1. Introduction

Entrepreneurship fires the imagination. Widely viewed as critical to the economic life and prosperity of every society, new businesses produce much of the innovation, new markets, and employment that drive economic growth and ultimately improve standards of living across all levels of society (Minniti, et al. 2005, OECD 2005). However, in spite of strong beliefs in the importance of entrepreneurship as a social phenomenon, we are only just beginning to understand it.

Of particular interest to scholars and policy makers are explanations of the variance in entrepreneurship rates across countries and across other social groups as defined by gender, race, and ethnic origin. Recent estimates suggest that, on average, a little over 9 percent of adults aged 18-64 are either starting new businesses or managing young businesses around the world each year. Yet entrepreneurship rates vary extensively across countries from as low as 1.2 percent in Japan to 38.1 percent in Peru (Acs, et al. 2005, Minniti, et al. 2005). Yet, despite recent advancements in cross-national data collection and measurement, explanations for this variation remain elusive.

For a variety of reasons, not least of which are measurement hurdles, cross-national studies of entrepreneurship have traditionally focused on macro-economic explanations. Recent findings, however, suggest that macroeconomic factors offer very little explanation of the cross-country variation (OECD 2001, Reynolds, et al. 2004). Countries tend to hold rank over the years and throughout macro-economic fluctuations, suggesting that non-economic factors may best explain cross-country differences (Schramm and Litan 2005), but few studies show exactly how these “other” factors work.

Just as elusive are explanations for variations in entrepreneurship rates across gender. Women are, on average, about half as likely as men to start businesses and much less likely to start high-growth, high-profit firms (Reynolds, et al. 2004, Acs, et al. 2005). The pattern of gender variation is fairly consistent across countries—that is, female participation rates are consistently lower in all countries. However, the extent to which female rates of entrepreneurship are lower also varies quite a bit across countries (see Figure 1.1). In one study of 29 countries, the gender gap ranged from
0.3 percent in Italy to 14.4 percent in Mexico (Reynolds, et al. 2003). Another study using the same dataset confirmed these results, but also reported no statistical difference between male and female rates of entrepreneurship in countries like Thailand, China, and South Africa (Minniti and Arenius 2003, Minniti, et al. 2005).

As illustrated by higher rates of female employment and necessity entrepreneurship found in many developing economies, one obvious explanation is level of economic development. However, like cross-national patterns of entrepreneurship, gendered rates of entrepreneurship are also found to be stable across measurement years and, as such, are resistant to fluctuations in macro-economic conditions, suggesting alternative sources of determination.

The central aim of this research project was to answer one important question: How do we account for the variation in entrepreneurship rates between genders within and across countries around the world? Before we can answer that question, however, we have to work through an even larger dilemma. If macro-economic factors offer poor explanations of country and

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1 Country labels are Universal Post Codes. See Table A2 for key to country codes for 2001 data.
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gender differences in entrepreneurship, where else can we look for better answers?

The purpose of this book is to accomplish two goals—(1) to provide an explanation of gender variation in entrepreneurship participation rates; and, (2) to propose a theoretical framework for the study of entrepreneurship activity across social groups within and across countries. In the following sections, I look at what is missing in our current efforts to theorize, analyze, and explain patterns of business creation across gender and across countries. This discussion lays the groundwork for my particular sociological perspective on gender and entrepreneurship to which I generally refer as a practice theory view of gender and entrepreneurship.

THREE ROAD BLOCKS

There are three primary reasons why scholars of entrepreneurship have failed so far to unlock the puzzle of cross-national and gendered patterns of entrepreneurship. First of all, existing research is fragmented, disconnected, and often contradictory (Moore 1990, Reynolds 1991, Brush 1992, Thornton 1999). Second, these mixed findings are a result of the limits and biases of the data and methods that typically produce them (Hurley 1999, Ahl 2004, Coviello and Jones 2004). And, third, the study of entrepreneurship lacks a coherent, theory-driven conceptual framework that would lead to better data, methods, and ultimately, findings upon which to base our understandings of entrepreneurship (Berger 1991, Reynolds 1991, Thornton 1999, George and Zahra 2002, Coviello and Jones 2004).

Mixed Findings

National studies from the United States and other Western, industrialized countries suggest that male and female entrepreneurs tend to share more similarities than differences (Brush 1992, 1999, Gatewood, et al. 2003) – that is, when important controls are in place. When controlling for key factors, such as age, education, work experience, industry/occupation, and business characteristics, most studies have concluded that female entrepreneurs in the United States and other industrialized countries tend to be very similar to male entrepreneurs (Brush 1992, 1999, Gatewood, et al. 2003). These studies typically conclude that business processes are the same for male and female entrepreneurs who find themselves in similar circumstances (e.g., Cassar 2004, Kalleberg & Leicht 1991). Therein lies the problem with explaining away gender differences caused by situational factors. Men and women typically do not find themselves in similar circumstances. Thus, controlling
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for key factors does not provide a sound basis for explaining away gender differences. Rather it indicates possible sources of gender differences and factors that require further investigation.

Despite the tendency to dismiss gender differences, the findings from these national studies reveal quite a bit about the probable sources of such difference, at least in Western industrialized contexts. Women entrepreneurs tend to be younger and to have less technical education and less experience, especially industry-related (Hisrich and Brush 1987, Brush 1992, Fischer, et al. 1993). They tend to start smaller businesses in more competitive service industries, with lower start-up costs and lower rates of return (Brush 1992, Fischer, et al. 1993, Devine 1994, Brush 1999). Women tend to use less start-up capital and tend to adopt more flexible and conservative start-up strategies than their male counterparts (Carter and Rosa 1998, Verheul and Thurik 2001, Cassar 2004). Female entrepreneurs tend to have less powerful networks, work fewer hours, and have more family-role demands than male entrepreneurs (Aldrich 1989, Brush 1999, Kalleberg and Leicht 1991). Indeed, in some respects, women appear to approach business start-up very differently from men. Evidence suggests that women hold different values and goals from men and may consequently adopt different strategies (Brush 1992, Bird and Brush 2002). Moreover, there may be very “rational” reasons for these different approaches. Findings from studies of self-employment suggest that returns to self-employment tend to be lower for women than for men, especially for women lower down on the socio-economic scale (Devine 1994). As a group, women, in effect, approach business start-up from very different social positions, characterized by different sets of resources and different rates of returns.

Cross-national studies have found similar patterns of gender difference, but with an ever-increasing degree of complexity. Until recently, cross-national studies of entrepreneurship have involved either comparisons of individual-level factors across very small samples of countries or macro-level correlations of entrepreneurship with various country characteristics. Studies of gender and entrepreneurship at the individual level have reported significant and generally consistent gender differences in education and experience, money assets, industry, and business characteristics across countries. Women who start businesses tend to have less education, experience and financial capital. They tend to start businesses in industries with lower entry barriers but higher dissolution and lower growth rates, and, controlling for such factors, they tend to start smaller businesses that stay smaller (Brush 1992, Minniti and Arenius 2003, Acs, et al. 2005, Minniti, et al. 2005).

Significant differences have also been found across gender and country in motivations for start-up and perceptions of start-up environment (Shane, et
Studies of network composition have revealed significant differences across gender and countries, with the greatest differences observed between countries (Aldrich 1989, Dodd and Patra 2002). These patterns also appear to hold well for entrepreneurs outside the usual slate of Western, industrialized countries (Shabbir and di Gregorio 1996, Chamlee-Wright 1997, Lee, et al. 1999, Bliss and Garratt 2001, Arum and Müller 2004).

Findings from country-level studies have addressed the significance of cultural and institutional factors as well as macro-economic factors for the prevalence of entrepreneurship. Important correlates of entrepreneurship activity at the national level include macro-level factors such as population age structure, national income, industrial structure, degree of business regulation, and social welfare provisions (von Stel, et al. 2003, Reynolds, et al. 2004, Wennekers, et al. 2005). National culture has also been correlated with rates of entrepreneurship. Most of this work has centered on applications of Hofstede’s (2001) typology of national cultures (power distance, individualism, masculinity, uncertainty avoidance, short-term orientation) and Lumpkin and Dess’ (1996) concept of Entrepreneurial Orientation (EO) (Lumpkin and Dess 1996, Hofstede 2001, Hayton, et al. 2002). Lee and Petersen (2000) found that a conducive, entrepreneurial culture (that is, high on measures of EO) involves low uncertainty avoidance (i.e., high tolerance for risk), low power distance (i.e., low tolerance for inequality), masculinity, individualism, achievement orientation and universalism.

Other studies have extended this research to draw further links between national cultural characteristics and patterns of cognition, concluding that while “entrepreneurial dispositions vary across cultures” (Stewart, et al. 2003), there does appear to be “a universal culture of entrepreneurship” (Mitchell, et al. 2002). The importance of particular cognitive factors, such as internal locus of control for entrepreneurship, have been further tested with the result that particular cognitive scripts and orientations are associated with some of Hofstede’s (2001) national cultural constructs and with the decision to start a business (Mitchell, et al. 2000, Mueller and Thomas 2001, Mueller 2004). For example, Mitchell et al (2000) find that cognitive scripts associated with venture-specific skills and more general business acumen (i.e., arrangement and ability scripts) are consistent predictors of venture creation across countries, but that the measures of “willingness” and to some extent “ability scripts” tend to be associated with Hofstede’s national values of individualism and power distance, and tend to vary across countries.

Most empirical studies on national culture have used Hofstede’s (2001) conceptualization of national culture leaving other frameworks and approaches underdeveloped (George and Zahra 2002). There are signs of
change, however. Without reference to any of the aforementioned cultural models and constructs or any other theoretical underpinnings, the Global Entrepreneurship Monitor (GEM) 2004 report presented findings on an index measure of national culture (perceptions of social acceptance of entrepreneurial careers, respect for new business success, and positive media coverage) and found that a positive national culture increases the likelihood of entrepreneurial participation by a factor of 4. Also according to this report, measures of a positive personal context were even more important, increasing the likelihood of entrepreneurial participation by as much as 8 times (Reynolds, et al. 2004). Personal context was defined primarily in terms of the respondent’s perceptions of personal context (start-up skills, opportunities, fear of failure, etc). In a special report on gender patterns in the same data, Arenius and Minniti (2005) found that these perceptions were the strongest and most significant effects in a 28-country study of nascent entrepreneurship. The authors concluded that perceptual variables are important predictors of the decision to start a business, particularly for women, and should be included in future studies.

One of the more exciting aspects of cross-national research is the possibility of exploring the links between country-level factors and the decision to start a business across gender (Busenitz and Lau 1996). Current evidence suggests that some macro-level predictors of entrepreneurship may actually work differently for males and female (Brush 1999, Acs, et al. 2005, Minniti, et al. 2005). Demographic factors, for example, such as age distribution and population growth, appear to affect men and women similarly, but significant gender differences in participation rates are found depending on levels of national income, government regulation, literacy/education, and industrial make-up (Minniti and Arenius 2003, Reynolds, et al. 2004, Arenius and Minniti 2005). For example, while women in wealthier countries appear to be less likely than men to pursue entrepreneurship, the opposite appears to be true in poorer nations (Reynolds, et al. 2003, Reynolds, et al. 2004, Acs, et al. 2005, Minniti, et al. 2005). Both the size of the informal sector and the proportion of jobs in agriculture correlate with women’s entrepreneurship, especially with what scholars have termed “necessity entrepreneurship” (Reynolds, et al. 2003). Necessity entrepreneurship is defined as the decision to start a business based on few or no employment alternatives. This finding is further muddied by the finding that while countries with large agricultural sectors certainly have more necessity entrepreneurship, these jobs do not necessarily involve women. In fact, women’s participation rates vary specifically with the proportion of women in the agricultural sector, as well as with the overall size of the informal sector. Finally, as regards to education, women’s entrepreneurship is generally and positively correlated with education-
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literacy rates and total female labor-force participation, the relationship between men’s rates of entrepreneurship and education appears more complex and specifically related to industrial make-up (Reynolds, et al. 2003).

Despite the extensive interest in the importance of national culture for entrepreneurship activity, there are no current studies that link national culture specifically to gendered patterns of entrepreneurship. A few studies link various aspects of national culture to possible determinants of the decision to start a business, usually cognitions, but again the emphasis is on identifying the existence of gender and country differences at the macro-level (Shane, et al. 1991, Kolvereid and Shane 1993, Arenius and Minniti 2005, Minniti, et al. 2005). One exception is Mueller’s (2004) study of the relationship between gender gaps in entrepreneurial traits and national characteristics, including Hofstede’s dimensions of national culture. The results showed that men and women share a more similar locus of control in less masculine countries and less difference in risk-taking potential in more collectivist-type countries, according to Hofstede’s dimensions. Mueller (2004) concluded that gender gaps in entrepreneurial traits are greatest among more advanced economies and smallest among less developed economies.

In sum, cross-national findings on entrepreneurship tend to be overwhelmingly complex, fragmented, and contradictory. Individual-level interactions may combine with macro-micro interactions to create a hugely chaotic web of conclusions. The cross-national findings discussed in this section suggest that overall entrepreneurship participation rates depend considerably on the level of national wealth, national industrial make-up, national demographics, as well as the attitudes and perceptions measured at both the national and individual level. The gender findings suggest that cultural and perceptual factors may be particularly important for understanding gender differences in entrepreneurial activity.

The importance of untangling the web is clear, particularly for the study of less advantaged groups of entrepreneurs. Recent findings have also drawn a strong correlation between national levels of income inequality and entrepreneurship (Reynolds, et al. 2004, Lippmann, et al. 2005). While income inequality may stimulate entrepreneurship generally, the effect is likely to result in different forms of entrepreneurship across gender and across rich and poor countries, with the strong likelihood that the women in the poorest countries will pursue the least empowering forms. Another example can be found in the evidence of a growing class division among the self-employed in the United States and possibly in other advanced economies (Devine 1994, Carr 1996, Budig 2001). Entrepreneurship may serve as a path out of poverty for men and women in developing countries, but in more
advanced economies, there is evidence to suggest that self-employment traps people, especially women, in a cycle of poverty.

**Limits and Biases**

The second reason we currently hold such limited understandings of entrepreneurship is that the study of entrepreneurship tends to be heavily biased in terms of structural explanations, profit-oriented businesses, and male experiences and suffers from serious limitations in data quality and research methodology. There are three major tensions, or dialectics, within the general field of social science research. The first tension concerns the opposition between social structure and social action. This tension has classical roots, beginning with Aristotle and his writings on the debate over the nature of social action—that is, the extent to which social action is determined by various deterministic forces versus an expression of freewill, or, choice (Emirbayer and Mische 1998). The second is the tension between structure and culture (Berger 1991). Somewhere along the line social scientists have drawn a distinction between structural versus cultural sources of determination or constraint. The third is the tension between two types of research methods, quantitative (large samples, surveys and statistics) and qualitative (small samples, ethnographies and structured interviews). The study of entrepreneurship, especially in the hands of Western scholars, leans towards a structural view of action (i.e., an emphasis on firms and macro-level constructs), the use of quantitative methods, and tends to draw a clear distinction between structural and cultural determinants of venture creation.

The structure/agency opposition is often found in overviews and meta-analyses of the entrepreneurship literature. One example is Gartner’s (1985) framework, used by Brush (1992) to organize the literature on women’s entrepreneurship. Gartner’s literature review framework—individual, organization, environment, and process—was originally intended to highlight the lack of attention to processes linking actors (individuals and organizations) to the environment. The point here is that scholarly attention tended to focus on either the traits of individuals and organizations or on aspects of the environment, rather than on the connections between the traits and environments.

The conceptual pattern is even clearer in a later framework. Reynolds (1991) described three different conceptualizations of entrepreneurship in his overview: (1) set of traits or mindset; (2) a social context; or (3) the intersection of a set of individual traits and a contextually-determined opportunity. Agency is found at the individual level of traits and mindsets. Structure can be found in the social context or structural locations in which entrepreneurship is prevalent. The third category represents the call for a
focus on the intersection between traits and contexts. This call for research focusing on processes and links between macro- and micro-levels of analysis has been repeated heavily over the last decade and a half with more specific recommendations such as the collection of better data and the use of more rigorous methods, including multilevel models, for the study of micro-macro linkages (Moore 1990, Thornton 1999).

The culture/structure dichotomy is also apparent in overviews of research on entrepreneurship. Berger (1991), for one, identified two distinct perspectives on entrepreneurship: (1) an neo-classical economic; and (2) a cultural view. In the neo-classical economic view, Berger argued, the emphasis is placed on the availability of capital, access to market, labor supply, availability of raw materials and other key resources, technology, and human capital. In contrast, Berger wrote, the cultural view puts the emphasis on norms and beliefs, psychological motivations (including values such as achievement), the legitimacy of entrepreneurship, and the internal fit of culture and structural characteristics. Berger went on to argue that because the economic view has dominated the conversation, the analysis of entrepreneurship in cultural terms has remained elusive. Consequently, she called for more work on the linkages between culture and structure.

More work has certainly been carried out on the importance of culture for entrepreneurship, but the focus has been mainly on the relationship between diffuse aspects of national culture and entrepreneurial cognitions. Little attention has been paid to the relative importance of culture versus material factors or the ways in which culture interacts with other social and material factors to influence the context in which entrepreneurship takes place. George and Zahra (2002) more recently reiterated Berger’s call for more attention to resolving the structure/culture dichotomy. In effect, there appears to be a fair amount of consensus that culture works through cognitions to influence entrepreneurship behavior, but little attention to the other ways in which culture influences business creation and employment choices. In this way, Berger’s observation about the dichotomous views that characterize the field of entrepreneurship continues to apply.

In addition to a bias towards structure, gender scholars have identified a bias toward male-type businesses and experiences (Baker, et al. 1997, Hurley 1999, Mirchandani 1999, Kantor 2002, Greer and Greene 2003, Ahl 2004). Feminist critiques in particular have cited evidence of male bias (i.e., an emphasis on male ways of doing, knowing and thinking), making the point that such a bias tends to result in a lack of attention and sensitivity to matters of class, race, and gender within the field of entrepreneurship studies (Hurley 1999, Ahl 2004). Baker, et al. (1997) showed that the study of women’s entrepreneurship was, up to 1996, under-represented in the scholarly literature available on entrepreneurship (Baker, et al. 1997). Ahl (2004)
revealed the extent to which entrepreneurship is defined as a “male pursuit” in the entrepreneurship literature. Hurley (1999) suggested that sampling designs that focus on the measurement of high-profit, high-potential, or “successful” business ventures explain some extent of the male bias in entrepreneurship studies. Indeed, debates over how to define entrepreneurship for measurement, e.g., business forms, industries, definitions of innovation, etc., have very likely contributed to these biases toward structural explanations and male-type businesses. In contrast to findings from narrowly-defined samples, studies adopting the broadest definition of entrepreneurship, namely the self-employed (both part-time and full-time), have confirmed the importance of considering class, education, family, part-time as well as full-time hours, and returns to self-employment in studies of gender and self-employment (Devine 1994, Carr 1996, Budig 2001).

It is hardly surprising that these types of biases in measurement, methodology and perspective have emerged in the field of entrepreneurship, as this field is interdisciplinary with contributions from diverse perspectives on social behavior. Scholars, after all, come at problems with perspectives and practices that characterize their personal experiences and fields of origin. Economists and business scholars, for example, tend to be preoccupied with high-profit businesses; whereas psychologists and sociologists tend to focus on individual traits and social factors. Biases of perspectives, research practices, and results are an inevitable product of the different priorities and assumptions that emerge from an interdisciplinary field of study.

In any case, these biases toward structural factors, high-profit or potential firms, and male-type businesses are a very real problem for studies of entrepreneurship, especially for studies of gender and entrepreneurship. The combined effect of a bias toward male-type experiences or structural explanations produces skewed findings and leads to inflexible measures and incomplete datasets. The resulting findings make it much easier to discount the importance of gender and tend to conflict with findings from broader measures and datasets, creating a mass of fragmented, disconnected and often contradictory research findings.

The biases in research findings and design are further complicated by the costs and data quality limitations associated with the study of entrepreneurship. Entrepreneurship is a difficult construct to measure. It has taken decades for basic understandings to emerge and we are still some distance away from achieving a full consensus on concepts and definitions. Despite the additional costs and logistical challenges of cross-national research, this type of research holds a great deal of promise for the study of entrepreneurship.
Before we can harness the potential of cross-national data collection efforts, however, we must first develop a coherent, conceptual framework to guide research design and data collection efforts (DiPrete, et al. 1994). Such a framework will help make sense of the current mixed findings and will help place disparate middle-range theoretical perspectives and research findings in concert with one another, controlling tendencies towards biases and data limitations that can prevent generalizability. My proposal for a broader framework for the study of entrepreneurship does not preclude the value or importance of the diverse perspectives that currently produce research on entrepreneurship, but rather aims to draw power from the variety of insights and understandings produced across this diverse interdisciplinary field of study.

Lack of Theoretical Framework

Finally, we arrive at the third reason for and the very likely source of many of the problems of the existing literature—namely, the absence of a coherent, theoretical framework for the study of entrepreneurship. Critics have consistently reported a lack of consistency and rigor of methodology and concepts for well over a decade now (Berger 1991, Bygrave and Hofer 1991, Herron, et al. 1991, Reynolds 1991, Hayton, et al. 2002, Ahl 2004, Coviello, et al. 2004). Many critics have ascribed these problems to a lack of comprehensive or integrative theory, or paradigm, to guide research efforts in the study of entrepreneurship (Berger 1991, Reynolds 1991, Brush 1992, Thornton 1999, Ahl 2004, Coviello, et al. 2004). Over the past 15 years or so, several attempts have, in fact, been made to propose a conceptual framework. Below I review those attempts briefly, summarize the most important insights and discuss why these frameworks are still inadequate to the task of explaining entrepreneurship.

Reynolds’ (1991) triad of entrepreneurship definitions, which I roughly translate as trait-based, contextual, and integrated views, applies well to theories of entrepreneurship. As important and informative as the research on traits and context is, my focus is on theories that go beyond the usual descriptive approach of characterizing the individuals, environments, and even processes most strongly associated with entrepreneurship—the so-called, integrated theories. There are, to my mind, three perspectives that best represent integrated views of entrepreneurship, focusing specifically on the intersection of individuals and contexts. The first perspective is a cultural view of entrepreneurship and is related to what is popularly referred to as the Austrian school of economics of which Joseph Schumpeter is famously associated (Berger 1991, Chamlee-Wright 1997, Harper 2003). The second is based on the view of entrepreneurship as the intersection of individual and

The cultural view is typified in Berger’s (1991) cultural view of entrepreneurship. This perspective is centered around the importance of a conducive cultural climate in which entrepreneurship is viewed as a legitimate activity. In fact, Berger describes “culture as the conductor and the individual as the catalyst.” She essentially makes a normative argument, citing the work of Weber, Smelser, Parsons and others on the importance of roles, ideals, expectations, and values. Berger notes, however, that incorporating these notions of cultural forces into theories of entrepreneurship has not been easy and that producing the evidence to support the importance of national culture has been much more difficult.

Along the same vein, Lavoie in the same text details an interpretive perspective on entrepreneurship, based on the principles from the Austrian school of economic theory (Lavoie 1991). The value of an interpretive perspective is that it challenges the rational actor economic maximization model that dominates economic theory by placing the emphasis on the importance of social action as defined by cultural preferences. This Austrian school approach has problems, however. Lavoie observed that it is not systematic enough because it leans too much towards a freewill view of action. In this way, the theory places too much emphasis on perceptions of profit opportunities, failing to explain some important forms of entrepreneurship, such as so-called lifestyle businesses in Western contexts or the female-run home-based businesses that so often serve an important role in subsistence economies. As an alternative, Lavoie proposed a balance between a transaction cost and collective strategy approach to understanding entrepreneurship. This balanced perspective is certainly a useful way of considering how culture influences the practice of entrepreneurship. However, like so many other attempts it is too abstract, revealing little about patterns of difference across social groups and providing very little direction on how to operationalize the theory for research models other than those found in qualitative or ethnographic-type studies.

The second perspective began with Shane and Venkataraman’s (2000) definition of entrepreneurship as the nexus between “enterprising individuals” and “lucrative opportunities.” The proposed framework centered on the “Discovery, Evaluation and Exploitation (DEE)” of opportunities. The very terms they chose put the focus on the processes, such as cognition and resource mobilization, that underlie the start of a business. Unfortunately, while the authors place some importance on the characteristics of the individual in question (e.g., must be enterprising) and
recognize that information is asymmetrically distributed among members of a
given population, they completely ignore gender and other social
characteristics that influence the distribution of information and other
resources important for business start-up and success.

In an effort to improve Shane and Venkataraman’s “undersocialized”
framework, Baker et al. (2005) proposed a “Comparative, Discovery,
Evaluation, and Exploitation (CDEE)” framework. This improved model,
they argued, emphasizes the importance of embeddedness, in that social
positions determine the availability and perceptions of opportunities. This
improved model is better, but still does not address gender, or indeed, status
characteristics in any direct fashion. Nonetheless there is a place for gender
in the comparative category, within the concept of social position. However,
like interpretive/cultural approaches and Shane and Venkatamaran’s original
model, this model offers a process view that is too abstract to effectively
operationalize.

De Carolis and Saporito (2006) also tried to improve on Shane and
Venkatamaran’s framework by suggesting that the nexus between individual
and opportunity can be best explained through an exploration of the external
and internal factors that affect why some people and not others discover and
exploit opportunities. This model highlighted the importance of external
factors, such as social capital and cultural environment, and internal factors,
such as cognition, for patterns of entrepreneurship across types of
individuals. Unlike the earlier models, they tested their model on rates of
innovation across countries and found correlations between those rates and
macro-level measures of national culture (i.e., Hofstede’s 2001 dimensions)
and wealth. The benefits of the De Carolis and Saporito (2006) model are
that they extended the notion of embeddedness to include both cultural and
social forces, i.e., ideas and relationships. Also, they implicitly recognized
the relationship between culture and cognition. However, their model ignored
the relative importance of local versus global context. The macro-level focus
of their model ultimately ignored the individual level processes that drive
differential rates of entrepreneurship (i.e., power) across social groups, like
gender.

The third integrated-type perspective emerged from the study of women
and entrepreneurship. As well as illustrated by meta-analyses of the
literature on gender and entrepreneurship, entrepreneurship is generally
characterized as a male activity and scholarly efforts tend to reflect that fact
point that women hold a different view of reality that emanates from social
structures, such as the workplace, marriage, family and social life, Brush
(1992) argued for an integrative view of gender and entrepreneurship.
Women, she argued, conceive of their business as “cooperative networks of
relationships rather than primarily as a separate profit-making entity.” Bird and Brush (2002) more recently proposed a “Gendered Perspective on Organizational Creation” where gendered worldviews emerge from gendered patterns of social and cultural structures (including social networks and social values) and play a central role in the process of business creation. This perspective offers a lot of power for the study of gender and entrepreneurship. For one thing, it places a strong emphasis on the importance of social position, as defined by gender in addition to class or occupation/industry. It also ties the concept of social position firmly to ideas and social relationships. What is not so clear, perhaps, is how macro-level factors—material and cultural—work to produce these distinct, gendered worldviews or approaches to business start-up.

These frameworks have, in different ways and to different degrees, focused on the importance of cultural and social forces, rather than on material factors, for entrepreneurship. The emphasis is clearly on entrepreneurship as cognition and social action, defined locally by personal context and emerging out of the nexus between individual and opportunity. The importance of resource mobilization and practices ring clear as well. Less well emphasized, however, is the importance of social networks and cultural scripts for defining personal context and influencing cognition and economic behavior. Completely missing is any notion of gender—arguably the most universal of all principles of social organization (Ortner 1996). Also and most importantly missing is a theory of the processes that drive the decision to become an entrepreneur. How do social positions, cultural scripts, cognitions, and practices influence entrepreneurship? What we really need is a theoretical framework that helps to reveal and explain the social and cultural processes that create and sustain patterns of entrepreneurship, predicting which groups are more likely to start businesses. The central aim of this study is to do just this.

SUMMARY

The existing research presents a complex and often confusing picture of entrepreneurship that does not, in effect, tell us much about the broader context in which women and men make the decision to start a business. Two particular areas of confusion stand out. First of all, there is some confusion over the question of how material and cultural factors influence entrepreneurship and some debate over which set of factors is more predictive. Culture appears to influence entrepreneurship in important ways, but we know very little about how culture influences individual-level patterns and how cultural factors stand in contrast to the influence of material factors.
as determinants of entrepreneurship. Some scholars have argued that material factors are more predictive of shifts in rates of entrepreneurship (Mueller and Goic 2002), yet relative differences between countries and between genders show little change in response to shifts in the material environment.

The second question that stands out concerns the importance of global versus local context. Work on culture and entrepreneurship recognizes the relationship between culture and cognition, but there is very little understanding of how cognition relates to issues of social differences and relationships with others. The fact is that women and men find themselves in very different situations with different sets of resources and opportunities. But existing theoretical frameworks tend to be too abstract, too undersocialized, and, in essence, biased against the experiences of less-advantaged social groups. A more explicit theory of how patterns of difference are culturally and socially produced and reproduced is needed—that is, a theory that brings balance to the view of entrepreneurship as a structured social action.

The immediate focus of this research project is to address the problems in the existing research (male bias, profit bias, structural bias, lack of methodological rigor, lack of comprehensive theory and lack of comparative analysis) by proposing a theoretical framework particularly well-suited to the study of entrepreneurship, especially for understanding the ways in which cultural and social forces (ideas, relationships, and power) combine with material structures to shape differential patterns of entrepreneurship across social groups. The guiding research questions are:

How do we account for gendered variation in entrepreneurship rates in and across countries around the world?

To what extent do country-level factors, such as a culture supportive of entrepreneurship, level of development, and degree of inequality, explain cross-country variation and account for variations in the gender patterns of participation across countries?

Better explanations for variations in entrepreneurship participation rates can be found in the application of a basic sociological perspective. In other words, the answer lies in social and cultural factors (i.e., the ideas, relationships, and power differences) that combine with material factors to create distinct social positions and to set the context for social action. The theory proposed in this text defines entrepreneurship as a practice (e.g., something that individuals do, specifically, create new businesses). Concepts of culture, social status (or legitimacy), social capital, and economic capital
also play major parts in this multilevel practice theory view of entrepreneurship.