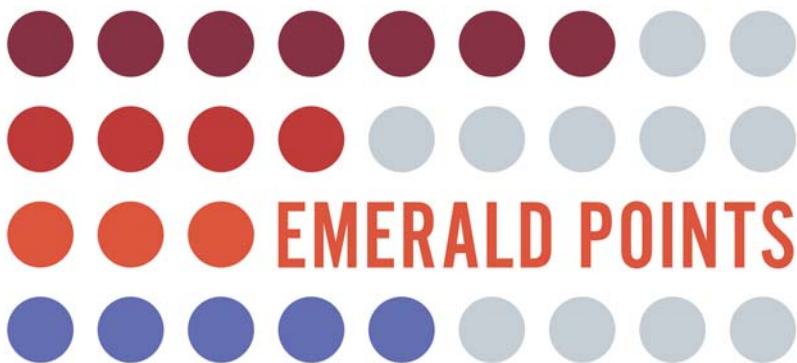


# ENTREPRENEURSHIP FOR DEPRIVED COMMUNITIES

Developing Opportunities, Capabilities  
and Enterprise Culture

Nikolai Mouraviev and Alex Avramenko



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Culture

BY

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emerald  
**PUBLISHING**

United Kingdom – North America – Japan – India  
Malaysia – China

Emerald Publishing Limited  
Howard House, Wagon Lane, Bingley BD16 1WA, UK

First edition 2020

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**British Library Cataloguing in Publication Data**

A catalogue record for this book is available from the British Library

ISBN: 978-1-78973-988-6 (Print)

ISBN: 978-1-78973-985-5 (Online)

ISBN: 978-1-78973-987-9 (Epub)



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# ACKNOWLEDGEMENT

The significant part of Chapter 5 has been previously published as:

Mouraviev, N. and Kakabadse, N. 2016. Conceptualising cosmopolitanism and entrepreneurship through the lens of the three-dimensional theory of power. *Society and Business Review*, 11(3), 242–256.

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# INTRODUCTION: TOWARDS A MODEL FOR DEVELOPING AN ENTERPRISE CULTURE IN DEPRIVED COMMUNITIES

Revitalising deprived areas, and improving the living conditions of communities in such areas, has been and remains a challenging task for governments, NGOs and their private sector partners. Local authorities recognise that developing an entrepreneurial culture is key to creating ‘enterprise readiness’: this entails promoting a holistic understanding of business opportunities, raising the aspirations and confidence of potential entrepreneurs, and engaging disadvantaged neighbourhoods by means of life planning and initial support of their ventures (Dubina and Carayannis, 2016). Although the development of enterprise is viewed as a core element in the renewal of deprived areas, the shaping and delivery of viable and sustainable action appears to remain difficult for most local authorities (Estrin et al., 2013).

Throughout this book, the term *deprived community* is used. However, this is entirely for want of a better term as there is currently no single agreed definition of a deprived



community. There are, in fact, many kinds of deprived communities. ‘Deprived community’ may refer to a poorer area with a low-income population, often characterised by persistent poverty, lack of employment opportunities and possibly a high crime rate. Another way in which the term ‘deprived community’ is used is in reference to a particular group that might equally be termed a ‘disadvantaged population’. For example, single mothers or senior citizens may appear disadvantaged with regard to lack of support for their entrepreneurial initiatives, lack of knowledge and skills or, importantly, lack of entrepreneurial culture. In this book the term *deprived* will be used to describe either impoverished areas, or, depending on the context, people belonging to these communities, i.e. those who are disadvantaged, in need and/or in reduced circumstances. Such people do not necessarily reside in a deprived area; rather, they are grouped because they share same or similar needs. To summarise, this book will not only examine deprived communities in the sense of poorer areas that require revitalisation, but it will also adopt the view that a group experiencing similar disadvantages also constitutes a community, and not necessarily a geographical one. Of course, not all needs can be addressed by means of entrepreneurship, but this book will show that this approach has proven effective in solving a broad range of community challenges ([Growing Inclusive Markets Initiative, 2008](#)).

Within a broad theme of entrepreneurship, this book focuses on developing enterprise in and for deprived communities, which is a task of critical importance for the local authorities as these communities often display persistent poverty and other related problems (poor living conditions, deterioration of public services and high crime rate). Given the context of these urban and rural areas, the book offers the tools for revitalising the depressed neighbourhoods. Furthermore, it proposes a holistic model that integrates a range of

dimensions in an innovative pathway for enterprise development in deprived communities. For example, the book shows that government support, training and empowerment of senior citizens are instrumental for developing of their entrepreneurship and, therefore, avoid deprivation of a certain group who otherwise might be viewed as low-income (London et al., 2010). In relation to lifestyle entrepreneurship, the book emphasises a need to promote *lifelong* approach to resource development in deprived communities, which is an essential part of entrepreneurial culture (McMullen and Dimov, 2013; Hanson et al., 2019).

The book aims to investigate the best practice of developing enterprise in and for deprived communities. It highlights a toolset of ideas that could be used by the local authorities to revitalise these areas and encourage disadvantaged lay people to launch small businesses (Oughton and Wheelock, 2003). Part of the book draws on the authors' own work in pilot projects commissioned by Manchester and Salford City Councils in the United Kingdom to support people that are currently out of the labour market to help them consider entrepreneurial ventures and self-employment as an option. Other chapters make use of the authors' research on the social entrepreneurship theme in Ukraine and on how urban governance advances entrepreneurial culture in cosmopolitan Dubai. The book also offers research-based narratives about rural entrepreneurship, engagement of senior citizens in launching micro and small enterprises, and about conditions for supporting enterprising activities in cosmopolitan cities.

The book's key themes are:

- New dimensions and opportunities of micro enterprise;
- Rural entrepreneurship;
- Engagement of senior citizens in enterprise;

- Lifestyle entrepreneurship;
- Entrepreneurship in cosmopolitan cities;
- Impact of social entrepreneurship on community development and furthering entrepreneurial culture; and
- Insights into a model for developing enterprise culture by highlighting facilitating and hindering factors related to deprived communities.

As this list shows, the book captures a broad range of topics related to entrepreneurship in deprived communities. This is because there are numerous tools that could be useful to many kinds of areas and neighbourhoods. For example, Chapter 6 discusses social entrepreneurship as a tool that focuses on supporting disadvantaged citizens (war veterans, low-skilled, disabled people), rather than a deprived community located in a certain geographical area. The book's purpose here is to emphasise that support of disadvantaged would alleviate poverty of certain groups, and this tool could be used in many communities. Ukraine is used as an example, which shows that social entrepreneurship could be encouraged and successfully furthered not only in an industrialised nation, such as Germany, the United Kingdom or the United States, but also in a developing country. In addition, Chapter 6 also demonstrates how social entrepreneurship could effectively serve – using non-traditional tools – the needs of a community, such as an urban area.

The book's unifying overall thread is development of entrepreneurial culture, and the book offers many tools that communities, their leaders and citizens might utilise to develop this culture. The book views entrepreneurial culture as behaviour, habits, attitudes and values that make continuous use of a set of qualities and conditions that are required to succeed as an entrepreneur (Fletcher et al., 2012). As entrepreneurial culture effectively serves as the book's theoretical

framework, it explains why certain topics were selected for this monograph and how they fit the overall theme.

What makes this book special? The book offers an exclusive focus on deprived communities and how entrepreneurship could be developed there. Books that have enterprise in disadvantaged areas as their sole theme are hard to find. This monograph draws on real-life global experiences of community revitalisation projects and blends analysis of project implementation with conceptual approach to policy and governance in urban and rural areas. This shows enterprise development in action and departs from merely theoretical considerations. Furthermore, the book offers a model for developing an inclusive enterprise culture in deprived communities in the form of identified hindering and facilitating factors. As the model integrates a range of dimensions in a collaborative pathway for enterprise development, the book offers a set of innovative practical tools that enable opportunity creation and recognition in deprived communities and expedite capacity and skill building among disadvantaged groups. Each chapter provides learning points at the end (except the Introduction and Conclusion) which draw the reader's attention to facilitating factors and effective tools that may promote entrepreneurship in deprived communities. These learning points might be particularly appealing to those readers who are looking for a succinct summary of instruments and methods for the development of entrepreneurship.

For whom is this book? Academics, students and practitioners may equally benefit from the blend of chapters that reinforce the book's main argument that entrepreneurial culture is key to revitalisation of deprived areas and supporting disadvantaged populations. To this end, this monograph identifies a range of tools that local governing bodies, businesses, NGOs and social activists could use to form and/or contribute to entrepreneurial culture and engage

disadvantaged groups in productive economic activity. This is likely to be of interest to a broad readership including politicians, local government staff, development workers, NGO activists and business people who are interested in revitalising depressed urban and rural neighbourhoods.

Practitioners may find the book useful as it highlights an array of real-life situations and problems that communities encounter, be it a case of an impoverished area with little to no jobs and discouraged job seekers or a community group who might be disadvantaged owing to their disability, family status or lack of knowledge and skills. The discussion of tools available for fostering entrepreneurial culture, followed by critical appraisal, will be of interest to readers in many communities across the globe as different contexts may require different approaches, instruments and methods (Welter, 2011). Practitioners may identify differences and commonalities in how local governments, activists and other stakeholders develop entrepreneurial culture and compare to the conditions in their own communities, which might be helpful for studying best practice or borrowing from the experience of other areas and/or projects supporting disadvantaged populations. By reading this book, practitioners may identify conceptual frameworks for working with deprived communities, and use these frameworks to shape the action plans engaging the local governing bodies, businesses and activists.

Researchers and students may also benefit from reading this monograph, as the book offers a unique blend of conceptual approaches and practical advice in a field that draws attention of many theorists. Readers will have an opportunity to compare a broad range of issues related to deprived communities and assess, from their own perspective, the effectiveness of the tools that the book offers and whether they are conceptually sound. For lecturers and their students, the

book's suggestions might become the subject of debates in a classroom, which might facilitate their learning experience in the fields of development, entrepreneurship, regional and urban studies, policy, governance and strategic planning.

In summary, the book offers an evaluation of the enterprising projects in many nations and contexts and highlights a range of issues and tools related to developing enterprise in deprived communities. It shows how local authorities, in partnership with other actors, may implement an integrative approach to supporting disadvantaged groups by capacity and skill building. In addition to the array of tools helping to revitalise the needy communities, the book provides insights into developing an enterprise culture, which could serve as an effective and innovative instrument for improving conditions in deprived neighbourhoods. The key message is that commissioners of enterprise support need to employ collaborative approach to ensure that an integrated pathway is in place to help people sailing through the enterprise journey and to foster entrepreneurship in a community. Owing to the blend of theory, practice and related critical appraisal, this book may attract a wide spectrum of readers who are passionate about community activism and interested in poverty alleviation, local development and entrepreneurship.

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