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Entrepreneurship and the Role of Cultural Capital

Freedom, sustainability, creativity, mobility, choice, independence. These are all terms that I think the people living in today's society would collectively agree describe a successful and fulfilling life. One of the most relevant and prevalent ways people are achieving a life described by the terms listed above is by innovating and starting companies. For the sake of simplicity and clarity, let us refer to these types of people as entrepreneurs. These are people who are risk taking change makers, both in their lives and others. They bring new ideas to the table and find ways to execute them. Simply put, an entrepreneur is someone who is creative and forward-thinking, and is not necessarily and exclusively limited to somebody who has started a business. They can work for themselves or within larger companies, but they have the permission and resources to explore, innovate and create.

In the course of my research, I wanted to find out what makes these people tick; what is it about their personalities that aids and encourages people to innovate or to start a business. My original research question was "What traits do entrepreneurs possess that give them the edge and propensity to become entrepreneurs?" However, as I sat down and looked through my field notes and interview transcripts, I had an important realization: the propensity and tendency for certain people to become entrepreneurs goes well beyond their personality traits; becoming an entrepreneur is deeply linked to the idea of *opportunity*. This opportunity, as far as my research has

found, is profoundly connected to the term *cultural capital*. At a most basic level, cultural capital consists of non-financial factors that serve assets in achieving financial, social and personal success. These include all the knowledge, skills, education, advantages one may have that indicate status in society. So, instead of analyzing entrepreneurs' personalities in isolation, I have decided to take a closer look at the role that cultural capital, and a lack thereof, plays in entrepreneurship. My research paper has shifted to answer a different question: What are the social, economic and cultural factors that motivate and enable entrepreneurs and innovators? I then want to use the knowledge and insight gained through my research to dive deeper into the issue of how a general lack of this cultural capital stifle the opportunities of the people living in areas like East Harlem.

To answer the research question at hand, I utilized two different research methods: personal interviews and ethnographic observation. I am fortunate enough to have a network of people around me that were eager and willing to help me with my research by participating in my interviews. What's more, these same people were generous enough to introduce me to other entrepreneurs from their own networks, and in the end I had the opportunity to interview eleven different entrepreneurs. My questions touched upon topics like overcoming fear and challenges, networking and managing risk. My motivation behind these questions was to unpack the characteristics and experiences that were common among these interviewees to get a closer look at what kind of cultural capital is common, and even perhaps necessary, among entrepreneurs.

Before I delve further into how I utilized ethnographic observation as a part of my research process, I first want to recap some of what I believe to be the most relevant and noteworthy observations I made while re-reading and analyzing the responses to my interview questions. Then, I want to compare and contrast observed trends in responses to Philippe Bourgois' findings

in his book titled In Search of Respect: Selling Crack in El Barrio. One of the questions that was included in my interviews was “where do you think your entrepreneurial spirit came from?” Interestingly, the most common answer was that they were inspired by their parents. This question elicited responses like “my mother spent a lot of time encouraging me to educate myself and be able to stand on my own two feet no matter what life brings,” “I grew up with both parents owning their own businesses,” and “I believe my entrepreneurial spirit came from growing up in a family that had a very unconventional take on the meaning of life.” Elizabeth*, similarly, said that “My entrepreneurial spirit comes from both parents who both owned small businesses and still do.” The entrepreneurs set a trend that pointed to their parents as a source of guidance as well as a source of opportunity and option. Alice points to her parents when she says “I was never going to take the road most travelled,” alluding to the fact that her parents had installed in her a propensity to view the world from a “different vantage point than most.”

The second most common response attributed their entrepreneurial spirit to a desire for control over their lives. Amita answered, “At a very early age, I was eager to gain financial independence” and Ann’s response included, “I knew I wanted to be a mom and have control of my life.” I interpreted this as a desire for control and a sense of security. Jennifer said that once she was able to create financial stability for her self she could focus on pursuing and growing her ideas and not just on surviving. Amita also mentioned that this sense of security that she was after gave her the confidence to take more risks in her career. It is interesting to draw parallels between responses to these questions from people who superficially seem to come from completely different backgrounds and situations. I will touch on this idea later in the paper and how it may

determine someone's entrepreneurial success - or failure as in the case of the main characters in Bourgois' book.

Another question that I asked all my research participants was "how do you make use of the people around you, or your network, to help you achieve success?" Amita mentioned that "networking and being resourceful is the key to success. There are hundred of people around you who have all sorts of knowledge and skills that you can tap into." Ann said that a network offers you "people that can help you solve problems you're not equipped to solve!" Part of Kaitlyn's response to this question was "a network is absolutely critical to achieve success." Other responses included lines like "I maximize those moments/intersections [when meeting new people]" and proud accounts of instances where casual networking lead to significant business deals. Elizabeth describes networking as something that she loves to do because "it has opened many doors for me, giving me so many opportunities." It is clear that entrepreneurs, at least from the small sample that I interviewed, strongly believe networking to be extremely advantageous in the face of business and a way to tap into the minds of valuable individuals with specific knowledge and skills as a means to achieve their own success.

Another question that provided valuable insights was "what is your relationship with risk (monetary or otherwise)?" To my own surprise, many of the entrepreneurs claimed that they are, in actuality, risk-averse when it comes to financial risk, yet they seem to be risk-takers when faced with non-financial opportunities. Amita said "I don't take a loan of any sort if I don't have the ability to pay it off if need be. I also keep a cushion of savings that I can live off of for a couple of years if I lose my income," but then also said that "you are going to come out on the other side one way or another so you may as well make the most of it and try and influence the out-

come as much as possible.” Ann said that she would not have a business were she risk-averse, but she also is a moderate risk taker. Kaitlyn said “I firmly believe that you have to take personal risk to have a chance at reward. That said, I’m careful to try to control the downside.” Elizabeth mentioned that “My relationship with risk has always been, I know I can get a job working for someone if this idea does not work out” followed by “as I'm getting older and have a family, I have had to be more careful when it comes to taking risks.” Alice said “I am fairly cautious when it comes to monetary risk but I am not cautious with directional risk.” The other entrepreneurs had similar responses. It is interesting to note that the general response was that they were comfortable with taking personal risks, such as career, travel, home location and relationships, as Alice stated, yet they were cautious with their monetary risks.

On a topic similar to risk, I wanted to present some of the compelling parallels that I uncovered in one more question: “how do you approach difficult challenges?” Answers generated phrases like “I rarely look at anything as impossible,” “I only accept a challenge with the attitude that I will be able to succeed” and “I have thick skin; you have to.” Other responses included “I ask for help,” “most of the time I call one of my mentors for advice so I can talk it out before I start working on something challenging and “challenges were opportunities to problem solve.” Overall, there seems to be a general census among the entrepreneurs that I interviewed that challenges are sources of opportunity and that one of the best ways to approach them is to seek help and support from the people around you as well as to believe that you can overcome any challenge, no matter the magnitude.

I would conclude from my interviews that many of the entrepreneurs share similar beliefs and attitudes about basic aspects of life such as fear, challenges, money and relationships. In an

attempt to encompass these common, overarching ideas, here are five main insights into what social, economic and cultural factors, or capital, that motivate entrepreneurs and innovator provided by the specific entrepreneurs I interviewed: 1) family and one's upbringing plays an integral role in how they view life and career, 2) a desire for control and stability influences entrepreneurs, 3) personal networks and relationships are vital to success, 4) risk is necessary for success, and 5) you need to believe that you can conquer a challenge before you can overcome it.

Now, before I analyze these factors through a lens from the perspective of the people living in El Barrio at the time of Bourgois' research, I want to briefly share my experience with the ethnographic observation I conducted. This part of my research was conducted in a classroom; specifically, I observed the students in my Innovation and Resilience course. I had the opportunity to observe and interact with students who either identify themselves as entrepreneurs or aspiring entrepreneurs, as well as my professor who has years of experience in the innovation space, over the course of this past semester. I was in the classroom with them on a weekly basis and had the ability to read the thoughts, ideas, findings and questions they posted on a private, online forum three to four times each week. It was a first hand look at how these students, who were driven and inspired problem solvers, act, speak, generate ideas and perceive their future and opportunities.

I found that the majority of these students were eager to learn, approached challenges with drive and inspiration, and showed a propensity for taking risks, thinking outside the box and displaying self-confidence. It is also interesting to note the level at which every students approached one specific, semester-long assignment that prompted us students to network with at least ten new people. Many of my classmates went beyond ten contacts and grew their networks

by 15 to 20 people. They understood that these new people are more than just contacts; they are *assets*.

I want to now explore the relationship between cultural assets, or *cultural capital*, and success, and how the presence or lack of cultural capital can determine one's financial situation, stability and quality of life even more so than personality traits can. Reading through Philippe Bourgois' book In Search of Respect, it is clear that his friends in El Barrio, or East Harlem, lacked the cultural capital necessary to join the legal work force, let alone start their own business. A clear example of this is the description Bourgois provides about Ray, a well-known leader in the drug dealing business in El Barrio, and his numerous failed attempts at starting his own business. "The first legal business Ray attempted to establish was a Laundromat. He was unable to wade through the bureaucratic maze of permits, however, and gave up after a few weeks." (28) He was consistently met with barriers to entry that directly pointed to his lack of necessary and relevant cultural capital.¹ I stress the fact that he lacked *relevant* cultural capital. He did indeed possess El Barrio cultural capital - which included a network, respect, street knowledge, money and reputation - but lacked cultural capital in mainstream, legal society; these include things like education, credible reputation, knowledge about business and a network of valuable connections in the realm of legal business. He was hugely successful in the underground drug business, but, aside from financial capital, he lacked basic assets needed to participate in mainstream society.

I think an insightful and valuable way to analyze the disparity between the opportunities available to the people living in El Barrio and the entrepreneurs I studied, and the prominent role of cultural capital, is to compare *both* the attitudes and assets of both groups of people and identify

where these diverge. I realize that the most efficient way of doing this is to generalize assumptions about both groups based upon both mine and Bourgois' first hand experience, but I feel as though the generalizations are accurate and encompassing enough for the purpose of my analysis. Are the people living in a marginalized community like El Barrio inherently more destined to fail financially because of a lack of necessary personality traits, or is it an imposed lack of cultural capital that limits their opportunities and stifles their success?

Included in the five main insights that I pulled from my interviews - which are also supported by the observations I made in my Innovation and Resilience course - are both personality traits and explicit assets that are relevant to starting a business. The most notable characteristics among the people I studied were a desire for control and stability in one's life, confidence in oneself, a propensity for risk and determination. Do the people in El Barrio lack these traits? Is this why Ray's attempts to start a legitimate business were met with consistent failure?

I believed that the opposite is true, and I would argue that the people living in El Barrio, as Bourgois presents them, possess, generally, the same character traits as the people I studied. Ray's desire for stability and control was a motivating factor in his decision to start a business. The problem is that "Ray lacked the "cultural capital" necessary to succeed in the middle-class – or even the working-class – world." (28) ¹ He had aspirations for the future - "his dream was to buy an abandoned building, renovate it, and establish a legal business" - but "he often seemed naive" due to his lack of knowledge about "the intricate rules and regulations of legal society despite his brilliant success at directing a retail network for crack distribution." (28) ¹ Ray, as well as Primo and Caesar, also exhibit a propensity for risk and determination. Given their limited opportunities, they have to take risks and approach challenges with persistence. This is arguably

how they have the ability to provide themselves and their families a means for survival despite the extraordinary barriers they face.

I want to highlight these barriers and now analyze apparent discrepancies between the two groups. The disparity here has more to do with a lack of cultural capital than a lack of specific characteristics, because it seems as though both groups possess similar character traits. Still, however, this lack of cultural capital is the main culprit in the question of why the people in one group are far more likely to succeed as entrepreneurs than the people in the other. The people in El Barrio seem to lack the self-confidence that is needed to become an entrepreneur, but Bourgeois attributes this to the abuse and oppression that these people are subjected to. They lose their sense of dignity when humiliated at work. This stems from a lack of trust on the part of the employer, such as when Primo is told not to answer the phone because of his accent and when Caesar is told his new clothes, which he was proud of, still were not good enough for the job. ¹ Bourgeois explains that this humiliation, coupled with a lack of promising opportunity, creates self-destructive tendencies. What's more, these people refuse to blame the systems and place the blame upon themselves. "For the most part, they attribute their marginal living conditions to their own psychological or moral failings. They rarely blame society; individuals are always accountable." (54) ¹ They are set up by society's unspoken rules to fail, yet even *they* attribute their lack of self-confidence and dignity to themselves, so it is easy for outsiders looking in to assume the same.

Another important connection to make is the lack of a valuable network of people in El Barrio. Ray especially is well-known and respected in his network of people and community, but his reputation most definitely hinders his chances of starting any legitimate business. Any con-

nection he does have certainly will not help him achieve legal financial success, stability or quality of life. In fact, the only valuable connection he has is Philippe Bourgois himself, which is made clear in the text. “He expected me to serve as his cultural broker to the outside world... Soon he was asking me to accompany him through all the bureaucratic hoops that kept him from being able to operate as a legal entrepreneur.” (28) ¹ Bourgois, belonging really to a society outside of and separate from El Barrio, was Ray’s only personal asset. In fact, this was true for the others, as well. Bourgois recounts how beneficial Primo “thought it was for the development of his mind to be talking” to him. (41) ¹ Bourgois was an “exotic object of prestige;” the crackhouse habitués actually wanted to be seen in public with him. He stepped into a field of power relations where his presence intimidated people. (41) ¹ This was because he possessed the skills, knowledge and background that the majority of people living in El Barrio did not have. They were able to identify Bourgois as an asset that they wanted to capitalize on, even further displaying their understanding of the value of strong connections yet lack of opportunity to create one because most people living outside of El Barrio do not want to interact with them.

It was this general and widespread lack of opportunity that prompted me to take a more critical approach to the results and observations that came out of my research. The research that I conducted helped me gain a greater insight into the social, economic and cultural factors and capital that motivate entrepreneurs and innovators, and ultimately it guided me in my search to discover the painfully real effects of an absence of cultural capital and how the struggles and misfortunes of marginalized communities runs deeper than personality traits. I hope that I have highlighted not only the importance of cultural assets in the pursuit of financial stability, personal freedom and success, but also the unfortunate reality that some communities are set up for fail-

ure, regardless of that fact that many of these marginalized individuals share the same basic human desires for quality of life and prosperity.

Works Cited

1. Bourgois, Philippe (2002-12-23). In Search of Respect: Selling Crack in El Barrio (Structural Analysis in the Social Sciences). Cambridge University Press. Kindle Edition.

* All names in the paper have been changed in the interest of the privacy of the participants