

Chapter 2

Solidarity and Entrepreneurship:

Ethnic Differences and Expressions of Solidarity in Entrepreneurship Practices in Haiti

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ABSTRACT

Solidarity is a social practice that mobilizes both relationships (social capital) and institutions (institutional capital). As such, solidarity mobilizes behaviors that can support entrepreneurial activities through ethnic capital. From a socio-historical perspective, mobilizing the theoretical developments of the institutional economics, the authors analyze how solidarity affects entrepreneurship in Haiti. The results show that solidarity is practiced in different ways within the two Haitian ethnic groups when it comes to entrepreneurship development. It facilitates more prosperous entrepreneurship among Levantines than it can allow significant size of businesses among Creoles. Subsequently, solidarity enables in different ways wealth accumulation among the two Haitian ethnic groups. Since Creoles are more numerous and poorer, solidarity as an entrepreneurship enabler can help to explain the high level of inequality and poverty in Haiti. Conversely, Levantines and mulattos are using their economic power to influence the political institutions which contribute more inequality.

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INTRODUCTION

The literature on the links between culture and entrepreneurship is quite significant. It helps to understand the ethnic or racial origin of elements of culture influencing the entrepreneurial success and performance of individuals. In “Race and Entrepreneurial Success, minority entrepreneurship authorities”, Robert Fairlie and Alicia Robb (2008) examined racial disparities in business performance and found that a high level of start-up capital is the most important discriminatory factor that contributes to the success of companies among the races. We do not mobilize the concept of race, we use ethnic groups to better analyze our particular entrepreneurial context.

However, the financial capital needed to start businesses is often mobilized inside existing social networks. These networks are created by individuals from ethnic groups, and communities. Although social networks sometimes have perverse effects on entrepreneurial initiatives (Portes & Landolt, 1996), according to the norms and rules that structure them. These regulatory assets defined as institutions by North (1990) or institutional capital by Paul (2009) can both foster entrepreneurship (Hall & Sobel, 2018) or lead to social spending which is often counterproductive and anti-entrepreneurial (Portes & Landolt, 1996).

The importance of material and human capital in entrepreneurial success has become intuitive. However, social and institutional capital are poorly documented. For example, Mark Granovetter supports the thesis that there is little chance for new businesses to appear in a socio-economic environment that does not generate a profit. According to his definition of embeddedness, entrepreneurship is a socially embedded economic activity (Granovetter, 1985). This social embeddedness is the object of a particularly strong institutionalization within small social groups such as those based on ethnicity or socioeconomic profile. The norms and beliefs resulting from this process of institutionalization require us to take into account solidarity in the analysis of entrepreneurship within these groups.

Most studies on the mobilization of solidarity in entrepreneurship development are carried out within immigrant groups in developed countries. However, in developing countries where solidarity is an important social asset even in socioeconomic interactions, little research has been conducted. Yet, it deserves much attention in such contexts, since entrepreneurship is often considered a development strategy (Paul, 2012).

In poor countries like Haiti, solidarity is one of the main intangible assets on which it is possible to capitalize to undertake new ventures. Solidarity is different according to the socio-ethnic groups that constitute the Haitian population since the country has been transformed into a land of migration (Paul, 2020). In Haiti, where immigration has brought different ethnic groups, modern history can be divided into two periods: the colonial period (from the early sixteenth to the end of the nineteenth

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