Preface

The original intent of this project was to search out a better explanation of why women are so often less likely to start businesses and, when they do, why women start very different businesses. Quickly, it became apparent to me that most of the theories guiding current research efforts in entrepreneurship studies were largely insufficient for the task. As a consequence, I began to formulate my own perspective on gender and entrepreneurship, drawing on contemporary sociological theories of social action and society. The next step was to find some data for a test of the resulting theoretical hypotheses. I stumbled upon the Global Entrepreneurship Data right about the time that the first gender findings were reported. Immediately, I was intrigued with the reported variation in the gender gap in entrepreneurship participation across countries. While I had a good sense of how we might theorize more effectively about the gender differences found in the United States, less apparent was how we might begin to develop strong theoretically-based explanations about cross-national patterns in gendered rates of participation. My passion for social theory led me back to the drawing board for more theory development. The results of these initial efforts to develop a cross-national comparative theory of gender and entrepreneurship are found here in this book.

Almost two years have passed now since I first sat down to write this dissertation. The time has passed quickly and, along the way, I have made many new discoveries. I have come to look at the initial project with a more enriched understanding of what I was trying to say in the first place and I now have a much clearer vision of where to take future research efforts. With regard to the social theory component of the project, I am still pleased with the general framework I developed, but having read more Giddens, I find myself inspired by some of his more abstract conceptualizations of time and space, types of power, forms of consciousness, and the duality of social processes within and across levels of analysis. I am working to incorporate some of these more advanced sensibilities into my current work. The notion of dual processes, in particular, helps bridge the conceptual opposition between conscious strategic social action and unconscious habituated social action.
In terms of the entrepreneurship component of this initial project, I was delighted to discover David Harper’s (2003) theory of entrepreneurial discovery. Harper importantly theorizes on the inter-workings of cultural values, institutions, and individual psychology. Like other theorists working on the entrepreneurial discovery theories of entrepreneurship, he bases his theorizing on Kirznerian market process or disequilibrium theory. At the individual level, Harper basically argues that individuals with a strong sense of control and self-efficacy are the most likely to be alert to opportunities. This idea adds to the information asymmetries hypothesis that characterizes the entrepreneurial discovery perspective in a very important way. However, alertness is situational. Opportunities are defined by one’s position or point of view. Some of us are more alert to “profit opportunities” than others and in patterned ways. If we consider the places—economic, social, cultural, and symbolic—that individuals share within a given social structure, we can see that entrepreneurial behavior tends to emerge out of particular locations.

At the macro-level, Harper identifies freedom as the key value, or deep logic, driving rates of alertness and entrepreneurial activity in a given society. Not only is this work a fresh departure from the previous focus on Hofstede’s values as the defining framework for the study of entrepreneurship and national culture, but it is also a great example of the direction institutional theories of entrepreneurship can move. Harper, for example, looks at the ways in which freedom as an institutional value shapes the “constitutional, legal, economic, political, and ethical rules of the game [that] affect people’s perceived causal capabilities” (Harper 2003:4). He further concludes that individualistic values are not superior to collective values as far as alertness and entrepreneurial discovery are concerned.

My attention to Harper’s work is indicative of an increasing interest in theories related to the Austrian School of economic theory, or more generally institutional economic theory, especially as these perspectives relate to some earlier sociological theories of entrepreneurship (e.g., Weber, Parsons, Cole, etc.). Institutional theories from both sociology and economics are increasingly popular in the field of entrepreneurship studies (Lawrence and Suddaby 2006). Such theories focus attention on the importance of culture, perceptions and patterns of cultural practice in addition to the usual concern with material factors. While always central to the study of social phenomena in the field of sociology, institutional perspectives have, until quite recently, been marginalized in the study of economics, despite a longstanding interest in the importance of both psychology and culture in the field of management studies more broadly speaking.

Particularly important to an institution-based perspective (Peng 2003) is the idea that deep cultural logics tend to persist over time and only change in the sense that deep logics are expressed in the context of a changing material
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and social environment (Cochran 1949). Sociological theory adds at least two important components to institutional theorizing. First is the concept of institutionalization—that is, the progression of ideas from soft forms of culture (e.g., beliefs, ideals, expectations) to harder, perhaps more deterministic forms of culture or institutions (e.g., organizational policies and procedures, government laws and regulations). Second is the notion of social structure—that is, the organization of individuals into social positions defined by both relationships to others (social networks) and distinct patterns of institutionalized rules. It is here in this concept of social structure that sociologists elaborate that intersection between cultural (ideas and status), social, and material determinants. And it is from here that my work, past and present, takes its point of departure.

I refer to this theory of gender and entrepreneurship repeatedly as a “practice theory view”. This label may be problematic for some scholars in the field of management studies where the concept of “practice” holds some very specialized connotations. This term, however, is not my own, but rather, as I discuss in chapter 2, is inherited from the fields of anthropology and sociology (Ortner 1996). A better terminology, perhaps, is simply to label my cross-national theory of gender and entrepreneurship as a sociological theory.

Finally, just to clarify the intent of my efforts in this volume, the theoretical goal of this project was to flesh out a view of social structure, making as explicit as possible the factors that define the social positions from which actors take action. The framework that I developed here is based largely on my own elaboration of Pierre Bourdieu’s Theory of Capital (Bourdieu 1986). In this way, the framework allows a view of the ways in which cultural, social, and material factors combine to create the contexts from which all actors, male and female, make decisions and act. In terms of the effectiveness of the framework presented, I believe it works very well. However, I also see significant areas for improvement. The categories of capital will benefit from further development and testing. The modelling will further improve from the incorporation of considerations of time and space. In terms of future efforts, I will continue to work towards these improvements as well as to continue to document the connections and disconnections between this sort of sociological view of entrepreneurial activity and views from other disciplinary fields.

PLAN FOR CHAPTERS

The first chapter presents the research question and places the problem of explaining gender differences in entrepreneurship participation rates within
the context of current research patterns and findings. First I review the current state of findings on cross-national patterns of entrepreneurship and the obstacles that have impeded the development of a comprehensive sociological theory of entrepreneurship. I then propose a new basis for theorizing about and investigating gendered patterns of entrepreneurship.

In chapter 2, I present a set of propositions based on existing theories of social difference and action—three theories are of particular note—(1) Bourdieu's theory of social action; (2) status expectations state theory (e.g., Foschi, Ridgeway); and (3) Lenski's ecological/evolutionary theory of social change (Lenski 1966, Bourdieu 1986, 1990, 2001, Lenski 2005). Bourdieu argued that social action follows from a mostly unconscious process of decision-making and can be more accurately defined as a set of practices, or collective strategies of action. Also, gender and other status characteristics are treated as social constructions that may vary significantly across individual-level cultural definitions and, ultimately, across countries. And finally, social action is assumed to be gendered—that is, to follow a culturally-defined division of labor between the sexes with important implications for patterns of social action across gender and countries. Clearly, assumptions are made about social action and gender that share much in common with institutional views of social action. However, the resulting theory not only embraces the principles of practice theory, but evolves into a multilevel theory of structured social action. The relative importance of material, social and cultural factors are considered across multiple levels of analysis.

In chapter 3, I apply this new multilevel theory to the case of gender and entrepreneurship and develop a set of hypotheses to test. I adopt the explicit view of entrepreneurship as a process wherein entrepreneurship plays out as a series of activities related to business creation occurring at some point after opportunity recognition and only possibly involving innovation, high growth, or high capitalization (Aldrich and Ruef 2006). More specifically, I define entrepreneurship as a business creation strategy for income generation—i.e., culturally-defined and most often habitual practice—that is more likely to appear under particular sets of material, cultural and social conditions.

In chapter 4, I present and discuss the results of my analyses of the relative importance of key macro and micro-level variables for gendered patterns of nascent entrepreneurship across 28 countries. My findings provide strong support for the argument that, holding social position and national context constant, culture works through perceptions to shape the decision to start a business, especially for women. As such, the findings also support the argument that social and cultural measures of capital resources may be relatively more important predictors of business start-up than purely material or economic measures, again, especially for women.
And finally, in chapter 5, I present my conclusions. The strongest predictors of business start-up, for example, are found at the individual level, in the factors closest to processes of social organization and interaction. In particular perceptions consistently prove to be the strongest, significant correlates, controlling for social position and country-level factors. However, country-level factors are also important, especially to the extent that they interact with social position and perception factors at the individual level. I conclude that comparative research at the national level has much to offer the study of entrepreneurship, especially in the form of multilevel analyses with the clear stipulation that strong multilevel research requires strong multilevel theory.

For those interested in learning more about the multilevel methodology employed, the Appendix contains a description of the data, and the methods and measures used for the test. In short, the data includes individual-level responses from the 2001 Global Entrepreneurship Monitor and a collection of country-level measures from various public data sources. Following a process view of entrepreneurship, I use nascent entrepreneurship as my dependent variable along with 10 measures of capital resources at the individual level and 4 measures of national context at the country-level for my independent variables.