

Something is missing in the idea of entrepreneurs as young and empowered

Necessity, rather than opportunity, pushes older adults to become entrepreneurial, writes Lucia Garcia-Lorenzo

The UK is facing an increasingly ageing population that brings big economic burdens in pension and medical provisions while tax contributions diminish. This situation has become worse since the start of the 2008 global financial crisis as almost one million people aged 50-64 have become 'involuntarily jobless' during this period. A growing number of public institutions are promoting entrepreneurial activities among the older unemployed as a partial solution to these challenges. Yet, despite government support and positive press campaigns, the uptake of entrepreneurial activities among the older unemployed is not as successful as expected. **Most older 'necessity entrepreneurs' do not identify themselves with the institutionalized narrative of the entrepreneur as the young, empowered, creative and independent individual who 'puts an innovative product in the market'.** It is necessity, rather than opportunity, that is pushing them to become entrepreneurial. Their transition between unemployment and self-employment or entrepreneurship seems also more fragmented and fraught with difficulties than official narratives outline.

Since the start of the 2008 global financial crisis, public discourse has increasingly sought to position entrepreneurship as the panacea for unemployment, presenting it as both socially desirable (an attractive employment option) and socially feasible (an accessible and realistic employment option). In this post-crisis pro-entrepreneurial context, 'necessity' entrepreneurs have come to represent around 30% of all entrepreneurs across OECD countries. Yet, as the term 'necessity entrepreneur' infers, it is necessity, rather than opportunity, that is pushing, rather than pulling, them to become entrepreneurial, and the transition they experience is poorly understood. Indeed, **necessity entrepreneurs are very much under-researched in academic literature, not to mention practically ignored by the media and the policy-makers.**



In the UK, while the Government has explicitly stated its concern about the financial burden the aged unemployed represent for the state, there has been very little support for mainstream older people to become economically active under their own self-direction. In fact, support for older entrepreneurs has diminished in the last few years. In 2000, the 'New Deal 50 plus' was introduced to help the over 50s back to work. At that time, organizations such as PRIME (The Prince's Initiative for Mature Enterprise) were also created to provide support and to campaign for the over 50s interests, working closely with government initiatives. Yet, in 2011, there was a

strategic change in direction and the 'Work Programme' and 'New Enterprise Allowance' (2015) replaced the 'New Deal 50 plus' initiative. Since then the stress has been on getting the long-term unemployed back to work but without specific support for people aged 50+. This is a strong indication that previous support for the over 50s might not have produced the desired result. Yet, the lack of recognition that entrepreneurs are not a homogeneous group and that a single policy for all is therefore ineffective remains.

Traditionally, 'older' people (in the 50-75 age group) have expressed only moderate interest in entrepreneurship due to worries about health, energy levels and a reluctance to take on financial risks at older age. This is supported by research that shows that as people get older they are less willing to commit to starting a new business because of 'yield returns over time'. Yet, the long recession and the economic downturn have forced changes in outlook and attitude. Alongside the

fragmentation of old certainties, the ‘grey’ unemployed find themselves now responsible for creating their own jobs as well as for taking themselves through the transition between unemployment and self-employment, all with limited or no support. Further, not only are the older unemployed to take on the risks associated with starting up a business, along with the pressure to live up to the ideal of the exemplar entrepreneur, but they are also doing so in a context of personal crisis and economic uncertainty.

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It does not help that most of the stories we hear about entrepreneurs focus on the youngish exemplar individual who, as a hero (e.g. Mark Zuckerberg co-founder of Facebook, who already has his own Hollywood biopic) or a jester (think Michael O’Leary Ryanair’s CEO), achieves success and wealth. This narrative rests heavily on early work by Schumpeter (1939) that first emphasized the role of entrepreneurs in economic theory, endowing them with a drive to power and an intuitive insight that he saw as ‘instinctive’. The all-encompassing power of this narrative leads to a sense of failure when potential entrepreneurs struggle to engage with the process and to live up to that ideal, especially in economically uncertain times. Yet, there is not an ‘entrepreneurial type’ as variation is, inherently, part of entrepreneurship (Gartner, 1989). That is, whatever the media says, becoming an entrepreneur is not dependent on particular individual’s personality traits. We need to expand our understanding of entrepreneurship as a creative endeavour by focusing not so much on what is inside entrepreneurs or how the environment can enable or constrain them in being creative, but on how the creative process develops in interactions between would-be entrepreneurs and their social and institutional contexts.

In this regard we really need to have a hard look at the way we represent and support potential would be entrepreneurs. A good first step would be to tackle the dominant view inherent in the ‘holy trinity’ of the entrepreneur i.e., the strong figure of the entrepreneur and the development of an ‘entrepreneurial self’, the unrelenting dig to uncover the ‘secret to success’, and the optimistic policy-making grounded in the assumed entrepreneur’s role in economic success. Such questioning would open up further the study of entrepreneurs and the entrepreneurship process as well as its impact on social change and innovation beyond the current exclusive focus on wealth creation, while at the same time allowing for the possibility of re-balancing the interpretation of ‘who can be an entrepreneur’ and how to study the phenomenon.

An LSE research team based on the Social Psychology department, coordinated by me and funded by STICERD is currently looking at the micro-interaction between older necessity entrepreneurs and their situation, as well as at the macro-representation of entrepreneurs in the institutional and public sphere. The aim is to straddle the micro-macro boundary looking at the development of personal entrepreneurial identities within a particular social and historical context. In doing so, we aim to give voice to alternative realities of entrepreneurship and to broaden the understanding of entrepreneurship amongst policy makers in UK, all with a view to eventually positively informing both policy and available support.



This blog post is based on *‘I just want a job’: the untold stories of entrepreneurship*, 2015, by Lucia Garcia-Lorenzo, Lucia Sell-Trujillo and Paul Donnelly. (In: Izak, Michal, Hitchin, Linda and Anderson, David, (eds.) *Untold Stories in Organizations*. Routledge studies in management, organizations and society. Routledge, London, UK, pp. 143-167. ISBN 9781138790018)

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