: CUBA AND THE CUBAN PALADARES (SUMMARY)

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Principal Topic

In September 1993, the Cuban government authorized for the first time limited self-employment. This government decree accidentally resulted in a boom in home-based restaurants, called Paladares, in Havana. One of the great Cuban paradoxes is that during the last 50 years in which market-oriented entrepreneurship was effectively prohibited, a nation of entrepreneurs was created. Using process theory of opportunity creation this paper examines how the iterative process of forming an opportunity simultaneously changes the entrepreneur and the context in which the opportunity is embedded.

Method

This paper elaborates on the emergent theory of opportunity processes by refining existing categories and relationships using an in-depth historical case study of the Cuban Paladares. The rationale for using a single in-depth case study is that it can represent a critical case in accommodating existing theory that has articulated a set of propositions. Opportunities emerge over time, not in a static moment, and the examination of their processes is amenable to longitudinal historical case data.

Results and Implications

This paper addresses the fundamental question—where do markets come from? The data shows how the cumulative effects of entrepreneurial processes can be the seeds from which new markets emerge. If markets are viewed as socially constructed, entrepreneurs use action not to align with a “true” reality but rather to construct, deconstruct, and reconstruct existing realities so as to bring about novel markets. In this view, the act of the entrepreneur is an exogenous shock that can form new markets.

Traditional definitions of markets have focused on supply and demand between firms and customers, largely ignoring the behaviorally relevant aspects. Alternatively, examining these behavioral aspects focuses attention on actors’ relationships and the generation of new knowledge among firms, customers, and the communities in which they are embedded. In this view, markets are socially constructed arrangements among actors who evolve roles by observing each other’s behavior and engaging in conversations. Thus a market is a meaningful conceptual system that is shared among producers of products and services and interested audiences through an accepted vocabulary.

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