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HOW MISERY IMPEDES ENTREPRENEURSHIP: ANTECEDENTS AND CONSTRAINTS OF ENTREPRENEURIAL ACTIVITY AMONG THE EXTREMELY POOR (SUMMARY)

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HOW MISERY IMPEDES ENTREPRENEURSHIP: ANTECEDENTS AND CONSTRAINTS OF ENTREPRENEURIAL ACTIVITY AMONG THE EXTREMELY POOR

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Principal Topic

In this paper, we study the process of enterprising while extremely poor, operationalizing extreme poor as absolute poverty. Using a sociological lens and seeking to explain the "micro-motives" that lead or do not lead to entrepreneurial agency among poor people, we focus our attention on the endogenous and exogenous barriers that difficult it, distinguishing theoretically and empirically individual and social factors. As such, the objective of this paper is not to show that entrepreneurship among the extremely poor is true or even useful, but to study why it is not typical and what factors, again individual and social, make the process more difficult from the agent's perspective. Current theories of entrepreneurship explain low levels of entrepreneurial activity among poor people for a want of capital, and in this paper we add an emotional dimension to that explanation that, according to our findings, acts as a strong blocking force and precedes the lack of capital.

Drawing from an inductive, longitudinal, “thick” case study of an entrepreneur stemming from extreme poverty and exclusion and living and having lived in a shantytown, we suggest that what prevents poor people from ideating and later following an entrepreneurial process is mainly an emotional state dominated by noxious emotions, stemming from the disadvantaged social position poor people have, from the expectations attached to that position, and from the re-creation of these expectations by our subject. In short, society does not expect poor people to become successful entrepreneurs other than having basic subsistence enterprises, and poor people do not accept entrepreneurship and its processes as a "legitimate" activity for them, both because of the want of capital but also, and more importantly, because it is not considered viable for them and because they do not feel capable of doing it. This is so because the negative emotions that are commonplace among extremely poor people, including those that naturalize their poverty and blame it on them, lead to reproduction of the social order rather than its change. We conclude this paper with implications for researchers interested in entrepreneurship among non-traditional populations; for public policy; and for future research efforts.

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