

# Entrepreneurship and uncertainty in times of extreme austerity: A view from anthropology

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International Academic Conference on Economic and Social Development

National Research University Higher School of Economics

Moscow April '17

## Abstract

This article is concerned with the neoliberal reform agenda currently engulfing the European margin in the wake of the so-called Eurozone crisis, particularly looking at its effects on entrepreneurship. These reforms arrive in the shape of extreme austerity measures that seek to restore market autonomy in highly politicized economies, and they subscribe to a strong, yet problematic belief in the possibility of engineering an entrepreneurial supply response: the spontaneous, mass emergence of profitable business in a conducive investment climate. Thus seeking to disembed market economies from the societies in which they function in a sweep of economic reform measures is expected to create room for entrepreneurship, promoting capital accumulation and, eventually, economic growth.

Recent anthropological fieldwork carried out in three prominent economic sectors in the European margin (farmed fish, Greece; electronics, Ireland; red wine, Portugal) suggests there are few major entrepreneurial successes to report, however. Understanding this puzzling reality brings the discussion to the heart of appreciating entrepreneurial behaviour. In a conventional, economic interpretation, entrepreneurs are supposed to form rational expectations of the future: they can project profits based on known distributions of factor prices. Reform, in this view, aims to restore predictability in an uncertain business climate by untying the Gordian knot of state patronage capturing political economies in the European margin, to which entrepreneurs respond by investing and innovating in the pursuit of self-interest.

The overall lack of a supply response in the studied sectors raises critical questions about this conventional model of entrepreneurship and the article finds an alternative in an anthropological interpretation that makes central entrepreneurs' perceived

expectations of an uncertain future: Keynes' 'animal spirits'. That term has been rightly critiqued as elusive. Yet, by viewing it as embedded in entrepreneurs' on-going social networks, making tangible the - for entrepreneurship important - twin social forces of power and prestige as well as imitation of success and rivalry, the article shows how such expectations materialise as a self-fulfilling prophecy of business pessimism that make the studied entrepreneurs wary to invest and innovate.

Considering entrepreneurship thus as a social practice makes one appreciative of how indeterminacies in the business climate are shaped by social forces that are formed by actors' interpretation of social behaviour. The article therefore contributes to an emerging theoretical perspective on economic reform that moves beyond facile interpretations and self-images of entrepreneurship as rational action, instead focusing on entrepreneurs' socially shared choices. It shows in particular the contribution of studying critical turning points for entrepreneurship as that fosters the discovery of novel theoretical ideas about the meanings that entrepreneurs attribute to an uncertain future, promoting new academic reflection on entrepreneurial behaviour under extreme austerity - in the European margin and beyond.

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