

INSTITUTIONAL BARRIERS TO ENTREPRENEURIAL GROWTH: AN HISTORICAL CASE STUDY OF THE VALAAM MONASTERY

PhD Research Plan (4th year)

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This article-based Doctoral research project builds on the premise that entrepreneurship scholars need to better understand the consistencies in historical patterns of economic and social transformation through interpretive analysis in order to utilize their full potential for social value. For example, entrepreneurship scholars have unfulfilled potential to inform policy setters about productivity implications (Baumol & Strom, 2007) and to become stronger voices in discussions about changes in society (Alvesson, Gabriel & Paulsen, 2017; Jones & Murtola, 2012). Taking a retrospective stance both methodologically and theoretically, my Doctoral research seeks to explain economic development in the wider societal context by considering entrepreneurship as a key driver in processes of historical change (Fredona & Reinert, 2017).

In particular, my research seeks to uncover how strong institutional embeddedness produces institutional barriers to entrepreneurial growth. In this process, the interpretative agency of organizational members is highlighted: the stronger their identification with the institutional structure, e.g. through narratives and myths, the more likely they will resist entrepreneurial change (Greenwood & Hinings, 1996). Adversely, when institutions change their meta-level narratives, also members of those organizations that are strongly embedded in the institutional setting tend to change their way of interpreting their role in society (Bartunek, 1984). Drawing from these insights, my research seeks to demonstrate the centrality of narrativity and myth in entrepreneurial processes: the stronger the administrative role of myth, the less likely it is that entrepreneurial activity – particularly in the socioeconomic sense of “creative destruction” (Schumpeter, 1942) – will follow.

My **empirical research** focuses on the entrepreneurial and organizational history of the Valamo Orthodox monastery. By rule, medieval monasteries were the essential entrepreneurial actors of their time, transforming the region from feudalism to a superior market system (Collins, 1997). The Valamo monastery is no exception to this rule, being a major landowner in the region in the 16th century, developing significant manufacturing activities in the 19th century, and becoming a free port

and major tourist attraction in the first years of the 20th century. Valamo monastery's history spans over 800 years, carrying evidence of economic development from Medieval to modern times not only in the Karelian Ladoga region, but also in Finland, Sweden, Russia and all of Europe.

Methodologically, my research employs the microhistorical method of 'clues' in order to contrast specific historical phenomena with social theory (Ginzburg, 1979, 1993; Peltonen, 2001). My main interest is on the circumstances of the expulsion of Valamo's leader, hegumen Gabriel, in 1903. Prior to his expulsion, Gabriel had initiated a shipdock building project in order to capitalize on the monastery's exceptional legal status in Finland as a free port. This entrepreneurial process, however, was thwarted due to the elder monks' and Archbishop of Finland's joint disapproval of the project. As a result, hegumen Gabriel was expelled from the monastery – a rare incident in the history of an organization that tends to venerate and canonize its historical leaders. I am currently engaged in the process of analyzing the role of Valamo's foundational myths in the monk's local self-identification as hermits, to which the shipdock project presented a looming threat. With the Russian Orthodox Church giving strong institutional support to the monks' narrative self-identification, strong resistance against the venture was legitimized.

With regards to **theoretical work**, my Doctoral thesis is based on Joseph Schumpeter's ideas of entrepreneurship as economic and social development (Schumpeter, 1934; 1942) and on Max Weber's interpretive sociology in taking as its analytical focus area the complex and dynamic relationships between religious institutions and socioeconomic phenomena (Weber, 1978). In particular, my research is situated within the knowledge at the intersection of history and organizational theory (Godfrey et al., 2016; Kipping & Üsdiken, 2014; Vaara & Lamberg, 2016). Therein I seek to expand on historical organizational institutionalism (Suddaby, Foster & Mills, 2014) by looking at how narratives and myth retain and restate social structure by enabling organizational responses to looming second-order changes (Maclean et al., 2018; Ranson, Hinings & Greenwood, 1980; Suddaby & Foster, 2017).

For practical implications, my research covers substantive ground for policy-making interests in adjusting and facilitating transitions from creative and productive to reductive and unproductive entrepreneurial processes and *vice versa* (Baumol & Strom, 2007). For the interests of entrepreneurship theorists, my Doctoral thesis contributes incrementally to a long line of theoretical debate on entrepreneurship as an ambiguous socioeconomic process (Hjorth, Holt & Steyaert, 2015). On this topic, I have already published a peer-reviewed article on metatheoretical issues in *Journal of Business Venturing Insights* (Laine & Kibler, 2018). For the layman, I hope it makes an interesting read in how entrepreneurship as a topic may lead to some of the most exciting questions in social science and philosophy (Rehn et al., 2013).

Schedule

Table 1. Semi-annual work plan according to the Finnish academic year (Semester 1 = August-December; Semester 2 = January-June; July is the holiday month).

Research objectives and tasks		2017—2018		2018—2019		2019—2020		2020—2021	
		1	2	1	2	1	2	1	2
1	Research for first article								
	Publication of first article								
	Conference and seminar trips								
2	Archival research in the Valamo monastery								
	Composition of the second article								
	Publication of the second article								
3	Composition of the third article								
	Publication of the third article								
	Composition of the fourth article								
4	Publication of the fourth article								
	Composition and editing of dissertation								
	Composition of additional articles								

Budget

I am applying from the Foundation for Economic Education a full-time working grant of **27 800 €**. The period applied for is from **August 2012 to July 2021**, which is the **final year** of my Doctoral studies. The 8 000€ allocated for seminar and conference work is not applied for here.

Table 2. Budget for one year of dissertation work.

Budget (2020-2021)	EUR
<i>Living costs and working expenditure</i>	21 000
- 21 000 € x 1	
<i>Scholarly visits, foreign seminars and conferences</i>	8 000
<i>Archival work in Valamo monastery</i>	
<i>Costs calculated using Aalto University's M2 invoicing system and Valamo monastery's hotel and library price lists assuming 10 research trips of two nights and 50 hours of work with Valamo's chargeable archivist.</i>	6 800
- Travel costs 140 € x 20 = 2 800 €	
- Accommodation and meals 80 € x 20 + 20 € x 20 = 2 000 €	
- Work with archivist 40 €/h x 50 = 2 000 €	
Total	27 800

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