

Entrepreneurs: Lives and Livelihoods

Edward J. Malecki

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The study of entrepreneurship focuses too frequently on the current enterprise of the entrepreneur. Seldom is the focus over the longer term, on the livelihood strategies and multiple income streams that represent the opportunities taken advantage of. Carter et al.'s (2004) study of over 500 business owners in the UK shows clearly that "The economic activities of entrepreneurs are not confined to the ownership of a single firm, but encompass income generation from a variety of sources including wage labour, non-earned income and profit from secondary business ventures." As Maria Minniti pointed out in her presentation, any study of entrepreneurship uncovers a "variety of ventures with very different motivations and scope."

To study the long term means to see entrepreneurship within the lives of entrepreneurs. The entrepreneur's life might encompass multiple or serial ventures – some of them part-time, informal, seasonal, temporary – and some of them failures. It is possible that rural entrepreneurs are more likely to be able to fit such ventures within the seasonal nature of agriculture or tourism.

Serial or multiple entrepreneurs see starting a firm – not necessarily growing it or seeing it mature – as the interesting activity. Such people are part of the regional entrepreneurship dynamics of a locality (Tamasy 2006). "Habitual founders" are significant people within their communities, having a wealth of knowledge (and perhaps wealth) to share with others in their community (Westhead and Wright 1999).

My interviews over the years with several dozen entrepreneurs, most in rural locations, identified many such entrepreneurial lives. The entrepreneurs took advantage of opportunities to obtain income. Innovation was rarely an objective; imitation was common. The single most important characteristic of innovators was the personality of the entrepreneur: extroverts had larger networks, sought out information from a larger number of sources, and looked to customers, suppliers and competitors for ideas (Malecki and Poehling 1999).

How to study entrepreneurial lives? Perhaps the Internal Revenue Service (IRS) 1040 data is best, since it tracks individuals over time and presumably includes all firms and ventures with which self-employment as well as partnerships are associated. Less certain is that this or any other data sets accurately tracks multiple ventures simultaneously, yet we know that in biotechnology, for example, "star scientists" are associated with several firms either simultaneously or in succession (Zucker and Darby 2006).

The better metric for gauging the benefits of entrepreneurship would be income, not jobs. Jobs – even self-employment – is too frequently part-time, temporary or seasonal. It is the aggregate income stream that matters. However, the IRS data are certain to omit cash (under-the-table)

income and bartered goods and services. The IRS data might well overstate the number of self-employed, if each Schedule C filed is identified as an entrepreneur. A thorough examination of IRS data would be needed to track individuals, perhaps with multiple self-employment filings.

A specific group of entrepreneurs that we know is typically self-employed is artists. Artists, as creative people, sharpen their creative skills and often only reluctantly their business or entrepreneurial skills (Brown 2005). Artists are a group of creative people who are perhaps more likely to be found in rural artistic havens than workers in other creative occupations (McGranahan and Wojan 2007).

In summary, the ideal entrepreneurial data set would have the individual (the actor, the entrepreneur) as the observation, not the firm or the entrepreneurial venture. Income is a better measure of the effect of entrepreneurship than are jobs or self-employment.

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