Cultural contexts and entrepreneurial intentions

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REGIONAL CULTURAL CONTEXTS AND ENTREPRENEURIAL INTENTIONS: A BOURDIEUIAN APPROACH

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ABSTRACT

This paper examines the mechanisms by which regional cultural contexts influence entrepreneurs’ decisions to start software companies in two Canadian cities: Waterloo, Ontario and Calgary, Alberta. Building on existing work using Bourdieuian approaches to understand entrepreneurial practices, I argue that regional cultural contexts significantly affect both why and how entrepreneurs start and build their firms. Results based on semi-structured interviews with fifty-one entrepreneurs in technology-related industries show substantial differences between the two cities in the reasons entrepreneurs chose to start their firms. These reasons are associated with the regions’ unique entrepreneurial fields, which promote different entrepreneurial practices and rationalities related to the startup process.

INTRODUCTION

Over the past decade, research from a variety of fields has emphasized the role of local context in the entrepreneurship process. This research has ranged from quantitative studies examining the influence of regional economic and demographic attributes on the rates of new firm formation (Acs and Armington, 2004) to qualitative investigations into the role of local cultural and social characteristics on entrepreneurs (Aoyama, 2009). Underlying this research is a growing theoretical appreciation for the importance of context in understanding entrepreneurial practices and outcomes (Audrestch et al., 2011; Welter, 2011).

Despite these advances, two problems persist in the study of entrepreneurial contexts. The first is the under-theorization of the mechanisms linking entrepreneurial contexts with entrepreneurial practices. Without a strong conceptual basis for these connections, we are left with either a deterministic approach that leaves no room for individual agency, or an atomistic understanding of action that allows no space for the influence of social structure. Second, because of underdeveloped contextual theories, it is difficult to rigorously compare the role of contexts between regions, industries, or time periods (Johns, 2006). This is especially true of cultural contexts, which suffer from ‘fuzzy’ and ill-defined conceptualizations of culture (Markusen, 1999).

To address these problems, this paper uses a Bourdieuian framework to analyze the influence of regional cultural and social contexts on technology entrepreneurs’ initial decisions to start firms. This framework examines how practices — the everyday actions individual actors perform in the pursuit of their goals — emerge from a combination of ordered systems of social relations and individual dispositions. Entrepreneurial intentions are a specific bundle of practices that reflect not only an entrepreneur’s own personality, but also the larger social and economic traditions and rules of the region and industry in which the entrepreneur operates. From a Bourdieuian perspective, such practices arise not because particular social rules or traditions require them but rather because an actor believes that performing those practices is the most rational action. Critically, the nature of what is considered rational depends on the social context or field (Bourdieu, 1977; 1990). This paper builds on existing work on Bourdieu and entrepreneurship by placing the Bourdieuian concepts within a regional framework to specifically examine the relational connection between regional cultural and economic contexts and entrepreneurial practices.

The next section reviews recent work on the role of context in the entrepreneurship process, with a focus on the importance of local entrepreneurial contexts or cultures. This is followed by an overview of Bourdieu’s theory of practice and its application to the study of entrepreneurship. The fourth section introduces the data used in the empirical analysis. The fifth section presents two case studies that demonstrate how local entrepreneurial contexts emerge and influence entrepreneurial practices. The results are analyzed and discussed in the sixth section, while the seventh section concludes by discussing future research paths for Bourdieuian perspectives of entrepreneurship.

CULTURE, CONTEXT, AND ENTREPRENEURSHIP

Entrepreneurship is simultaneously an economic and social process. While new firms are created by entrepreneurs who believe they have recognized a new opportunity, both this belief as well as how they go about realizing this
understanding of the actual processes underlying how actors become embedded in contexts is very nebulous: reciprocally affecting and altering those same norms and conventions. As James (2007, p. 395) argues, our elides a complex set of social actions that ties the actor to a series of norms and conventions, while at the same time to the largest corporation, are embedded in systems of complex, overlapping economic and social contexts (Amin, 1999; Gertler, 2004). Actors are tied to such systems through bonds of reciprocal trust and responsibility. However, a decade’s worth of research on the geography of institutions has made it clear that all actors, from a lone individual through the influence of non-local contexts, and there is a continuous interaction and tension between the two. However, regardless of the scale at which they operate, the social effects of non-local contexts materialize locally; the rules of the global economic or organizational contexts play out at a local level even if their effects are global in nature. Thus, it is not enough to examine only a single context, we must also investigate the wider array of different and often contradictory contexts in which entrepreneurs and other actors are embedded if we are to understand the social origins of their practices.

Second, local cultural contexts play a critical role in shaping the nature of regional entrepreneurship. These cultures affect every aspect of the entrepreneurship process, from the first thought to start a firm to the final exit decision. Some communities with no history of entrepreneurship have cultures that discourage entrepreneurial risk taking (Feldman, 2001). In such cultures, other actors like an entrepreneur’s family or friends will be less willing to invest resources in a new firm because entrepreneurship is perceived as exceptionally risky. Conversely, in a region with a history of entrepreneurial success a culture develops that supports and celebrates entrepreneurial endeavors and risks (Shavinina, 2004). Supportive entrepreneurial cultures are the foundation of successful entrepreneurial economies. Over time, a series of visibly successful entrepreneurs in a region alter its social structure (Feldman, 2001). Prominent entrepreneurs legitimate the risks of entrepreneurship, encouraging both new firm formation and spinoffs. Aoyama (2009 p. 507) argues “entrepreneurial aspirations are shaped by regionally distinctive opportunity costs and are also formed relative to established regional norms.” An increase in growth-oriented entrepreneurs creates the possibility for the formation of a true entrepreneurial cluster marked by intensive networking, knowledge sharing, and cooperation among entrepreneurs (Feldman et al., 2005).

While local contexts and cultures are clearly important, they are not privileged. Other contexts, such as those related to an industrial sector, a national economy, or an ethnic group, also play an important role in the entrepreneurship process. Instead of a strictly geographic focus, a relational approach is needed to understand the interactions between local and non-local contexts (Bathelt and Glückler, 2011). Local contexts are created in part through the influence of non-local contexts, and there is a continuous interaction and tension between the two. They both create potential entrepreneurial opportunities as well as constrain entrepreneurs’ possible actions and strategies (Welter, 2011). Culture, which can be understood as an outlook or way of viewing the world common to a group, is an especially important context for entrepreneurship process. These shared outlooks affect how actors interpret the world around them and decide on the best or most sensible actions to take. Differing local cultures can lead to a heterogeneous entrepreneurial landscape, with some regions excelling in producing fast-growing startups while others lag behind (Malecki, 2009). Examining the regional and cultural contexts of entrepreneurship is key to both understanding the root causes of regional economic development and designing policies that encourage firm formation and economic growth.

Local cultural contexts are of paramount importance for two reasons. First, entrepreneurs primarily draw on resources — financial as well as emotional and social support — from their local social networks and communities. While such networks can and do stretch globally, the strongest ties and densest connections are most often local (Rutten et al., 2010). Financial resources and proprietary knowledge are normally shared only through social bonds based on repeated interaction and trust (Anderson and Jack, 2002). The frequent interaction engendered by co-location helps to develop these bonds, making local networks critical for entrepreneurs. Some regions appear to have a culture that encourages intensive business networking and diverse linkages — at least among a subset of the population — while others seem to encourage smaller networks filled with stronger connections (Wolfe, 2002). Thus, the local contexts that affect networking patterns can be expected have an outsized influence on how entrepreneurs gather resources to establish and grow their firms.

Cultural and Context
A decade’s worth of research on the geography of institutions has made it clear that all actors, from a lone individual to the largest corporation, are embedded in systems of complex, overlapping economic and social contexts (Amin, 1999; Gertler, 2004). Actors are tied to such systems through bonds of reciprocal trust and responsibility. However, when we speak about how an actor is embedded in a particular cultural or institutional context, the word ‘embedded’ elides a complex set of social actions that ties the actor to a series of norms and conventions, while at the same time reciprocally affecting and altering those same norms and conventions. As James (2007, p. 395) argues, our understanding of the actual processes underlying how actors become embedded in contexts is very nebulous:

“...while ‘cultural embeddedness’ has quickly become established as a conceptual lynchpin of the regional development literature, our understanding of the causal mechanisms and everyday practices through which spatially variable sets of socio-cultural conventions, norms, attitudes, values and beliefs shape and condition firms’ economic performance remains under-specified.”
There are relatively few discussions of how these contexts or cultures lead to particular behavioral patterns or choices. Context is frequently employed in a deterministic process that leads to particular actions, obscuring the freedom individuals have to choose particular actions or strategies. Too often, culture and context are seen as a ‘black box’ that influences actors through an unspecified process, but which themselves remain immune to change from those actors. This is problematic for three reasons. First, without an understanding of the mechanisms that link context to action, we cannot determine or explain which contexts are the most important. Second, lacking a clear link between context and action makes it difficult to understand how actors become embedded in particular contexts. A theory of context must be able to explain why some actors become particularly influenced by their contexts while others seem able to operate more independently. Finally, a well-developed understanding of causality is necessary to compare contexts between regions and organizations. This framework must show how particular contexts emerge and evolve and how their influence on particular actions has changed over time.

At the heart of this issue is the question of structure versus agency: How much influence does social structure have on the choices humans make? Are economic and social structures or individual choices and agency more important in producing certain economic outcomes? The answer, as Martin and Sunley (2003) argue, is often a very unsatisfying ‘both.’ The challenge is in striking a balance between structural and individualistic explanations for actors’ behavior while still allowing for a rigorous examination of the elements affecting both social structure and human agency.

If social and cultural contexts are to be a useful paradigm for understanding entrepreneurial actions, these issues must be addressed. Before contexts can become a valuable explanatory tool, they must be fully linked with the actual practices and strategies entrepreneurs employ as they start and grow their firms. Particularly with regards to cultural contexts, such frameworks are underdeveloped, relying primarily on deterministic notions that context causes particular actions rather than creates an environment in which those actions play out. Such mechanisms must avoid both cultural determinism and social atomization; rather they must provide a way to understand how human agency is affected and influenced by the social contexts in which it is embedded.

### BOURDIEUIAN APPROACHES TO ENTREPRENEURIAL CONTEXTS

The work of Pierre Bourdieu offers a framework to understand the connections between context, culture, and individual actions in a manner that provides space for both the role of agency and social structure. Bourdieu offers a practice-based approach that focuses on the rationales of the actors’ practices, rather than a normative view of what rational actors should do (King, 2000). The primary focus in on understanding why different practices make sense within the contexts in which they are performed (Bourdieu, 1977). Practices take place within fields, a “...set[s] of objective, historical relations between positions anchored in a certain form of power.” (Bourdieu and Wacquant, 1992 p. 16) Fields have certain rules that participants implicitly agree to follow. Without this agreement on the basic rules of the game, social interaction is impossible (Hillier and Rooksby, 2002). These rules reflect the power relations between actors and institutions within a field (Swartz, 1997). These can be both formal codified regulations that are uniformly enforced through a judicial system as well as informal rules, traditions, and customs that have evolved over time. However, these informal rules are more than social rituals whose real purpose has been lost or forgotten. These unwritten rules persist if they lend stability to the field’s social relations (Bourdieu, 1977).

These rules are not prescriptive guidelines of what actions to take in any given situation nor do they mechanically produce practices, rather they create a flexible social space for actions. Bourdieu likens this to the rules of a sport like soccer (Bourdieu, 1990). The rules provide a context for action by formally describing the size of the play area and the duration of play. A few actions, like certain players controlling the ball with their hands, are punished. But within these rules, players can employ nearly limitless strategies in the pursuit of their goals, including breaking the written rules (by using their hands or faking an injury) if they feel it will provide a temporary advantage. Fields are more than a collection of institutional rules and norms, they are a space of purposeful and strategic decision making.

While a field may have objective and real rules and social hierarchies, these are interpreted through the lens of habitus: individual dispossessions and personal intentions brought about by actors’ internalization and understandings of a field’s nature (Bourdieu, 1990). The habitus represents an unconscious internalization of the field’s formal and informal rules as the field’s hierarchy of power (Swartz, 1997). Through their habitus “people want what they have a chance at getting and learn instinctively how to get what is possible.” (Friedland, 2009 p. 899) This creates a practical sense of what strategies and practices are viable in a given situation based not only on actors’ social position but their understanding of the distribution of power within the field as well (Swartz, 1997). The field then does not ordain that certain practices be employed in response to a given situation, but rather it creates...
a context in which the strategic use of practices can play out. Habitus creates a practical sense of what practices work best given the rules of the field and the actor’s social position and power relations within that field.

Actors’ decisions, strategies, and practices are guided by the pursuit of capital, which includes both its traditional economic form, as well as social, cultural, or symbolic capital (Bourdieu, 1986a). Like economic capital, these alternative forms can be used to acquire resources or demonstrate social status. Critically, however, the value of the different forms of capital is dependent on the nature of the field. Actors orient their practices around increasing their stocks of the forms capital that they believe, based on their habitus, are valuable and that will increase their position within the field. For example, starting a firm may decrease the amount of economic capital an entrepreneur possess, due to the lower wages she receives compared to traditional employment. However, being a small business owner may confer on her increased symbolic capital in a field that celebrates the act of entrepreneurship, compensating for the forgone economic capital. Practices within a field are strategic, purposeful, and within the context of the field, rational. However, the definition of ‘rational practices’ differs based on the objective rules of the field and how those rules are understood through an actor’s habitus. Practices are performed because actors believe that they are the best choice given their immediate needs and context, not because social norms or traditions demand them.

**Bourdieu and Entrepreneurship**

The past several years have seen a small but growing interest in the use of Bourdieu to study entrepreneurship. This literature is based on two aspects of Bourdieu’s work: a practice-based approach (Terjesen and Elam, 2009) and an interest in how norms of legitimacy are constructed within the entrepreneurial field (Elam, 2008; de Clercq and Voronov 2009a; de Clercq and Voronov 2009b; de Clercq and Voronov 2009c; de Clercq and Hoing, 2011; de Clercq and Voronov, 2011). The practice-based approach emerges from an increasing awareness that entrepreneurs’ actual decisions and strategies are bound up in their larger social environment (Licht and Siegel, 2006). The second stream examines how norms and conventions of legitimacy are created within fields and how entrepreneurs adopt specific practices to appear legitimate. In order to gather the resources they need, entrepreneurs must appear to be legitimate in the eyes of their investors.

de Clercq and Voronov’s research has focused specifically on the field of gazelle start-up firms. This field is made up of both the founders of fast growing startup firms and the angel investors and venture capitalists who are considering investing in them. To access this capital, entrepreneurs must develop a very specific form of cultural capital if they are to appear legitimate to the investors. This cultural capital is created by performing particular practices in particular ways from the creation of a business plan to the way they dress and present their ideas (de Clercq and Voronov, 2009a). If they are to appear legitimate, entrepreneurs must adhere to the unwritten rules about entrepreneurial legitimacy while simultaneously signaling their independence and uniqueness by violating some of those norms (de Clercq and Voronov, 2009b). This requires entrepreneurs to “...artfully navigate the tensions among the attributes of their potentially novel activities, the dominant field arrangements and broader field-level templates of change.” (de Clercq and Voronov, 2009c p. 813). Only those entrepreneurs whose habitus are finely attuned to the rules and traditions of the entrepreneurial field will appear legitimate and thus secure the resources they need from others.

The local entrepreneurial field represents the norms, rules, and conventions of entrepreneurship within the region. This field is created by the region’s economic and industrial history and past experiences with entrepreneurial successes and failures. This field influences not only the entrepreneur’s perspectives and actions, but local investors, family and friends, and potential employees as well. Similarly, unwritten local norms of inter-firm trust, cooperation, and mobility will affect the entrepreneurship process. A history of successful entrepreneurship in a region creates a virtuous cycle that progressively normalizes entrepreneurial endeavors. Alternatively, a region dependent on a single dominant industry or employer will over time develop field-based traditions that privilege the security of working for a large, stable firm. As the debates over the true origin of Silicon Valley demonstrate, it is often difficult to locate the precise events or actors that catalyze the creation of an entrepreneurial field. Nevertheless, a region’s economic history can provide valuable clues as to the nature of the local field and its implications for the entrepreneurship process.

As a sociologist, Bourdieu saw fields as existing in social space as opposed to geographic space. Bourdieu often used spatial metaphors without thought to the actual geography of his theories (e.g. Bourdieu, 1989). Fields have a complex geography, transcending political boundaries and scales. A relational approach is necessary to understand the multi-scalar nature of fields. Instead of seeing space as a casual force for economic or social activity, space is a lens through which economic and social activity are studied and interpreted (Bathelt and Glückler, 2011). Similarly, we cannot assume that actors are only affected by regional or national fields. Due to long-term trends such as globalization, transnational migration, and financialization, actors are increasingly operating within and
through several complex fields. Actors’ habitus have adjusted to this new social reality, and they are generally not aware of the intricate set of practices they must perform in order to navigate the competing expectations of the field and the indeterminacies between them (Bourdieu, 1986b). Therefore, when considering local fields, we must be sensitive to the other fields that actors are exposed to and operate in.

**Entrepreneurial Intentions**

Entrepreneurs have different goals for their firms. Some aim to create a fast-growing, innovative company that will quickly be worth millions while others want a small firm that will support their lifestyle while still leaving time for outside interests. Similarly, entrepreneurs decide to start a firm for a number of reasons, ranging from a lack of other options in the traditional labor market to a deep-seated desire for the freedom and control self-employment allows. Both an entrepreneur’s reasons for founding a firm and his or her subsequent goals for that firm are directly linked to rules and conventions of the local field. Fields that support risk taking and growth create entrepreneurial environments that support growth-oriented entrepreneurs, while fields that prioritize stability may see just as many new firms created but with slower growth trajectories.

Individual traits and personality characteristics have long been thought to play an important role in fostering entrepreneurial intentions (Ajzen, 1991). However, recent research has called into question the value of personality traits such as a desire for control or achievement in predicting both the desire for entrepreneurship as well as the actual founding of a firm (Henley, 2007). Personality factors appear to have the greatest influence on the entrepreneurial intentions of young people, while its predictive value falls significantly as people age and progress in their careers (Frank et al., 2007). Kruger et al. (2000) have argued that specific events or situations are better predictors of entrepreneurship than personality or behavioral traits. Discrete events such as the loss of a job catalyze the decision to start a firm and pursue an entrepreneurial goal. Such events reduce the opportunity costs of starting a new firm when compared to traditional employment, as well as interrupt the emotional and cognitive inertia that often hinders the first steps towards entrepreneurship.

However, it is a mistake to think that either personality traits or specific events are the sole causes or predictors of entrepreneurship. Rather, there is a spectrum of entrepreneurial intentions that not only influence why an entrepreneur decides to start a firm as well as his or her goals once they have started it. There are three broad categories of entrepreneurial intentions: pull, push, and trip. Pull entrepreneurship is traditionally associated with the behavioral approach to entrepreneurial intentions. Individuals are ‘pulled’ towards an entrepreneurial lifestyle due to an internal desire for the lifestyle associated with entrepreneurship, such as a control over their own destiny, freedom to work as they see fit, and the ability to profit from the results of their hard work. Such intentions are frequently observed amongst high-tech entrepreneurs who desire the challenge and risk of developing technically advanced products or services.

Push entrepreneurship represents the theory of the entrepreneurial event (Shapero, 1982). This intention develops after the loss of a job is compounded by a lack of other opportunities in the traditional labor market and an inability (due to family ties, lack of resources, or an attachment to the area) to leave a region in search of a new job elsewhere. Such a situation ‘pushes’ individuals towards starting their own firm as a means to provide an income absent other options. The event need not be only a job loss, the realization that career advancement is limited within a larger firm or a conflict within the organization can similarly push potential entrepreneurs towards starting their own firm.

Not all entrepreneurs are either pulled into entrepreneurship by the desire for a particular lifestyle or pushed into it by an outside event. Others may see entrepreneurship as a normal part of a career path that can span both traditional wage employment and self-employment. Such actors will consider entrepreneurship when they recognize a potential opportunity. In essence, these entrepreneurs ‘trip’ over an opportunity and decide to pursue it by creating a new firm. Unlike ‘pull’ entrepreneurs, they will not seriously consider starting a new firm until they identify and study an attractive entrepreneurial opportunity, often within the same field of sector they were already working in. These individuals are equally comfortable with the stability of paid employment or the risks of entrepreneurship and may potentially switch between the two categories several times in their careers. Much like the other types of entrepreneurship, trip entrepreneurship is as much an outcome of the local field as it is related to the entrepreneur’s personality and individual characteristics. This form of entrepreneurial intentions requires an economic environment where potential entrepreneurs can observe multiple possible opportunities for entrepreneurship and an entrepreneurial field that is supportive of the risk taking entrepreneurship entails.

This Push/Pull/Trip categorization offers three general paths to entrepreneurship: an attraction to the entrepreneurial lifestyle, a lack of other options in the traditional labor market, or the pursuit of a specific opportunity. These different types of entrepreneurial paths and intentions are not the sole outcome of individual personality traits, rather they are influenced by the nature of both the local field and the industrial field the
entrepreneur operates in or intends to enter. Aspects of the local field such as tolerance of risk and the perception
that entrepreneurship is a sensible and acceptable alternative to working at a more stable employer are critical. A
region with a history of prominent entrepreneurial success stories will highlight the advantages of entrepreneurial
lifestyles and encourage others to embrace it, while a region whose economy is based around a dominant firm or
industry will develop a field that marginalizes entrepreneurial intentions.

REGIONAL FIELDS AND ENTREPRENEURIAL INTENTIONS

Data and methods
Two case studies are used to investigate the connection between local fields and entrepreneurial intentions. Each
case is based on intensive, semi-structured interviews with entrepreneurs, investors, and economic development
officials who work in the technology sectors of two mid-sized Canadian cities: Waterloo, Ontario and Calgary,
Alberta. Both cities are considered among the best places for technology entrepreneurship in Canada (Pennington,
2009), and each has a unique economic and social history that produces different entrepreneurial fields that in turn
affect the dominant type of entrepreneurial intentions found in the regions. Software entrepreneurs are specifically
examined because such firms have very low barriers to entry and require little startup capital, ensuring that all three
types of entrepreneurial intentions are equally possible.

Fifty-one entrepreneurs were interviewed: twenty-three in Waterloo, and twenty-eight in Calgary. A
population of firms in five software related industries was created from Scotts Industrial Directory, a Canadian
industrial database. One hundred and six firms were contacted, producing an average response rate of 48.1%. This
method, as opposed to the more common research practice of only contacting leading entrepreneurial firms,
produces a more representative sample of the region’s entrepreneurs including those who are both growth-oriented
and lifestyle-focused. A non-response analysis shows the sample is generally representative of the entire firm
population. The only significant difference between the population and sample was the year of founding for
Waterloo firms, where the average for interviewed firms was 2001 compared to 1997 for the entire population (p <
0.01). This is not expected to have a major impact on the findings. An additional ten investors (five in Waterloo and
five in Calgary) and nine economic development officials (four in Waterloo and five in Calgary) were interviewed to
gather their perspectives on the nature of the local entrepreneurial field.

Interviews with entrepreneurs are used to investigate how their entrepreneurial intentions developed in
relation to their local entrepreneurial field. This is done using a close-reading methodology of the interviews along
with a historical analysis of the regional economies gleaned through discussions with key informants. The current
nature of the local entrepreneurial field is examined through an analysis of the region’s economic and social history
as well as through discussions with local investors and economic development officials. Interviews with
entrepreneurs are then used to examine how their habitus and practices are affected by their perceptions of both the
local entrepreneurial field and the industrial field in which they operate.

Using the Dedoose qualitative analysis platform, interviews with entrepreneurs were coded and analyzed to
determine the type of entrepreneurial intentions — push, pull, or trip — that motivated their firms’ founding. The
results show substantial differences in the types of entrepreneurial intentions dominant in the different cities (see
Table 1). To illustrate how a particular set of entrepreneurial practices emerge from the nature of the local fields,
this paper concentrates on incidents of pull and trip entrepreneurship in Waterloo and Calgary. While both cities are
considered centers of high-tech, entrepreneurial economies, their different local fields led to very different practices
relating to their entrepreneurial intentions. 48% of entrepreneurs in Waterloo were pulled into entrepreneurship by a
desire for the lifestyle, compared to 28% in Calgary. Strikingly, 53% of entrepreneurs in Calgary are classified as
‘tripping’ into entrepreneurship, compared to 39% in Waterloo. These differences suggest the influence not only of
local economic conditions, but also of social factors such as the nature of the field and the value placed on
entrepreneurship within the community.

Waterloo
The Region of Waterloo, a municipality of approximately 500,000 in western Ontario, has developed an
entrepreneurial field that encourages a particular type of person — a technologically skilled young university
graduate — to create a technology-based, growth-oriented firm as a way to embrace his or her desire for an
entrepreneurial lifestyle. The high rate of pull entrepreneurship in the community (48%) reflects the high social
status accorded entrepreneurs who found such companies. The field naturalizes the risks and lifestyle associated
with starting a high-growth firm, such as the longer hours, unstable income, and inherent uncertainty. In essence,
this type of entrepreneurship produces a great deal of symbolic capital, encouraging potential entrepreneurs to trade
the economic capital they would get from traditional employment for the symbolic capital of high-growth entrepreneurship.

This field has emerged due to the presence of successful local startups that have gone on to become leading multinational companies, such as Research in Motion (RIM, maker of the Blackberry cell phone) and OpenText (a database provider) as well as the presence of the University of Waterloo (UW). UW is widely considered to be one of the most entrepreneurial-friendly universities in the world with a history of producing successful entrepreneurial spinoffs by both students and faculty (Bramwell and Wolfie, 2008; Bathelt et al., 2010; Bathelt and Spigel, 2011). The emergence of Waterloo’s entrepreneurial field can be traced to UW’s founding in 1957 as a technical university specifically organized toward producing trained workers and research for the local industrial economy (Scott, 1967). Because of the close interaction between local industrial leaders and UW’s founding administration the university’s research has had a pronounced orientation towards problems relevant to the local manufacturing industry (Bramwell et al., 2008). The commercialization of this research is aided by UW’s unique intellectual property regime, which gives ownership of any new technologies to the inventor rather than the university, helping foster academic entrepreneurship (Kenney and Patton, 2011). The university’s entrepreneurial culture, created by its historical connections to applied industrial research and its track record of successful academic spinoffs, is absorbed by students, helping build an entrepreneurial habitus attuned to the specific rules of Waterloo’s field.

Beyond the role of the university, several other organizations in the area also contribute to the high social value of entrepreneurship in the region. Communitech, a regional economic development agency, is specifically charged with promoting and supporting high-tech entrepreneurship. Through a combination of formal and informal programs, Communitech has sought to foster and reproduce a culture of entrepreneurship in the region. As Communitech’s director argues “We have been fortunate in the past that we have a long tradition of entrepreneurialism in the area...we’ve got a history where, you know, taking a risk, betting the farm, and doing a startup is part of our DNA. And the tech scene is just the next manifestation of that core culture.” (Interview W101)

The presence of both UW and Communitech help create a local entrepreneurial field that celebrates and honors technology-based entrepreneurship, imbuing it with a high degree of symbolic capital within the community. This privileged social status in Waterloo helps reduce the barriers to entrepreneurship, such as concerns by potential entrepreneurs and their friends and family about the added risk and instability of starting a new firm compared to traditional employment. The founder of a new media firm who was raised in a nearby region dominated by the steel industry said: “Growing up in Hamilton, it’s more of a lunch-pail town. The culture there towards entrepreneurship is a lot different than it is here. So as soon as you start talking to somewhere there about starting a company, about fifteen-seconds in they suggest that you go and get a real job...While here in Waterloo region, it’s much more supportive.” (Interview W106) The symbolic value of entrepreneurship as a desirable lifestyle outweighs the unease over the risks associated with it.

The high social status of entrepreneurship in the region encourages those with entrepreneurial intentions to actively pursue creating a firm. Starting a firm before having a clear idea of an eventual product or market was a commonly observed practice in Waterloo, especially among young UW graduates (the average age of a pull entrepreneur at the time of the company’s founding was 29.6, compared to 36.6 for trip entrepreneurs and an overall Waterloo average of 33.7). A typical version of this practice is expressed by an entrepreneur who started his company while still a graduate student at UW: “We incorporated the company even before we had the idea. We decided that there were three of us, we’re smart guys, lets see if we can’t figure out how to do this” (Interview W117). Such practices were rarely seen elsewhere, suggesting that for this type of entrepreneur the desire for an entrepreneurial lifestyle was more important than the actual market opportunity he pursued.

Those pulled into entrepreneurship often said that this had been their intention since childhood. Many of them started quasi-entrepreneurial endeavors while still in grade school, such as “sell[ing] mice to PJ’s Pet Center” (Interview W117) or “buying and upgrading computer hardware...out of my parents’ basement...when I was 14 years old” (Interview W117). Others saw their entrepreneurial drive rooted in a desire to control their economic destinies and the need for constant challenge. As one UW graduate and serial entrepreneur put it: “I think it was just that I liked that challenge. I like to create things, create business...I liked knowing that I could create it and the better it does the more I do... I enjoy the thrill of creating business.” (Interview W124)

Such desires are not simply naturalized by the region’s field; the field itself encourages them. This is true both within entrepreneurs’ networks of family, friends, and colleagues as well as through the more formal entrepreneurship programs run by the UW or Communitech. Waterloo’s entrepreneurial field serves to lower the social and economic hurdles and helps nascent entrepreneurs embrace the act of starting a firm. The high social status and value of entrepreneurship, especially in the university, creates an environment that motivates the pursuit of entrepreneurial intentions proactively rather than passively waiting for a specific opportunity or event to catalyze the entrepreneurship process. In this environment, choosing to forgo traditional employment in favor of high-growth
entrepreneurship makes a great deal of sense due to both the privileged social status of this kind of entrepreneurship as well as the numerous visible success stories in the region.

Waterloo’s high-tech entrepreneurial field creates a social environment supportive of a particular type of entrepreneurship: young entrepreneurs, often UW graduates, starting a company to design and sell an advanced technological product. But this is far from universal. There is a large population of entrepreneurs in the region whose primary goal is not to create a high-growth technology firm but rather to operate a small, stable, and sustainable business that supports them and their families.

These entrepreneurs, many of whom are older than the more prominent high-tech entrepreneurs in the region, develop a very different habitus and thus have a very different relationship with the local field’s entrepreneurial traditions and norms. Because their approach to entrepreneurship differs from the norms of the entrepreneurial field, it provides the founders far less symbolic capital. Consequently, they find it difficult to access resources within the field, such as skilled employees or advice from other entrepreneurs or senior managers in the region. One entrepreneur in this situation sums up the situation this way: “If you’re doing something that’s not technology — and here you have to say you’re doing software and everyone is like ‘[gasp] is that like RIM?’ If you’re not doing that... I find that people around here are very unclear about what you’re doing and why that may be interesting to them.” (Interview W104) This difficulty comes from that fact that within the field, their goals of creating a small, sustainable firm are not seen as legitimate by others in the field. Lacking legitimacy, such entrepreneurs find it difficult to access resources sourced within the community. While the difficulty this causes for financing is less important because this group of entrepreneurs chooses to rely on internal funding, less support is available to them from government programs or Communitech.

Waterloo’s entrepreneurial field celebrates and rewards a particular form of entrepreneurship. For those with an entrepreneurial habitus, especially those who were socialized into it at the UW, this field makes the decision to pursue one’s entrepreneurial desires, instead of working for a more established company, rational and sensible. This field contributes to the high rates of pull entrepreneurship observed in the region, along with other practices such as starting a firm without a clear market or product idea. However, for those with a different habitus, this same field delegitimizes particular practices, such as creating a slow-growing lifestyle firm, making it harder to access critical resources within the community.

Calgary

Calgary, a city of one million in western Canada, is dominated by the oil and gas industry. The industry accounts for 53% of the province’s GDP, and Calgary itself is home to more than 70% of Canada’s oil and gas headquarters (Miller and Smart, 2011). This economic structure affords entrepreneurs a wide array of opportunities to provide technology solutions to this market. But despite these ample opportunities, relatively few entrepreneurs in the region are pulled into entrepreneurship by the desire for a particular lifestyle. Rather, the majority of entrepreneurs interviewed (52%) began the entrepreneurship process only after identifying a potential opportunity and deciding they could best pursue it by starting their own firm. This practice is aided by a local entrepreneurial field that normalizes entrepreneurship as an ordinary part of a career path that might include both traditional and self-employment. Rather than celebrating the risk and rewards of entrepreneurship, the field normalizes entrepreneurial activities as a stable lifestyle.

While Calgary’s mythology celebrates the risk takers and roughnecks of the city’s history, its time as a resource boomtown is long past, with the drillers and wildcats replaced by bankers, managers, resource traders, and geologists. The growing economy has led to labor shortages in the region, especially for skilled workers like programmers and technologists familiar with the unique challenges of the resource sector. Consequently, wages and the cost of living in Calgary are extremely high, increasing the opportunity cost of entrepreneurship (Cross and Blowby, 2006). Within this economic structure, the desire of an entrepreneurial lifestyle is hard-pressed to compete with the near-guaranteed rewards of working for a major oil and gas company. This becomes apparent when examining the paths leading up to the entrepreneurial endeavor. While 51% of Waterloo entrepreneurs interviewed were under the age of thirty when they started their firm, only 32% of Calgary entrepreneurs were. Furthermore, only four of twenty-eight (14%) Calgary entrepreneurs started their firms immediately after graduating from university, compared with six of twenty-three in Waterloo (26%).

The most common path to entrepreneurship in Calgary is to work at a local firm, most often in the oil and gas sector, until an opportunity is observed or discovered. The founder of a contract programming firm relates a typical example: while at an existing firm he worked with a client who was experiencing difficulty with a project. That client “spent a couple hundred thousand dollars but he didn’t find it the way he wanted it and so he contacted me...So then I quit and he asked me to get a few assistants and work on the project...We continued to work on the project because it was still expanding and we had to hire new people.” (Interview C103) This is also true of
entrepreneurs outside of the oil and gas industry. An entrepreneur in the e-learning sector felt that “[t]he only reason we started [the company] at that point was we knew that [the client] was looking for an e-learning solution.” (Interview C138)

A reluctance to start a firm without having a clear market or established customers was common in Calgary. Fifteen firms (53%) initially performed consulting or contract work (known as runway techniques) before moving on to their present product or service, compared with 34% (eight of twenty-three) of Waterloo firms interviewed. This suggests that while entrepreneurial aspirations may be common, they are tempered by the relative stability of contract work or a desire to reduce the risk of leaving the high wages found in traditional employment. Asked why he choose this route over a product-oriented startup strategy, the owner of an IT services company replied: “[t]here’s money, there’s revenue and there’s employment there and it’s contracted and it looks long-term. There definitely wasn’t a lot of risk in our startup.” (C106)

The high rates of trip entrepreneurship and relatively low rates of pull entrepreneurship in Calgary are not simply the result of the high opportunity costs in the region. Rather, they reflect the lower social status and symbolic value of risky, high-growth entrepreneurship within the regional field. Being an entrepreneur is not celebrated or respected in Calgary the way it is in Waterloo. Consequently, Calgary has fewer formal programs to promote entrepreneurship. Calgary lacks an influential and visible institution like Communitech that can effectively organize networking and peer-to-peer groups. And the intensive networking and mentoring among entrepreneurs and high ranking managers at larger firms found in Waterloo is almost non-existent in this community. This is not to say that there is little interpersonal business networking in Calgary. To the contrary, the dense local oil and gas cluster (largely situated in the downtown core) and the high degree of labor mobility in the region make networking a constant practice. However, entrepreneurs use this networking mainly to find new clients or employees, rather than to receive advice or support for starting, running, and growing a small firm. While Innovate Calgary, the local economic development organization, has several programs to aid entrepreneurs, none of the entrepreneurs interviewed regularly attended its events, even those located in Innovate Calgary’s own incubation facilities.

Without constant interaction between young entrepreneurs and more established businesspeople through mentorship and networking programs, no platform exists for the development of a field that celebrates the entrepreneurial lifestyle and endeavor. As a result, few of the entrepreneurs interviewed expressed a deep-seated desire for an entrepreneurial lifestyle. Speaking about his decision to start a business with his father, one entrepreneur explained: “I wouldn't say that I dreamed about [being an entrepreneur], but I also wouldn't say that I saw myself as doing a 9-5 employee gig for the rest of my life. I think it was sort of a preference, but it wasn't central to my being that I must be an entrepreneur, that I must start a business.” (Interview C119, emphasis in original) An earlier sociological study of Calgary’s oil economy found that: “[the] spirit of competition [in Calgary] translates into the need to make a good living and achieve career success.” (House, 1980 p. 44) While founding a firm can provide this career success, it requires much more work and risk than working for an existing company. This reduces the symbolic capital of risky, technology-based entrepreneurship and makes it less sensible for potential entrepreneurs to give up the more stable life of traditional employment in the energy sector.

Even though entrepreneurship is not privileged in Calgary, neither is it seen as especially risky or unusual. Rather, the opportunity-rich environment created by the local oil and gas cluster makes it easy for potential entrepreneurs to spot and pursue an opportunity by founding a new firm. An entrepreneur serving this sector described what he considered a common process:

It’s very common for someone who works in an oil company, especially in the geophysical side, if they have perceived that there’s a play available and their current employer either doesn’t have the finances to exploit that or confidence in them to exercise it, you see these kinds of people launching off on their own... That’s how it works here. People that live in this area are familiar with that process and it’s quite common. So they see their neighbor can become extremely successful and do very well and so people are encouraged by that. So maybe that helps in getting people to take some risks, some entrepreneurial risks for businesses that are not necessarily directly related, but it maybe gives them encouragement. (Interview C104)

Potential entrepreneurs observe these successful, opportunity-based entrepreneurs and learn that it is not only possible, but are a relatively common occurrence in the local economy. An oil and gas consulting firm can be set up with few initial expenses beyond office space and computers. Consequently, “there’s thousands of consultants running around town that are geologists or geophysicists or engineers, and they’re all operating little enterprises. I think it’s a really an accepted way of doing business.” (Interview C114) Calgary’s field normalizes the act of starting a firm, even if the entrepreneurial lifestyle is not celebrated like it is in other places. This encourages
Entrepreneurial intentions — the rationales and desires behind starting a business — are a critical part of the entrepreneurial process. Developing a nascent entrepreneur with only a weak desire for entrepreneurship into a full-fledged small-business owner is a challenging, but necessary, process for any local development strategy based on unlocking regional entrepreneurial potential. These entrepreneurial intentions cannot be thought of solely as the result of individual personality traits or quirks; they are related to the local entrepreneurial field in which entrepreneurs are embedded. The field helps create the norms and expectations against which entrepreneurs judge their practices and goals.

In a city like Waterloo, those norms include the celebration of entrepreneurs who create leading-edge, growth-oriented technology firms. This encourages potential entrepreneurs, both UW graduates and others, to take on the risks associated with starting such firms in order to enjoy a lifestyle that is celebrated in the community. Calgary’s field, on the other hand, normalizes rather than celebrates entrepreneurship and entrepreneurial risk. This leads to a different dominant set of entrepreneurial practices, practices that reduce the initial risk of starting a firm and quickly generate revenues (75% of interviewed entrepreneurs in Calgary reported they made a profit in the last year, compared with 52% in Waterloo).

The differences in entrepreneurial intentions between the two regions are not due solely to their economic structures. The same structure that produced the high rates of trip entrepreneurship observed in Calgary could just as easily discourage entrepreneurship due to the high wages in traditional employment and high cost of living. However, just as we reject solely economic explanations, we must also be careful about attributing these differences to the regions’ unique ‘cultures.’ To do so would be to bypass the processes that link the local social and economic contexts with each city’s particular entrepreneurial practices. It is these processes that show the importance of local contexts in creating an environment in which particular entrepreneurial choices, strategies, and practices play out.

The problems with using culture or cultural context to understand regional patterns of entrepreneurial potential is that we lack a path that connects the two. The Bourdieuan framework discussed here provides such a path. The notion of fields as ordered systems of social relations found within a region helps explain not only why certain practices are commonly found in different communities but also why these practices make sense for the entrepreneurs who perform them. The field creates an environment in which particular practices are seen as more rational or sensible than others. Young UW graduates with entrepreneurial intentions develop a specific habitus that allows them to value the symbolic capital of starting a technically advanced firm more than the economic capital they would get in the traditional labor market. This justifies particular practices, such as creating the firm without a specific market or product, that for others with either a different habitus or in a different field, appear to be irrational and poorly planned.

It is important to note that while local fields are influential, they are not deterministic. As shown in Waterloo, there will always be a significant population of entrepreneurs that do not adhere to the vision promoted by the field. Neither that region’s entrepreneurial field nor any other social structure will prevent some entrepreneurs from pursuing small and stable firms. Likewise, in less entrepreneurial communities some individuals will always choose to establish risky, high-growth firms. But, the norms established by the field make these choices appear to be less legitimate, which in turn makes it harder for such entrepreneurs to draw on resources within the local community, such as financing, knowledge, or other kinds of support. While this group’s practices are based on their individual habitus and goals for their firms, by choosing practices at odds with the expectations of the local field they encounter problems when trying to access locally-based resources such as financing, customers, or employees.
CONCLUSION

The Bourdieuan approach taken in this paper provides a way to understand the social underpinnings of entrepreneurial intentions specifically and entrepreneurial practices more generally. This paper has argued that different entrepreneurial fields in Calgary and Waterloo, not just their distinct economic structures, are the source of the different dominant intentions found in each region. While the regions’ unique economies are clearly important, especially the number and types of entrepreneurial opportunities available, it is the social status associated with entrepreneurial risks and lifestyles that motivate the different types of intentions found in each city.

This framework offers two main advantages for studying entrepreneurial practices. The first is that it provides an alternative to vague and ill-defined notions of culture or cultural context. As argued earlier, the term ‘culture’ is problematic when used as a lens to study economic actions and strategies. Consequently, we lack an understanding of the processes that link cultural contexts with the practices chosen by entrepreneurs. A Bourdieuan perspective provides such a link: practices emerge out of entrepreneurs’ and other actors’ understanding of the rules of the fields in which they operate. By exploring the evolution of fields and how actors understand the rules of those fields and balance the competing norms and traditions of multiple fields, we gain a deeper appreciation for the roles of social structure and individual choice and agency in producing practices. Instead of seeing entrepreneurs as completely independent agents maximizing their own utility or as completely controlled by culture or other social forces, a Bourdieuan framework provides a more nuanced perspective that strikes a balance between social structure and agency.

Second, a Bourdieuan approach is focused strictly on understanding both the practices entrepreneurs adopt and the social origins of these practices. This perspective is critical for regions employing entrepreneurship-based economic development programs, especially those that attempt to promote particular practices, such as aggressive entrepreneurial risk-taking or growth strategies. Such practices are not simply the result of particular policies or programs, but are rather related to local and industrial fields. If they are to be successful, such policies or programs must consider the local fields in which they are being employed, otherwise they will not be sustainable in the long run.

However, Bourdieuan perspectives of entrepreneurship are new and still require development. More empirical research is necessary in order both to (1) validate the theoretical approach and (2) go beyond simple post-hoc explanation of a region’s common practices by reference to a field towards a more rigorous examination of the actual rules and social structures of the field and explanation of how practices emerge from such arrangements. This will require a mixed methods approach that combines quantitative evidence of the most common practices along with qualitative examinations of why those practices made sense to the entrepreneurs who performed them.

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NOTES

1. This paper is part of a larger research project that also examined technology entrepreneurship in Ottawa, Ontario. The present paper focuses on Waterloo and Calgary in order to examine the social origins of entrepreneurial intentions. For details on the Ottawa case study, see Spigel (2012).
2. Not all interviews could be coded due to either an interviewee’s unwillingness to discuss their original intentions or request that the interview not be recorded or transcribed. Consequently, the entrepreneurial intentions of two respondents in Calgary and Waterloo could not be coded.

REFERENCES


Table 1: Types of Entrepreneurial Intentions in Waterloo and Calgary (source: interviews)

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