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**Towards an *Untrepreneurial* Economy:
The Entrepreneurship Industry and the Rise of the Veblenian Entrepreneur**

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ABSTRACT

Why is the quality of innovation-driven entrepreneurship seemingly declining? We argue the growing Entrepreneurship Industry and the way it has transformed entrepreneurship as an activity are important, under-appreciated explanations. By leveraging the Ideology of Entrepreneurialism to mass-produce and mass-market products, the Entrepreneurship Industry has made possible what we term *Veblenian Entrepreneurship*. This is entrepreneurship pursued primarily as a form of conspicuous consumption, and it is fundamentally different from the innovation-driven entrepreneurship that it emulates and superficially resembles. Aside from lowering average entrepreneurial quality, Veblenian Entrepreneurship has a range of (short-run) positive and (medium and long-run) negative effects for both individuals and society at large. We argue that the rise of the Veblenian Entrepreneur might contribute to creating an increasingly *Untrepreneurial* Economy. An *Untrepreneurial* Economy appears innovation-driven and dynamic, but is actually rife with inefficiencies and unable to generate economically meaningful growth through innovation.

Towards an *Untrepreneurial* Economy? The Entrepreneurship Industry and the Veblenian Entrepreneur

1. Introduction

Since Schumpeter's earliest work (1911), it has been clear that entrepreneurship can be a key contributor to business dynamism and economic growth (Schumpeter, 1911; Kirzner, 1978), but recent research has yielded two striking findings about the nature of this contribution. First, entrepreneurial outcomes are immensely skewed. Only a very small subset of entrepreneurial ventures make a meaningful contribution to growth, job creation or productivity improvements (Crawford et al, 2015; Aldrich & Ruef, 2018; Haltiwanger et al, 2013; Decker et al, 2014). The average entrepreneurial venture typically ends up as economically marginal, undersized and poorly performing enterprise, or a 'Muppet' (Coad & Nigthingale, 2013). The second finding is that the skewness of the outcomes distribution seems to be decreasing over time, because positive outcomes are becoming rarer. Data from the United States suggests that the *quality* of entrepreneurial ventures seems to be falling, with high-growth outcomes becoming more unlikely (Decker et al, 2016a, 2016b), despite increasing numbers of young firms signaling growth intentions (Guzman & Stern, 2016). Muppets, in other words, are common and becoming more so. The gazelles that disproportionately propel the economy, being already rare, are becoming rarer.

Research has advanced a range of psychological and statistical explanations for why entrepreneurs might enter into ventures that are unlikely to succeed and fail to exit ones that fail¹ (Artinger & Powell, 2016) and these explanations might explain part of the skewed distribution. Psychological explanations tend to emphasize characteristics like overconfidence, risk tolerance and optimism (e.g. Koellinger et al, 2007; Camerer & Lovallo, 1999; Moore et al, 2007). These factors lead entrepreneurs to overestimate the quality of their ideas, their individual abilities and their likelihood of success (e.g. Shane, 2008). Statistical explanations, meanwhile, emphasize the nature of innovation and entrepreneurship as inherently uncertain (Rosenberg, 1996; March, 1991; Gans et al, 2019), that new entrants face inherent liabilities (Stinchcombe, 1965) and that success requires luck (Barney, 1986). Alas, these explanations fare poorly when trying to explain the *change* in the occurrence of low-quality entrepreneurial ventures. While we understand why entrepreneurial quality

¹ For many, of course, success and failure are quite relative. Many entrepreneurs have no growth-intentions, but pursue entrepreneurship as a subsistence means of income (Schoar, 2010; Burtch et al, 2018; Åstebro et al, 2011; Fairlie, 2002) or to 'be their own boss' (Hurst & Pugsley, 2012; Douglas & Shepherd, 2002; Heilman & Chen, 2003; Biraglia & Kadile, 2016).

might generally be low, there remains a paucity of explanations for why the quality of entrepreneurship might currently be *falling*.

One promising and as yet underexplored candidate for explaining the declining quality of entrepreneurial ventures, however, might be found in the expansion of the ‘Entrepreneurship Industry’. This is an industry focused on encouraging and supporting the pursuit of entrepreneurial opportunities by providing goods and services specifically for entrepreneurs. Recent work by Hunt & Kiefer (2017) documents two notable characteristics of this industry. First, it documents the scale of this expansion, demonstrating that the Entrepreneurship Industry is today a US\$10 billion industry, having grown more than 10% annually since the late 1980s. Second, it suggests that consumption of the industry’s products increases entrepreneurial activity but lowers both entrepreneurial performance and survival chances. Taken together, this suggests that an expanding Entrepreneurship Industry – or ‘Entrepreneurship-Industrial Complex’ (McGinnis, 2017) – might be complicit in growth-oriented entrepreneurs failing to execute on their intentions. The process by which this might happen, however, has yet to be explained. Such an explanation is what this paper seeks to provide.

This paper argues that the Entrepreneurship Industry has given rise to a new form of entrepreneur – the *Veblenian Entrepreneur*. The rise of this kind of entrepreneur is an important factor which contributes to the falling quality of entrepreneurial ventures and potentially to a larger and more troubling trend towards producing an *Untrepreneurial Economy*. This is an economy that outwardly appears dynamic and entrepreneurial, but is rife with inefficiencies and lacks substantive innovative capacity. The Entrepreneurship Industry leverages the Ideology of Entrepreneurialism (McCloskey, 2006; Jones & Spicer, 2007) to create products and services that can be marketed to aspiring and active entrepreneurs. The industry grows its own market by encouraging greater entry into entrepreneurship and persistence in entrepreneurial ventures, irrespective of their likelihood of success. In doing so, it has transformed entrepreneurship from a generally gainful economic activity driven by the pursuit of (potentially) valuable opportunities into a largely wasteful form of conspicuous consumption motivated by aspirations to ‘live the tech entrepreneur lifestyle’ and the socially attractive identity of ‘being an entrepreneur’. This form of wasteful entrepreneurship is what we refer to as Veblenian Entrepreneurship. That is entrepreneurship that masquerades as being innovation-driven and growth-oriented but is substantively oriented towards supporting the entrepreneur’s conspicuous identity work. For this reason, Veblenian Entrepreneurship differs from innovation-driven entrepreneurship in key respects. Veblenian Ventures also follow a life-cycle very different from that

of innovation-driven ventures. These differences make it *a priori* unlikely for a Veblenian Entrepreneur to succeed and to contribute to economic growth or any other socially desirable outcomes. Instead, Veblenian Entrepreneurship creates a range of undesirable effects for both individuals and society.

To make this argument, we proceed as follows. In the following section (“Muppets Everywhere”), we review the evidence on the decreasing skew of entrepreneurial outcomes, suggesting that there is considerable and increasing excess entry into growth-oriented entrepreneurship. Then (“Muppet factories”), we outline recent scholarship on the Entrepreneurship Industry and extend it by showing how the Industry promotes and exploits the Ideology of Entrepreneurialism to expand the market for an increasing range of products intended not to improve entrepreneurial performance, but to facilitate identity work. In the paper’s main section, we do five things. We explain how entrepreneurship becomes a form of conspicuous consumption (“Conspicuous Commodities”) and what characterizes the Veblenian Entrepreneur (“Consuming Ideology”). We then describe an ideal-typical lifecycle of Veblenian Ventures (“Living the Dream”), before outlining some of the individual-level consequences of engagement in Veblenian Entrepreneurship (“Hooked and Hurt”). These consequences, we then suggest, recursively influence the Entrepreneurship Industry and the Ideology of Entrepreneurialism (“The Stuff that Dreams are made of”). We close with a discussion of how a profusion of Veblenian Entrepreneurship might impact the wider economy and explore the proposition that we might be moving towards an ‘Untrepreneurial Economy’. In the conclusion we offer some caveats, point out issues for further research, and raise some considerations for academics who are complicit to the Entrepreneurship Industry.

2. Muppets Everywhere: Explanations of Excess Entry and Declining Quality

While it *is* certainly true that entrepreneurs play an important role in economic development and industrial transformation (Schumpeter, 1911), it is also true that only *some* entrepreneurs have this kind of impact. While popular accounts of entrepreneurship tend to focus on billion-dollar companies (‘Unicorns’) and fast-growing firms (‘Gazelles’), these kinds of entrepreneurial successes are incredibly rare (Aldrich & Ruef, 2018; Thiel, 2014; Fazio et al, 2016; Crawford et al, 2015) and the outcomes of entrepreneurship are, in the scholarly literature, increasingly described as Pareto distributed. In such a skewed distribution, entrepreneurial ventures *typically* end up as marginal, undersized and poorly performing ‘Muppets’: “marginal because they lack the ambition or capability to grow or innovate, have high death rates, and are poorly captured in statistics or academic studies... [U]ndersized

because they lack the minimum efficient scale needed to perform on par with incumbents in their sectors and industries. As a result, they are poor performers: they have low productivity and low levels of innovation, and generate churn rather than economic growth” (Coad & Nigthingale, 2013, p. 130). By implication, it is quite reasonable to ask whether both society and the entrepreneur might not have been better off *not* pursuing the opportunity in the first place (see also Shane, 2008; Azoulay et al, 2019; Hamilton et al, 2018; Lidow, 2018). Entrepreneurs, after all, have lower life-time earnings than wage earners (e.g. Hamilton, 2000) and are more likely to suffer from mental health issues (Freeman et al, 2019) and strained personal relationship (Singh et al, 2007). And society derives no obvious benefits from a profusion of poorly performing ventures.

This raises the question of why there are so many individuals entering into low-quality entrepreneurial ventures, even in the face of these well-known costs and the unlikeliness of success (see e.g. Henry, 2017; Patel, 2015; Mese, 2014; Bruder, 2013; McGinnis, 2017; Guillebeau, 2017; Jarvis, 2019). Research tends to converge around four explanations for such ‘excess entry’. One explanation suggests that entrepreneurs may pursue their ventures because they lack good alternative options. These ‘necessity entrepreneurs’ might not be pursuing a venture because they want to do so, but simply because they cannot find other work to fit their skills (e.g. Burtch et al, 2018; Åstebro et al, 2011; Fairlie, 2002). When this is the motive to enter, failure is hardly surprising: it would be quite extraordinary for a man-with-a-van venture, a two-person landscaping company or a neighborhood restaurant to achieve gazelle-like growth. Another explanation suggest that entrepreneurial ventures are primarily about self-employment, in which case entrepreneurs may also be cognizant of the costs and risks to entrepreneurship but actively accept them in order to gain the flexibility, self-determination, creative self-expression and freedom from oppressive corporate work that being one’s own boss might make possible (e.g. Douglas & Shepherd, 2002; Heilman & Chen, 2003; Biraglia & Kadile, 2016). These ventures may “fail” and become “muppets” almost by intention. One does not typically start a micro-brewery in order for it to become a macro-brewery.

What is perhaps more surprising is excess entry into the kind of innovation-driven entrepreneurship that *potentially* propels the economy. This kind of entrepreneurship typically gets done by individuals who supposedly have good outside options (one does not typically launch a biotech startup as an alternative to unemployment, after all) and intend to grow their business (one does not launch a Blockchain start-up to be able to work 20-hour weeks), and yet there seems to also be excess entry in this category.

In this context, excess entry tends to be explained by psychological or statistical factors (Artinger & Powell, 2016). Psychological explanations might emphasize differences in risk preference, over-confidence and optimism between entrepreneurs and non-entrepreneurs. Consequently, they may attribute excess entry to the nature of the entrepreneurial psyche (e.g. Koellinger et al, 2007; Camerer & Lovallo, 1999; Moore et al, 2007). Entrepreneurs may be overconfident, leading them to launch their ventures with poor ideas and without the requisite skills (Shane, 2008; Åstebro et al). This overconfidence is likely to mean they make mistakes that lead to failure (Hayward et al, 2006; Archidivi et al, 2003).

Statistical explanations, by contrast, suggest that over-entry is ‘part of the game’ of entrepreneurship. Innovation and entrepreneurship are shrouded in uncertainty (Rosenberg, 1996; March, 1991) and even highly skilled entrepreneurs make decisions the quality of which can only be gauged through commitment and experimentation, implying that seemingly good decisions may turn out poorly (Gans et al, 2019). This means some ventures will naturally fail, especially if they are undergirded by very idiosyncratic hypotheses (Felin & Zenger, 2018). By their nature, all idiosyncrasies cannot turn out to be successful. Moreover, new entrants to an industry necessarily face liabilities of newness (Stinchcombe, 1965) that even highly skilled entrepreneurs may fail to overcome. Entrepreneurial success might also depend on elements of luck (Barney, 1986) and even skilled entrepreneurs can get unlucky.

These explanations, while certainly meaningful, fail to account for why rates of excess entry into innovation-driven entrepreneurship might *change*. Recent scholarly work (based on US data) has documented that the quality of innovation-driven entrepreneurship seems to be falling and success becoming less likely: more innovation-driven entrepreneurs end up as muppets and the share of gazelles is falling. Young firms account for a declining share of economic activity and job creation, and the number of young firms experiencing high growth is decreasing (Decker et al, 2016a, 2016b; see also Pugsley et al, 2018). As Guzman and Stern note, “there seems to be a reduction in the ability of companies to scale in a meaningful and systematic way” (2016, p. 10). While the hypotheses that human psychology or the nature of uncertainty are undergoing profound change can certainly be entertained, it appears unlikely that they can explain such a secular trend of declining entrepreneurial quality.

3. Muppet factories: The Entrepreneurship Industry, its growth and impact

One possible explanation for the declining quality of innovation-driven entrepreneurship might be found in the recently documented rise of the ‘Entrepreneurship Industry’. The two stand-out features of this industry are its growth and its impact on entrepreneurial performance, which together suggest an increased capacity for negatively influencing the quality of entrepreneurial ventures across the economy.

The Entrepreneurship Industry is an amalgamation of different sub-industries focused on producing and marketing “the goods and services explicitly intended for opportunity discovery and development by current and prospective entrepreneurs” (Hunt & Kiefer, 2017). Based on the best available estimates, the industry generated about US\$ 13 billion in annual revenues (in 2014) and has been growing about 12 percent annually over the three decades. These revenues come from a range of sources, including conferences and expos (generating \$2.4 billion in revenues in 2014), scholarly books and journals (\$300 million), mass audience books and magazines (\$600 million), infomercials and programs for TV and radio (\$1.1 billion), administrative, legal and accounting support for start-ups (\$3.5 billion), training seminars (\$800 million), consulting and advisory services (\$2.8 billion), and entrepreneurship-focused web-based content and commerce (\$1.4 billion). Adopting a wider view of the limits of the industry, one could also include within it venture capital (exceeding \$20 billion), government-support programs (exceeding \$25 billion, excluding the cost of operating the program-administering government bodies) and entrepreneurship-focused university programs (exceeding \$2.5 billion).

The products of this growing industry are best construed as “cultural products” (Hirsch, 1972) marketed specifically to help realize ambitions of entrepreneurial success. In this way, they resemble the products of the wider industry for management ideas (Abrahamson, 1991; Jackson, 2001; Sturdy et al, 2019), which includes more specialized sub-industries like the ‘leadership industry’ (Guthey, 2013; Pfeffer, 2018), the CSR industry (Bres and Gond, 2018) or the ‘innovation industry’ (Rehn, 2018). Like the broader management ideas industry, the Entrepreneurship Industry draws on a particular ideology to produce its cultural products and imbue them with meaning and worth. This particular ideology is what might be termed the Ideology of Entrepreneurialism (Jones & Spicer, 2009). This ideology provides a way of thinking and talking about entrepreneurship that extolls entrepreneurship and risk-taking as virtuous and lionizes entrepreneurs and their contribution to economic progress. Its roots can be traced to the emergence of a class of risk-seeking business people in the 17th Century Netherlands (McCloskey, 2006), but since then it has changed, developed, moved

contexts and its influence on society has dramatically extended (Barbrook & Cameron, 1996; Shane, 2008; Nightingale & Coad, 2014). This ideology has also contributed to making it socially acceptable and even glorious to invent, start businesses and get rich from doing so, and likely led to a reallocation of effort by individuals rich in initiative and skill from unproductive or destructive activities such as pursuing wars towards more (economically) productive ones (Baumol, 1996).

In this capacity, the Ideology of Entrepreneurialism has been crucial to economic progress (McCloskey, 2016), but has also in recent decades contributed to a one-sided cultural celebration of entrepreneurs and entrepreneurship (Jones & Spicer, 2007; Guthey, 2004). In contemporary society, the infatuation with entrepreneurs is such that they “are seen as almost having a magical effect on economies—alchemists, whose innovative capacity allows for water to be turned into wine, lead into gold.” (Greene et al, 2008; p. 3).

Given that the Entrepreneurship Industry provides cultural products, it is clear that firms in the Entrepreneurship Industry benefit from promoting entrepreneurial activity and doing so in particular ways. “The *raison d’être* of [the Entrepreneurship Industry] is to promote the belief that individuals who are motivated to develop opportunities through entrepreneurial action have the potential to harvest lucrative outcomes” (Hunt & Kiefer, 2017, p. 231; see also McGowan et al, 2008). This creates a situation where more entrepreneurial entry implies a larger customer base for the industry as a whole. Persistence in entrepreneurial ventures, irrespective of their performance, implies greater life-time value per customer. To the extent that poor performance is taken as a sign that more support might be needed and more goods get purchased, poorly performing ventures may even be more attractive customers than well-performing ones. This might imply that the industry is perversely incentivized to provide products and services that do not *actually* have positive effects, but still satisfy the entrepreneur-consumers and give them a sense of having been empowered and supported (e.g. Ramsden & Bennett, 2005).

Given these incentives, it is hardly surprising that the evidence currently available paints a somewhat dystopian picture of the actual effect of this industry on entrepreneurship. Hunt & Kiefer (2017), comparing consumers of Entrepreneurship Industry products with non-consumers, find that while consumption does lead to increased entrepreneurial activity, it also leads to reduced entrepreneurial performance and reduced venture survival. Consumers, in other words, are more likely to hold the unfounded belief that they can achieve entrepreneurial success. This makes them more likely to establish entrepreneurial ventures with growth intentions. Alas, they are less likely to realize those

intentions. They may “increase founder confidence, reduce perceived risk, and increase firm formations and market entries.” (Hunt & Kiefer, 2017, p. 251), but without providing the resources that actually help founders subsequently succeed. In this sense, the Entrepreneurship Industry is perhaps best thought of as a ‘Muppet Factory’: an industrial-scale manufacturer of products and services ultimately produce poorly performing ventures.

The workings of the Entrepreneurship Industry is illustrated in a study of various entrepreneurship initiatives at a mid-ranked American state university (Chen & Goldstein, forthcoming). The authors examined how the university made encouraging entrepreneurship the centerpiece of its own agenda. Like many other universities, they set up business incubators, pitching competitions, coaching programs and various entrepreneurship fairs. Many students joined and sought to launch ventures. Third-wave feminist sociology students would remodel themselves as bio-tech entrepreneurs. They would receive support and mentoring from the various entrepreneurship programs offered by their university and they would build and pitch their venture. But the vast majority struggled to get beyond even the first stage. Eventually, many put aside the life of a (failing) entrepreneur to find steady jobs and start paying off their substantial debts from college. Often the results were a far cry from the grandiose ambitions they were encouraged to pursue. Chen & Goldstein describe, for instance, how the aforementioned bio-tech entrepreneur ultimately out of necessity became a door-to-door sellers of custom windows. Contrary to the off-rehearsed story that entrepreneurship is accessible to everybody, recent work by Bell et al (2018) and Marinoni & Voorheis (2019) show how innovation and the gains from entrepreneurial activity are concentrated in the top of the income distribution, implying a broader picture of unequal chances of entrepreneurial success. Alas, it is harder to sell wealthy parents and social capital at scale than it is to sell books, ‘Tech BBQs’ and futsal tables.

4. Veblenian Entrepreneurship: Entrepreneurship as Conspicuous Consumption

As we will show, the Entrepreneurship Industry likely plays a key role in transforming entrepreneurship from a productive activity into a consumable, mass-marketable good fit for conspicuous consumption. It does so by drawing on the Ideology of Entrepreneurialism and actively disseminating that ideology. This leads to a profusion of what we term Veblenian Entrepreneurship. This is entrepreneurship driven primarily by the desire to build an identity of ‘being an entrepreneur’ and to conspicuously display that identity by enacting the lifestyle of the ‘tech entrepreneur’. In the lifecycle of the Veblenian venture, entrepreneurs launch ventures that outwardly appear as innovation-driven. Veblenian entrepreneurs can, however, be trapped in vicious recursive cycles of failure, escalating

consumption, positive peer responses and distortion of market signals that make them persist in ventures that would have been best abandoned. This creates (mostly short run) positive and (mostly medium and long term) negative effects for the individual entrepreneur. Positive effects allow the Entrepreneurship Industry to further bolster the ideology of entrepreneurship and more vigorously market its products, as does subversive interpretations of negative effects. Negative effects may, however, prompt reflection or force exit from entrepreneurial ecosystems, potentially undermining both the Entrepreneurship Industry and the Ideology of Entrepreneurship. This process is summarized in figure 1 and elaborated in the sections that follow.

FIGURE ONE HERE

4.1. Conspicuous Commodities: The Entrepreneurship Industry and the Ideology of Entrepreneurialism

In his 1899 book “The Theory of the Leisure Class”, Thorstein Veblen described how consumption could cease to be driven by functional utility and instead had been transform into an occasion for ostentatious display of wealth². Certain articles of consumption and conspicuous displays of leisure (i.e. freedom from work), Veblen argued, had taken on social meanings where, if they were costly, they were also “felt to be noble and honorific” (p. 48). This made the consumer of them worthy of recognition. As such, consumption of both goods and leisure required audiences to bear witness to the consumption in order for it to serve its purpose of social signaling. For Veblen, it was the wasteful nature of consumption and its separation from the realm of utility that allowed consumption to serve as a means of status building and social aggrandizement. He labelled this phenomenon ‘Conspicuous Consumption’.

Beginning with Nystrom’s work on fashion (1928), Veblen’s ideas would later inform work in economics, sociology and social psychology (Chaudhuri & Majumdar, 2006). As Western societies became increasing affluent through the second half of the 20th century, necessity-driven consumption played a progressively smaller role in the economy and gave way to satisfaction of desires created by advertising (Galbraith, 1958). Veblenian consumption expanded from society’s elite to the mainstream (Mason, 1980; Alvesson, 2013) This in turn led to changes in what articles of

² Veblen spends most of his analysis on consumption in ‘barbarian cultures’, but it stands to reason that he was commenting on the newly-rich of his own time. As Adorno would put it, “there is an obvious intention, in numerous passages, to denounce the modern era as barbarian at the very points where it most solemnly raises the claim to be culture” (1941: 389)

consumption could meaningfully serve as status symbols. It also meant that conspicuous consumption shifted towards 'skilled' or 'artful' consumption (Bourdieu, 1984), and increased leisure (Blumberg, 1978). Today many forms of conspicuous consumption have taken on a strangely down-beat and 'conspicuously inconspicuous' form. For instance, one study of upper-middle class consumption patterns in the United States found that many members of this group used the consumption of immaterial goods such as yoga classes, organic foods and costly education as ways of signaling their status (Currid-Halkett, 2018; see also Holley, 2018). In contrast, poorer parts of the US populations would tend to engage in showy consumption of material goods.

Extending this trend, the spaces in which consumption is enacted have also expanded. As the boundaries between work and leisure have become blurred, work has also become a site of consumption and ceased to be 'just' a site of production (Du Gay, 1996). Work has taken on an expanded meaning and no longer serves only as to a source of security and a stable income, but also to be a place to experience autonomy, be creative and express oneself (Boltanski & Chiapello, 2005). It has become a site where people engage in 'identity work' (Brown, 2015) and try to 'be themselves' (Fleming and Sturdy, 2010). To this end, conspicuous consumption practices previously confined to the realm of leisure have become part of the workplace and work has taken on aspects of conspicuous consumption. People conspicuously consume in the workplace and people who are not economically forced to work can engage in work primarily to signal social worth. For instance, young people from wealthy families might undertake a lengthy series of internships at prestigious organizations or in high-status industries in order to signal their social worth (Perlin, 2011). These internships are often very costly to undertake because they are being paid little or nothing and require people to live in very costly global cities like New York, San Francisco, Paris or London. Sometimes this social status and experience can be transformed into gainful employment in the industry, but all too often this kind of activity is simply a very costly status marker.

This potentially also applies to entrepreneurship. The wider cultural celebration of entrepreneurship that is *enabled* by the Ideology of Entrepreneurship and *propagated* by the Entrepreneurship Industry can turn entrepreneurship into an activity that it is socially valued to partake in irrespective of its economic outcomes (Malach-Pines et al, 2005). It can also turn entrepreneurship into an activity that can support identity work (Ulla & Jarna, 2013). Moreover, the Entrepreneurship Industry – by offering products marketed to entrepreneurs and imbued with attractive meanings – makes it possible to use consumption as a means of scaffolding an entrepreneurial identity: one can consume *like* an entrepreneur to build the identity of being one. This is illustrated in a study of would-

be entrepreneurs in Beijing (Chiu, 2019). Chiu found a range of different types of entrepreneurs in the start-up scene there, one of which was ‘the camouflager’. These were people who used the images of entrepreneurship to scaffold more socially desirable identities. They were often people struggling to find a job after university, who were ‘in between’ jobs or came from wealthy families and didn’t need to worry about making money. Here is one of these entrepreneurs describing his attraction to the role:

“The barrier of becoming an ‘entrepreneur’ is so low with so many school programs, heavily subsidized incubators, government-sponsored start-up funds, countless favourable policies, and even hot money floating around in the system. People even joke about being an entrepreneur is all about writing PPTs (PowerPoint presentations). You write some fancy PPT, pitch in a startup competition of some sort, get some money from investors, and call yourself an entrepreneur” (Chiu, 2019: 19).

Another entrepreneur describes what motivated him to become an entrepreneurship:

“I didn't have any business idea in mind, but doing a startup was really a thing two or three years ago. I started to hang out with like-minded people in the Zhongguancun community and started to see myself as an entrepreneur. In fact, that's a very safe title to have. I mean you bump into so many ‘founders’, ‘co-founders’, ‘CEOs’ all the time, but no one knows how big your company is—is it a one-man show, how much revenue you've generated, or how successful your business is—no one has to know.” (Chiu, 2019: 20)

In both these cases, these would-be entrepreneurs appear to be less interested in engaging in productive entrepreneurship and more interesting in accumulating the badges of an entrepreneurial identity.

4.2. Consuming Ideology: What is Veblenian Entrepreneurship?

This kind of entrepreneurship which is focused primarily on identity work is what we call *Veblenian Entrepreneurship*. It is a form of entrepreneurship that seeks to appear outwardly as innovation-driven

and growth-oriented in order for the founder to gain the social recognition afforded to this category of activity. However, Veblenian Entrepreneurship is substantively different in its triggers and the motivations underlying entrepreneurial activities, and in how the entrepreneur makes use of entrepreneurial resources (summarized in table 1). Veblenian entrepreneurship is *not* triggered by entrepreneurial opportunities. Veblenian entrepreneurship is triggered by the *desire* to be an entrepreneur, to build the identity of being an entrepreneur and to ostentatiously project that identity to an audience witnessing and appraising the entrepreneur.

TABLE ONE HERE

The Veblenian Entrepreneur engages in many of the same *activities* as innovation-driven entrepreneurs, but they do so for different reasons. Both innovation-driven entrepreneurs and Veblenian Entrepreneurs found their ventures. Veblenian entrepreneurs found ventures because ‘having a company’ is a prerequisite to fully enact the identity of an entrepreneur and partake in enjoyable activities with other ‘entrepreneurs’. The venture, in other words, is an essential accessory to the entrepreneurial life-style. It is similar to how one needs a motorcycle and not a moped to be a legitimate member of a motorcycle club (Schouten & McAlexander, 1995). When Veblenian entrepreneurs do the ‘work’ of the early-stage startup, they are largely engaged in ‘symbolic manipulation’ (Alvesson, 2013) that allows them to signal that they are *active* entrepreneurs, which is essential for legitimate participation in the entrepreneurial lifestyle. When Veblenian entrepreneurs (like their innovation-driven counterparts) invest considerable efforts in their entrepreneurial work, they are not doing so because they are obsessed with succeeding. Rather they engage in this because work is a form of quite enjoyable quasi-leisure that may well be strenuous and demanding, but only in the same way that big-game safaris and playing polo are strenuous in a fundamentally recreational way. Pitching, networking and idea competitions have substantial value-adding purposes for innovation-driven entrepreneurs, while for Veblenian entrepreneurs, networking events are mainly an opportunity to socialize, have fun, maybe even get drunk in good company and pick-up a date. Veblenian entrepreneurs see pitching competitions as a ritual which legitimates community membership (Braithwaite, 1997). Pitching is a projection of entrepreneurial intentions and a demonstration of genre mastery. It is effectively an exposition of the artfulness of one’s identity work.

The Veblenian venture also draws on many of the same *resources* as innovation-driven entrepreneurs. However, it uses these resources very differently. This is the case, for instance, of

knowledge. Innovation-driven entrepreneurs often depend on relatively deep technical knowledge to create their product and take inspiration for business and management ideas to shape their strategies (e.g. Weber & Schaper, 2004). In contrast, Veblenian entrepreneurs rely on much more superficial levels of insight (Alvesson, 2013). They do not possess the deep technical knowledge required to understand the affordances, complementarities and potential improvement trajectories of technologies. They only have a minimal viable conversancy which allows them to engage in tech-talk with other Veblenian Entrepreneurs and to effectively ‘bullshit’ to similarly non-technical audiences (Spicer, 2017).

They also typically lack deep knowledge of the business or industry they intend to go into. Often, they have very little or no substantial business experience. For the Veblenian entrepreneur, business knowledge is primarily a resource for impression management. It is a set of ideas that can be mobilized to create the semblance of being competent, having a plan and being serious about executing that plan. Advice which might be useful for innovation-driven entrepreneurs, may, in the hands of Veblenian entrepreneurs, be used to justify unsound business decisions. Consider, the potentially poor decisions that could result when Veblenian entrepreneurs pursue low-value customers (Christensen, 1997), give a product away for free (Anderson, 2010), spend money faster than it is earned (Hoffman & Yeh, 2018), pivot as needed (Ries, 2011) or pursue only ideas that no one else believes in (Thiel, 2014). Finally, innovation-driven entrepreneurs could use prior experience in an industry as an asset to identify and execute opportunities (Shane, 2000; Shah & Tripsas, 2007). Veblenian entrepreneurs often see their *lack* of industry experience as an asset that sets them free to imagine grand alternatives, irrespective of the viability of those alternatives.

Venture capital is often, but not always, key to financing the initiatives that enable growth for innovation-driven entrepreneurs (Catalini et al, 2017). For Veblenian entrepreneurs, the very act of *trying* to acquire venture capital is an end in itself. Doing so signifies that one is indeed a ‘true entrepreneur’, irrespective of whether that funding comes from ‘serious’ venture capitalists or from friends and family (Mason, 2006). In this way, venture capital is an object which helps to justify the entrepreneur’s legitimacy and authenticity (Leigh et al, 2006; Beverland & Farrelly, 2010). For the Veblenian Entrepreneur, technology similarly ceases to be the tool that it is to the innovation-driven entrepreneur. Instead, it becomes a fashion statement. Using a fashionable technology (Blockchain being the flavor of the current moment) is a sign that the entrepreneur is working with something truly visionary and cutting-edge and that the entrepreneur is forward-thinking and up to date.

Innovation-driven entrepreneurs may design the physical work environment to attract and motivate talented workers who appreciate the pingpong tables, expensive coffee machines, graffiti-fitted walls, and fashionable locations (Smit, 2011). Veblenian entrepreneur design their workplace primarily for their *own* enjoyment and as a signal of the appropriate ‘vibe’ of informality, coolness and anti-corporate sentiment (Barbrook & Cameron, 1996) to entrepreneur-peers. This is similar to how interior design in the home can be a signal of high cultural capital (Holt, 1998).

Because it masquerades as innovation-driven entrepreneurship but lacks substance, Veblenian Entrepreneurship represents a particularly *unproductive* form of entrepreneurship (Baumol, 1996). However, this is often opaque when observed at a distance. The Veblenian Entrepreneur’s primary purpose is signaling and emulation of successful entrepreneurs. They may therefore appear *more* like successful entrepreneurs than *actual* innovation-driven entrepreneurs, who might be less concerned with outward appearances. Paradoxically, Veblenian Entrepreneurs may therefore be easier to pattern match to previously successful entrepreneurs. Encouraged by the Entrepreneurship Industry, the Veblenian Entrepreneur may even be blind to his or her own unproductiveness. It is, however, very difficult to discern this difference without in-depth observation, precisely because Veblenian entrepreneurs are typically well-equipped to present themselves as innovation-driven.

4.3. Living the dream: A life-cycle model of Veblenian ventures

The most easily observable events in the entrepreneurial process are venture formation (which typically marks entrepreneurial entry) and entrepreneurial exit (irrespective of whether this happens as a successful exit or an unsuccessful one). Both innovation-driven entrepreneurship and Veblenian entrepreneurship can in this way be demarcated by the same decisive events. The events that lead up to those two events, however, are likely very different. This is because, for Veblenian Entrepreneurs, the entrepreneurial process is on of *consumption*, not of *production*. This can trap the Veblenian Entrepreneur in vicious cycles of non-learning and sustained failure. The model, which we elaborate below, is summarized in figure 2.

FIGURE TWO HERE

The first stage in the lifecycle of the Veblenian entrepreneur is ideological exposure. Prior to consuming the products of the Entrepreneurship Industry, individuals will be exposed to the

Ideology of Entrepreneurialism through various outlets. This include popular culture such as movies or series about entrepreneurs (e.g. ‘Silicon Valley’, ‘Jobs’, ‘The Social Network’), popular television programs (e.g. Dragons’ Den), or media coverage of entrepreneurs-turned-incumbents like Bill Gates, Elon Musk or Steve Jobs. These typically turn entrepreneurs into celebrities and celebrate the process of entrepreneurship more generally (Boyle and Kelly, 2010). The likening of Elon Musk to the Marvel comic book character Iron Man is, perhaps, this tendency taken to and beyond its highest. In addition to mass media, there are more targeted ways which people are exposed to the culture of entrepreneurialism such as in the courses on entrepreneurship and innovation that are becoming increasingly prevalent at progressively earlier ages (e.g. Heilbruun, 2010). As might perhaps be expected, many such programs seem to increase entrepreneurial intention, more than providing entrepreneurship-related skills (Souitaris et al, 2007; Pittaway & Cope, 2007).

For some, exposure to entrepreneurialism will lead them to begin consuming the products of the Entrepreneurship Industry. The individual may begin reading entrepreneurship-focused periodicals and websites, attending events, hanging out in entrepreneurial environments (e.g. co-working spaces, university innovation hubs), and take advanced courses in entrepreneurship, that all support their fantasizing about their own entrepreneurial future. This is particularly likely when the Ideology of Entrepreneurialism provides an answer to an identity tension experienced by the individual. Such tensions are likely to arises when dominant ideologies in society clash with the material reality of the individual (Holt, 2004). Dominant ideologies might suggest that everyone be engaged in meaningful, creative and inspiring work that allows self-realization and for “making a difference” (Sage, 2016). For many this ideology clashes with a material reality in which the work available to young people is mundane, unfulfilling and detached from a sense of larger purpose (Fleming, 2015; Graeber, 2018). Being caught between these two opposites can create considerable identity tension that can be hard to reconcile.

Consuming the products of the Entrepreneurship Industry, and conspicuously ‘being an entrepreneur’, offers a counter-narrative capable of creating a sense of resolution to this tension. It enables individual to conform with the dominant ideology of meaningful and inspiring work despite the constraints imposed by the realities of the labor market, by creating work for oneself and side-stepping labor-market demands (Chen & Goldstein, 2019), provided of course that one can finance an extended period without actual income, for instance through an allowance from parents or supported by a gainfully employed spouse. Alternatively, individuals may reduce their expenses and

attempt to live very frugally. As such, they may live under conditions that would normally be considered subpar (e.g. barely furnished micro-apartments), but in the context of living the entrepreneurial dream are all part of the narrative.

Consuming the products of the Entrepreneurship Industry is immensely easy. Budding entrepreneurs can partake in bootcamps, internships and networking events (Hunt & Kiefer, 2017) where their dreams of creating meaningful ventures will be affirmed, supported and insulated from actual market forces. They can read books and magazines affirming that they too can achieve success as entrepreneurs. They can actively seek out environments with other entrepreneurs and receive encouraging feedback. Such consumption offers a new aspiration for the individual to pursue a fulfilling, exciting and socially esteemed career path (Jones & Spicer, 2007; Donnellon et al, 2014) which is unhindered by bureaucratic constraints of corporate life and socio-economic realities of their labour market (Barbrook & Cameron, 1996; Hamilton, 2000; Douglas & Shepherd, 2002; Boltanski & Chiapello, 2005).

Through this consumption, individuals learn new world views, become part of a community of likeminded others (Kozinets, 2001; Warren, 2004; Cova, Kozinets and Shankar, 2007) and become attached to idols of prominent entrepreneurial figures (Warren, 2005). Apart from cultivating new identities, the consumption stage also facilitates future, deeper involvement of the individual in entrepreneurship. Working up to having a venture becomes a kind of collective consumption ritual (Wallendorf and Arnould, 1991). During this ritual, the individual ostensibly learns about different business models and strategies that entrepreneurial ventures may deploy, the finance landscape for entrepreneurial ventures, and which internal tools and management techniques to utilize in the daily doings of a venture (Hunt & Kiefer, 2017). Equally importantly, they learn the habits, language and tastes of the entrepreneurial community that are essential for community participation (Bourdieu, 1984).

Once the individual's consumption of goods and entrepreneurial cultivation has reached a sufficient level to foster commitment to the identity and lifestyle, the individual may create or join an entrepreneurial venture. The choice of venture and market domain will tend to be driven by personal taste and identity aspirations (Zuzul & Tripsas, 2019). This is reflected in the fact that most entrepreneurial ventures are hastily conceived and motivated by personal aspirations rather than personal resources or skillset (Henley, 2007; Shane, 2008). The entry into entrepreneurship through starting or joining a venture marks a central stage in the lifecycle of the aspiring entrepreneur. By forming and pitching an entrepreneurial venture, the individual commits to moving beyond being a

‘hang-around’ to becoming a full participant. In their study of student entrepreneurship in a university, Chen and Goldstein (forthcoming) found that the act of pitching a venture was an important rite of passage into the entrepreneurial community. They observed that “giving a pitch to an audience of potential investors is the accomplishment that dubs thee entrepreneur. Everything else—the ideating, the business planning—is a prelude to the act” (p. 23). Setting up a venture and pitching it shows that you are not merely a ‘wantrepreneur’ but a real ‘entrepreneur’. It is the seminal ritual that allows an individual to be initiated into the entrepreneurial community and thus moved beyond merely *aspiring* to it (Turner, 1987).

Founding a company requires the individual to engage in a range of tasks such as choosing a market domain, searching for a technology, developing a business model, forming a team and acquiring finance for the venture (Ries, 2011; Osterwalder & Pigneur, 2010; Kamm et al, 1990). Engaging in these tasks can lead to intensified consumption of the Entrepreneurship Industry’s offerings. To succeed, entrepreneurs engage in workshops, camps, presentations and mentoring services together with other members of the community to help them further master their performance of the entrepreneurial role (Hunt & Kiefer, 2017). Through intensified consumption of these goods, aspiring entrepreneurs refine their conformity to the tenants of the entrepreneurship. They become increasing competent performers of the entrepreneurial ‘habitus’ (Bourdieu, 1984) in what Chen and Goldstein (forthcoming) call ‘the theatre of entrepreneurship’. This often means becoming adept performers at using the right rhetoric and dressing, talking and interacting like others in the entrepreneurship community. One would-be entrepreneur even described how she would put on a ‘costume’ in order to correctly play her part in this theatre (see also: Zott & Huy, 2007). ‘Going through the ritual of dressing up and adopting that persona gives her the confidence she needs to perform well in these spaces’ (Chen & Goldstein, forthcoming). Another part of this performance entailed becoming increasingly conversant in the most recent fashions in the entrepreneurship community (Abrahamson, 1996; Thompson and Haytko, 1997; Sarasvathy and Dew, 2005), including what technologies are currently ‘hot’ (e.g. Desjardins, 2017). This might happen by being part of an accelerator, taking part in workshops on business planning and joining a pitching boot camp (Pruet, 2012).

Once the entrepreneur has founded a venture and become more intense consumers of the Entrepreneurship Industry’s products, several dynamics get going that contribute to intensifying this consumption. These are *peer recognition*, *distortion of market signals* and *identity addiction*. Peer recognition can come from other entrepreneurs as well as from one’s wider social circle. Saying you are an entrepreneur or CEO of a start-up sounds impressive to friends and family who might have

little idea of what this practically entails. Such recognition can affirm entrepreneurs that what they are doing is indeed socially esteemed, and therefore worth doing. Non-entrepreneurial peers may admire Veblenian Entrepreneurs' grand visions (Alvesson, 2013) and their commitment to living the dream (Boltanski & Chiapello, 2005). Other entrepreneurs are likely to affirm their choices and encourage them to persist in spite of adversity and to 'believe in their vision'. They might even leverage the mythology that 'no one believes in the ideas that become truly great' espoused by e.g. Thiel (2014). They may also share a sense of 'within-group' pride and belonging. As such, it can further increase a Veblenian entrepreneur's motivation to engage in entrepreneurship (Wyrwich et al, 2016).

It can also further fuel the consumption of the products of the entrepreneurship industry. Because Veblenian entrepreneurs lack much in the way of objective signs which validate their claim to being an entrepreneur, they have to rely on consumption to validate their identity as legitimate entrepreneurs. The kind of substantive milestones and successes that innovation-driven entrepreneurs might achieve (e.g. first product ready to ship, first sale, profitability, etc.) rarely materialize in the Veblenian Venture. This means Veblenian Entrepreneurs must rely on consumption to build legitimate participation.

Through consumption, Veblenian Entrepreneurs also engage in a learning process. But this is not the kind of entrepreneurial learning that might allow them to better serve their markets, update their decisional algorithms or lead their ventures (Minnitti & Bygrave, 2001; Politis, 2005; Kempster & Cole, 2010). Rather, it is a kind of learning involving advisors in the Entrepreneurship Industry and more experienced peers (who are also Veblenian Entrepreneurs, with few experiences of success, if any). They help the new Veblenian Entrepreneur reinterpret market signals that non-entrepreneurs would view as negative and re-frame them as positive. This happens in similar way to the process documented in Becker's (1953) study of marijuana users, in which he points out how new users go through a three-step process: learning to use the drug, learning to recognize its effects, and learning to enjoy them. In this last stage, users were coached by more experienced smokers to reinterpret what otherwise might be negative experiences (such as feeling disoriented or sluggish) as being positive and pleasurable. Users of the products of the entrepreneurship industry learn how to use them correctly, then are also coached to recognize their effects, but most crucially to interpret what would otherwise be seen as negative outcomes (such as failure) as being a positive (a chance to learn). Such negative feedback might include both weak and strong signals that the technology or market is not attractive or viable (Ruef, 2006). Normally this feedback would be taken as evidence that entrepreneurs should update their beliefs. Reframing negative experiences and information as being positive

or a sign that the entrepreneur's idea is truly revolutionary, allows a Vebleinian entrepreneur's beliefs to go unchanged and for consumption to continue, or even escalate, despite persistent failure (e.g. Zuzul & Tripsas, 2019). Not knowing one's customer might be reframed as being in a process of customer discovery requiring more; having a shoddy prototype might become deliberate experimentation with a Minimal Viable Product; spending money too fast could become a blitz scaling strategy; failing to commit to any particular opportunity might be construed as dynamic pivoting. This requires some suspension of disbelief (Alvesson & Spicer, 2012) by the Vebleinian Entrepreneur. For instance, one of Chen and Goldstein's informants told them that unlike a sales job where you simply have to bullshit, doing entrepreneurship 'It's like you believe your BS ... You actually believe your BS'. It stands to reason that a 'scientific' approach to entrepreneurship and indeed participation in effective accelerator programs – very much in contrast to the process undertaken by Vebleinian Entrepreneurs – primarily works by encouraging people to abandon poor ideas, rather than necessarily improving good ones (Camuffo et al, 202+; Cohen et al, 2018)

As the volume of invested resources in entrepreneurship grows, peer recognition accumulates and failure gets reinterpreted as success, the Vebleinian Entrepreneur may be prone to develop an addictive relationship to his or her entrepreneurial identity. That consumption can be addictive is well-documented (e.g. Faber & O'Guinn, 2008; Neuner et al, 2005) and recent work suggests that entrepreneurs may become addicted to *being* entrepreneurs (Spivack et al, 2014; Spivack & McKelvie, 2018). Vebleinian Entrepreneurs may – like addicted consumers – become dependent on the act of consuming products that support their identity work, on the social rewards to conspicuous consumption and the broad experience of being in the start-up community (Peele, 1985). Their identity and affect might also be closely tied to their start-up's performance (Shepherd and Haynie, 2009). This means that acknowledging that success is unlikely can create unpleasant cognitive dissonance. To avoid this dissonance, any suggestions of entrepreneurial failure will be distorted and compensated for with increased consumption to further substantiate the Vebleinian Entrepreneur's tenuous claim to entrepreneurial legitimacy. This will lead to a state of entrepreneurial inertia (Sandri et al, 2010) and on-going reality distortion (Chen & Goldstein, forthcoming).

The result of the escalating consumption is that the Vebleinian Entrepreneur performs poorly and often ultimately fails to execute on any substantive opportunities (Hunt & Kiefer, 2017). Such failure may eventually be so obvious that it is impossible to overlook and explain away. In the face of failure, the entrepreneur is confronted with the opportunity to either abandon the venture or his or her entrepreneurial aspirations all together (Morgan and Sisak, 2016). However, what might

seem to others as good reasons for abandoning the venture, or entrepreneurship altogether, may be filtered away. This can happen through deliberate impression management (Kibler et al, 2020) or narratives (Mantere et al, 2013) such as “failure is a part of the game” or “fail fast”. It can also work through reference to entrepreneurial idols’ repeated experiences of failure and of subsequently bouncing back. They can also do this through market pivoting (McDonald and Gao, 2019) whereby an individual abandons the venture in order to create a new venture. They can explain this move to themselves by thinking that having a failed start-up is in fact a ‘badge of honor’ (Cardon et al, 2011; Zunino et al, 2017). In this way, failure may be taken as a blessing in disguise, because it sets the Veblenian Entrepreneur free to pursue new and more currently fashionable opportunities. The result is further consumption of the products of the Entrepreneurship Industry. Finally, in case of failure reaching a threshold value for the individual, he or she may choose to abandon entrepreneurial aspiration in order to participate in the Entrepreneurship Industry by becoming a start-up mentor, a coach in an accelerator or something similar. In other cases, they might exit the field of entrepreneurship all together, abandoning the identity and attempt to construct another sense of self to sustain them (Nielsen and Sarasvathy, 2018).

4.4. Hooked and Hurt: Individual-level consequences of Veblenian entrepreneurship

Entrepreneurship generally can yield both positive and negative outcomes. When entrepreneurship succeeds, it can of course be financially lucrative and personally fulfilling. Unsuccessful entrepreneurship can be costly for the individual, put strain on relationships and lead to various mental health issues. Moreover, entrepreneurs generally have lower life-time earnings than wage-earners. These effects extend to Veblenian entrepreneurship. However, Veblenian entrepreneurship is likely to bring about more acute versions of the negative outcomes associated with entrepreneurship.

Veblenian entrepreneurship, of course, is not a purely destructive affair. Understanding oneself as ‘being an entrepreneur’, consuming the products of the Entrepreneurship Industry and associating with others in similar situation could lead individuals to be more alert to opportunities and more exposed to new technologies than they would otherwise have been (Kirzner, 1973, 1997). This could mean would-be entrepreneurs stumble upon valuable and viable-to-implement ideas that will propel them to entrepreneurial success (e.g. Twitch.tv). Ostensibly ‘being an entrepreneur’ can also confer on individuals a sense of legitimacy in the eyes of significant others. Saying that you are an entrepreneur to friends, families and acquaintances in many cases makes you appear more creditable than saying you are unemployed or working in a routine office job, and that an expensive education

was worth it. That can lead to the entrepreneur receiving both emotional support (Edelman et al, 2016) and ‘love money’ (Mason, 2006) from significant others like family members. It can also help individuals to pull off a kind of internal self-confidence trick whereby they convince themselves to continue investing time, resources and effort into a venture (Spicer, 2017). Finally, the Veblenian entrepreneurship can provide individuals with a way of coping with wider anxieties and insecurities. Engaging in entrepreneurship can allow individuals to postpone major life-decisions and career commitments. An entrepreneurial venture can be consumed in the same way that a ‘gap year’ is consumed by young people (Cremin, 2007; Snee, 2014) to delay commitment to a particular career path, to do some soul searching, or simply gain in maturity. It can also allow individuals to deal with identity tensions. It is conceivable that many young people – especially in aftermath of the Great Recession of 2007-8 – experience a real tension between the idea that they can find meaningful and enriching employment and the material conditions imposed by labor markets (Fleming, 2015). Consumption of ideologically saturated products can support individuals in relaxing those tensions (Holt & Thompson, 2004).

Sustained engagement in Veblenian entrepreneurship, however, is clearly not just beneficial. It can lead to particularly painful social strain. Entrepreneurs often receive financial, social or emotional support from family members and friends (Mason, 2006; see also Agrawal et al, 2015). These supportive individuals may tire of seeing the entrepreneur ‘work’ too much, earn too little, and fail to re-pay their investments (Riding, 2008). This is likely in all kinds of entrepreneurship, but particularly so with Veblenian Entrepreneurship. This can happen when a would-be entrepreneur enjoys their entrepreneurial identity a bit too much for the tastes of their supporters (who might well be engaged in less culturally celebrated work). Such significant others might begin to interpret engagement in entrepreneurship as a deliberate ‘failure to launch’ into adulthood and economic independence (Kins & Beyers, 2010).

This can be problematic in itself, but doubly so because entrepreneurial failure can be psychologically very stressful. Reviewing research on the consequences of venture failure, Ucbasaran et al describe how “[a] number of negative emotions have been associated with business failure, including pain, remorse, shame, humiliation, anger, guilt, and blame as well as the fear of the unknown... business failure has parallels with the loss of something (or someone) important” (2013, p. 178). They also highlight how failure can lead to grief, which can be “accompanied by anxiety, panic attacks, phobias, anger and—in some cases—physiological symptoms like exhaustion, high blood

pressure, insomnia, and weight loss” (p. 178). Freeman et al (2019) found that engagement in entrepreneurship (irrespective of failure) was associated with higher levels of depression, ADHD, substance abuse and bipolar disorder. Only 24% of entrepreneurs studied no mental health issues.

Transition to paid employment after venture failure can also be difficult for the entrepreneur (Bruce & Schuetze, 2004; Baptista et al, 2012). This can be seen starkly in a study where experimental researchers sent out paired entrepreneur and non-entrepreneur CVs in response to the same job postings. They found that CVs including entrepreneurship experience received fewer responses than non-entrepreneurship ones (Kacperczyk et al, 2019). This suggests entrepreneurs may struggle to find wage employment and that many employers do not value entrepreneurial experience (Koellinger et al, 2015). Sustained engagement in entrepreneurship, and especially Veblenian entrepreneurship, might make individuals more tolerant of serial failure and while that can be lauded as ‘having learned the entrepreneurial mindset’, incumbent firms might see it as wholly imprudent. Certainly, there are some employers who appreciate employees who are risk-taking and bold, but there are unlikely to be many employers who appreciate employees who consistently fail and consider these failures a great virtue. Moreover, having learned to tolerate failure may lead entrepreneurs to *not* learn from their experiences in subsequent paid work, because failure does not occasion pause and reflection (Ucbasaran et al, 2010; Alvensson & Spicer, 2012).

4.4. The stuff that dreams are made of: Feedback loops

The individual consequences of Veblenian entrepreneurship tend to further fuel the wider ideology of entrepreneurship as well as the Entrepreneurship Industry. Often this entails positive feedback, whereby failure can fuel further growth and expansion of the Entrepreneurship Industry. This is quite odd in some respects as many of the consequences which we have outline above are quite negative. However, one of the interesting dynamics of the field of entrepreneurship is how these negative aspects are systematic downplayed and even ignored – by individual entrepreneurs, by the Entrepreneurship Industry, and by society as a whole. This typically happens through three processes. One is what we might call selective attention, where positive results of an entrepreneurial process are picked out and given significantly more emphasis than more negative information (Zacharakis et al, 1999; Hayward et al, 2010). For instance, even if an entrepreneur ultimately fails in their venture, they are likely to focus on all the successes they had during the process and talk about the failure as a ‘badge of honor’ (Zunino et al, 2017). By doing this, would-be entrepreneurs is able to bolster and confirm their sense of identity as well as their competence. However, it means that they are unlikely to reflect

on elements of their failure which they could learn from or improve on (Ucbasaran et al, 2013). It also means that others around them tend to get a fairly distorted picture of the results of entrepreneurship. They only see selective positive information about the outcomes of entrepreneurialism but do not get to see all the negative information which is often hidden or ignored. This over-supply of positive information about entrepreneurship means that it can seem like an attractive option for others.

Working in tandem with this success bias is a tendency to overlook information failures. This happens through a process of willful ignorance (Schaefer, 2018) whereby would-be entrepreneurs seek to turn a blind eye to any of the negative consequences of their entrepreneurial efforts. For instance, they might seek to ignore the damage they may have done to relationships through debt or neglect. They might also overlook the damage they may have done to their own careers. By disregarding the negative consequences of failed entrepreneurial efforts, these would-be entrepreneurs are able to preserve their sense of self and hold onto their attachment to the broader values of entrepreneurialism. This saves them from the potentially painful work of detaching themselves from a previously valued identity.

Finally, the negative aspects of the entrepreneurial process can be mobilized as resources to play up the experience, emphasizing just how daring and heroic one must be to 'take the leap' into entrepreneurship (e.g. Whelan & O'Gorman, 2007). That failure is a common result of entrepreneurship can add to the drama and allure of the activity, much like how other, more physical, forms of danger contribute to the draw of certain dangerous sports like parachuting or wreck diving, and strengthen the sense of in-group solidarity amongst practitioners (Apter & Batler, 1997; Hunt, 1996). Similarly, the strains that entrepreneurship can impose on the entrepreneur, in the form of limited income, troubled relationships and psychological difficulties could be a resource in a number of ways. It allows for the construction of stories of entrepreneurship that fit the narrative form of the 'hero's journey' (Campbell, 1949) that can be consumed by aspiring or active entrepreneurs and thus re-affirm them in their actions. It might allow for the construction of stronger in-group/out-group differences that make it harder for Veblenian Entrepreneurs to exit their ventures, because 'ordinary' employment can seem so bland by comparison. Finally, it might provide further business opportunities for the Entrepreneurship Industry, because products and services can be sold to address these negative aspects, such as restorative yoga classes to help entrepreneurs deal with stress, or relationship counseling, various books, meditation apps (e.g. Brustein, 2016; Boitnott, 2019).

Although the outcomes of Veblenian Entrepreneurship can help to reinforce the Entrepreneurship Industry, there are cases where it can actually have the opposite effect and serve to undermine the field. This can happen through at least three processes: Learning, delegitimation and forced exit (due to lack of resources). Learning happens when largely negative experiences prompt an individual or indeed a wider group of people to reflect on the uncertain benefits which might come for the Ideology of Entrepreneurialism and the Entrepreneurship Industry more broadly. For instance, if an individual finds that being an avid consumer of the products of Entrepreneurship Industry had mostly negative effects on their life, they might realize that alternative paths might be more advantageous. This could prompt searches for alternative sources of occupational identity and possibly other sets of values to help to build a sense of identity out of. The same may be true for wider groups. For instance, if communities recognize that encouraging large amounts of young people to become entrepreneurs is resulting in few success stories and many more costly failures, then they might begin to reflect on the value of continuing to push their ideological commitments and funding the Entrepreneurship Industry. Such a process of reflection may lead to resources being moved out of this industry and into others.

The second process which can possibly prompt negative feedback loops is delegitimation. This can happen when individual entrepreneurial ventures or broader collective efforts to encourage entrepreneurialism fail repeatedly. Such failure can be negatively interpreted by external audiences who often have to provide recourses and at least grant support to such ventures. When this happens, it is likely these ventures or efforts to encourage entrepreneurialism will be called into question and in some cases abandoned (Dodd et al, 2013). This is certainly what happens to individuals who have experienced repeated failures in various entrepreneurial ventures. When this happens, they are likely to struggle to gain access to the forums where the collective consumption of entrepreneurialism takes place. In addition, particular organizational forms designed to encourage entrepreneurialism which are shown to have questionable outcomes may come to be delegitimated over time. This means they will no longer be seen as good, rational and normal space for people to spend significant amounts of their time and energy.

The final process which could lead to a dampening of the Entrepreneurship Industry is forced exit. This happens when both individuals as well as collective ventures remain enamored with the ideas of entrepreneurialism, but simply cannot continue to consume them because they lack the resources. This can happen at an individual level when a would-be entrepreneur simply runs out of money and access to sources of funding and is forced to enter the mainstream labour market to make

a living. They may still pine after the entrepreneurial identity, but their new situation does not allow them to engage in the same kind of Veblenian consumption of that identity. It can also happen at the collective level when groups who might fund spaces and initiatives aimed at encouraging entrepreneurialism simply do not have enough resources to continue to do this. For instance, during a financial crisis of economic recession, a hard-pressed company might cut funding to programs designed to encourage entrepreneurialism in order to focus on their core business.

5. An untrepeneurial economy?

While our presentation of Veblenian Entrepreneurship thus far has been somewhat somber, there can be little doubt that it has several upsides. It has contributed to a new, rapidly growing industry, it has positive labor market effects and also positive spillovers to society at large. Veblenian entrepreneurship has helped create the Entrepreneurship Industry, a large and rapidly growing sector of the economy. This has in turn contributed to enabling further Veblenian entrepreneurship and spurring the industry's high growth levels. The industry, for instance, has helped to drive the booming shared work spaces sector and created tens of thousands of jobs in the process. It is also quite possible that many individuals who find employment in the Entrepreneurship Industry (e.g. advisers, coaches and writers) may also have struggled to find gainful employment in other sectors, but their history of serial entrepreneurial failure can actually be turned into an asset when dealing with budding entrepreneurs.

As regards the labor market, Veblenian entrepreneurship has helped soak up the increasing supply of highly educated young people who struggle to find employment in large organizations which match their skills and expectations (ONS, 2017). This means that instead of languishing in under-employment (e.g. college-educated baristas), skilled young people can take part in the simulation of work provided by Veblenian entrepreneurship before joining the more traditional labour force. This effectively eases pressure on the labour market and helps to deal with the potentially dangerous collective resentment that might be created by having a large population of well-educated young people with few opportunities. We can also imagine that the active efforts of the Entrepreneurship Industry to build widespread excitement about entrepreneurship can provide a stock of economic fictions (Beckert, 2016) that gazelle-firms can make use of to attract and retain talented individuals that would otherwise pursue productive careers in large corporations. It might, for instance, be instrumental in getting workers to accept the substantial risk (compared to a more diversified portfolio) associated with accepting lower wages in return for equity in an entrepreneurial venture. Finally,

Veblenian entrepreneurship may be an effective means of allocating unskilled individuals to work where they do not impede the productivity of others. Individuals who can afford to engage in sustained Veblenian entrepreneurship may also have expensive educations, social capital and social networks that would allow them to get jobs that they are essentially unqualified for (Peter & Hull, 1969). In those positions, they may have done more harm than good by being inherently unproductive or by making poor decisions in managerial roles (Benson et al, 2018). Thus, it may be economically very efficient that their efforts are directed only at the ‘sandbox’ of their own ventures where their negative impact can be limited.

All of these effects are certainly socially valuable in the short term. However, the negative social consequences of Veblenian entrepreneurship are also substantial and they most likely outweigh the positives. We think they are particularly pertinent in relation to the societal delusion, the allocation of government funds, allocation of effort, technological (and economic) progress and the substantively important ethos of innovation and entrepreneurship. When these negative impacts are taken together, they can make the economy more *untrepreneurial*. An *untrepreneurial* economy is one in which extensive efforts and resources are invested in entrepreneurial activities that appear to be innovative and economically valuable, but lack the substance to contribute meaningfully to economic growth.

It is clear that entrepreneurship *can* be economically valuable, and that some element of entrepreneurial activity is immensely important to society. However, a profusion of Veblenian entrepreneurship can create a series of societal delusions about entrepreneurialism. With Veblenian entrepreneurship, a society can seem to be rife with initiative and growth-oriented entrepreneurs (Guzman & Stern, 2015), while the quality of that entrepreneurship is actually low (Decker et al, 2018) and unlikely to contribute to any widely-shared policy goals. Moreover, significant government resources at both national and local levels may be put to poor use funding the Entrepreneurship Industry and supporting start-ups (Acs et al, 2016). Supporting start-ups directly is likely to have substantial deadweight and substitution effects (Santarelli & Vivarelli, 2002) especially when Veblenian Entrepreneurship is prevalent. Indirect funding of the material and social infrastructures (e.g. cluster initiatives or lavishly funded entrepreneurial hubs) intended to support entrepreneurs and to create a vibrant ‘start-up scene’ can easily end up attracting mostly fashion-following Veblenian entrepreneurs who are drawn to the ‘vibe’ of a cluster but are unlikely to succeed. This can lead to a self-reinforcing process of increasing firm formation in clusters (Delgado et al, 2010), which can in turn lower the ability of the cluster to keep up with technological change (Giuliani, 2005) and push up the

costs of locating in the cluster for higher-quality ventures, possibly crowding them out. This might well hurt those high-quality ventures chances of success (e.g. Guzman, 2019). Government funding of university ‘innovation hubs’ and university courses in entrepreneurship may entice students to pursue entrepreneurial ventures that they are not equipped for (Chen & Goldstein, forthcoming). When governments contribute to ‘hyping’ up entrepreneurship, a substantial portion of that investment will likely end up financing the expansion of the local Entrepreneurship Industry and not the high-quality ventures that it aims for.

With regards to the allocation of effort, Veblenian entrepreneurship can lead skilled workers to avoid jobs in larger firms where they would be able to specialize and be most productive (Nightingale & Coad, 2014). They may, thus, languish in unproductive work in start-ups for several years and later struggle to find their way back into gainful employment. This is clearly a loss for society. To the extent that Veblenian entrepreneurship is commonplace, there is also a risk that serious and skilled individuals might begin to consider entrepreneurship as being an unserious and illegitimate career path, something that is largely the preserve of charlatans and dreamers. This could lead to categorical stigmatization (e.g. Vergne, 2012) and deter productive forms of entrepreneurship (Baumol, 1996). If this happens, gazelle firms could start to struggle to attract talent that they need to scale and create economic value. Conceivably, the romanticizing of entrepreneurship could finally lead creative individuals to channel their energy and talent that might otherwise have gone into cultural production or collective action. Instead of starting a band, creating experimental art, making films, doing political work or attempting community organizing, they might be convinced that real counter-cultural impact is achieved through grandiose and failure-prone entrepreneurial ventures (e.g. ‘Disrupt the financial industry!’) which produce little or no real social value.

A profusion of Veblenian entrepreneurship is especially likely during periods of rapid growth in new industries, where entrepreneurs flock ‘contagiously’ into an emerging field (Hunt, 2015). Such rapid entry is already recognized as a potential cause of bubbles (Goldfarb & Kirsch, 2019), which may be detrimental to technological progress (Lansing, 2009). When Veblenian entrepreneurs are overrepresented amongst new entrants to an industry they might distort the venture capital markets. In the market for venture capital, Veblenian entrepreneurs are essentially ‘lemons’ in the Akerlofian sense (1970; see also Neilsen and Sarasvarthy, 2016). A venture capitalist looking to assemble a portfolio of seed stage equity investments will encounter a firm (which may or may not be a Veblenian entrepreneur). The more Veblenian ventures there are, the greater the challenge that venture capital investors will face in ascertaining their quality. Venture capitalists may rely on quite

crude heuristics at the seed stage (Hall & Hofer, 1993; Zacharakis & Shepherd, 2001), signals from entrepreneurs are poorly correlated with success (Busenitz et al, 2005) and entrepreneurial quality is difficult to differentiate even for experts in several industries (Scott et al, 2020).

At the same time, Veblenian entrepreneurs are focused on sending the right signals and becoming well-versed in the rituals and language of entrepreneurship. This can make them very hard to identify. The Veblenian entrepreneur may even be blind to their own shortcomings, making the issue of asymmetrical information all the more insidious. We can imagine at least two results of this. It may result in Veblenian entrepreneurs attracting funding that could otherwise have gone into financing higher-quality entrepreneurs. As Akerlof suggests, “it is quite possible to have the bad driving out the not-so-bad driving out the medium driving out the not-so-good driving out the good” (p. 490). We can also imagine that the presence of many Veblenian entrepreneurs will increase the risk of seed stage investments, leading to an actuarial increase in the price of equity. This could deter investment by venture capitalists and reducing the overall level of funding available for early stage ventures. It could also drive high-quality entrepreneurs out of the venture capital market as they look for investors elsewhere, because they find the market value of their equity unsatisfactory. Both dynamics – crowding out and price increases – may lead potentially valuable ideas to go unfunded, slowing down rates of technological progress and, by implication, slowing down economic growth (e.g. Gordon, 2017; Bloom et al, 2017). To the extent that such negative externalities exist, they are perhaps the most concerning aspects of the interplay of Veblenian entrepreneurship and the Entrepreneurship Industry.

6. Conclusion

Why is there so much entrepreneurial over-entry? And why is the quality of growth-oriented entrepreneurship falling? This paper has argued that an Entrepreneurship Industry has emerged by drawing on and commoditizing the Ideology of Entrepreneurship. In doing so, it has successfully transformed entrepreneurship into a lifestyle commodity that is attractive to individuals who are unlikely to enjoy any kind of substantive success with their ventures. Rather, they pursue entrepreneurship as an identity project. As a consequence, entrepreneurship has transformed from a productive activity into a set of conspicuously consumable goods that can be used to signal belonging to a socially desirable identity by Veblenian Entrepreneurs. This has leading to over-entry into entrepreneurship. In a world of undistorted market signals, sustained failure should lead to relatively rapid exit, but the Entrepreneur-

ship Industry also promotes ideas that justify sustained failure and unreasonable risk taking. The upshot is that many Veblenian Entrepreneurs persist in failing ventures. This has a range of very negative consequences for both individuals and society that more than offset any benefits that might result.

It is worth underscoring a limitation of our proposed theory: We do not offer a description of all growth-oriented entrepreneurship. It is clearly absurd to propose that all entrepreneurship is Veblenian in nature. Rather, we seek to provide a description of a subset of the population of ventures which appear to be growth-oriented entrepreneurship but on closer inspection are not. The exact size of this subset is a matter for further empirical study, as is the question of whether this subset is increasing in size. If this indeed is the case, it could possibly explain why the quality of entrepreneurship seems to be deteriorating, while entrepreneurial ambition is not, possibly reconciling conflicting observations of entrepreneurial quality in very recent literature.

That said, empirical study of this phenomenon is complicated by hybridity and the possibility of learning. What we describe is effectively an ‘ideal type’ and many entrepreneurial ventures will combine elements of growth-oriented and Veblenian entrepreneurship. Veblenian entrepreneurs ostensibly aspire to growth-orientation and so might to some degree share characteristics with growth-oriented ventures. Conversely, growth-oriented ventures might draw on some of the same resources and practices as Veblenian entrepreneurs to build identities and attract employees, and because the founders enjoy the Veblenian aspects of entrepreneurship. In this way, the isomorphic pressures imposed by the entrepreneurship field shapes both types of ventures and this likely leads them to share a range of properties.

Moreover, it is very possible that what begins as growth-oriented entrepreneurship can devolve into Veblenian entrepreneurship and that we should think of Veblenian Entrepreneurship, rather than failing entrepreneurship, as the absorbing state to worry about. Entrepreneurs who start out with high-quality ventures may find that they enjoy the lifestyle of entrepreneurship, more than its substance. Veblenian Entrepreneurship could also viably (but, we posit, rarely) develop into growth-oriented entrepreneurship. While unlikely, Veblenian entrepreneurs may serendipitously stumble upon a viable venture. Alternatively, they may be pushed towards a viable venture by mentors, educators or friends and family. This could lead them to build successful ventures in what might effectively be a variation on the ‘infinite monkey theorem’ (e.g. Borges, 1939). We would welcome a closer examination of such transitions.

Several other questions might also benefit from further exploration. For one, is it possible to distinguish between Veblenian entrepreneurship and higher-quality entrepreneurship at the

point of firm founding and later? The work begun by Guzman & Stern (2015) to measure entrepreneurial quality might be instructive in this regard, although we contend that what they describe as ‘entrepreneurial quality’ is mostly a measure of entrepreneurial aspirations that can be held by both seriously growth-oriented firms and Veblenian ones. If it were possible to distinguish between growth-oriented and consumption-oriented entrepreneurship, it would make possible improved measures of entrepreneurial quality and studies of entrepreneurial learning, as well as transitions to and from Veblenian entrepreneurship through the venturing process.

Second, how does the supply side of the Entrepreneurship Industry actually work? What are its relationships to both ideology and its customers? Understanding better who partakes in the industry, their background and their reasons for entering it might help us understand why it seems to produce negative performance and survival outcomes for its customers. For instance, future empirical research could explore how people working in the Entrepreneurship Industry relate to the Ideology of Entrepreneurship. Do they ‘believe’ in the ideology? How do they translate that ideology into products and services which they market? How do they make sense of the negative outcomes that their customers experience? On the demand side, it would be interesting to know how do entrepreneurs understand and experience their own consumption of the Entrepreneurship Industry’s products. We might want to understand if they consume primarily for their own enjoyment, how they become enrolled as consumers and the hopes they attach to consumption of the industry’s products and services. Answering these questions will help us to understand how consumption can become addictive and sustain individuals in failing ventures.

Relating to the macro-level impact of Veblenian entrepreneurship, we might ask what is the role of fashion-following and low-quality entrepreneurs in the lifecycle of industries and technologies (e.g. Anderson & Tushman, 1990; Klepper, 1996) and in the formation of bubbles (Goldfarb & Kirsch, 2019)? We can imagine that when certain technologies become widely known and they start to attract fashion-following Veblenian Entrepreneurs, it would lead to over-entry and produce bubbles and crashes, but also that it could delegitimize categories and lead investors to withdraw. Alternatively, it may be easy for investors to spot Veblenian Entrepreneurs and to allocate their resources elsewhere, in which case Veblenian entrepreneurship may be altogether more benign, at least for society. We do not think that is likely to be the case though.

Caveats and issues for further research aside, the ideas presented here carry several implications for research. Fundamentally, they suggest that we misrepresent entrepreneurship when we

only depict is an activity directed at productive ends, and in this way our work can be seen as dovetailing work by Nightingale & Coad (2013), Shane (2008) and Aldrich & Ruef (2018). Our contention, relative to this work, is that entrepreneurship can – like other work-related activities – take on many aspects of conspicuous consumption (Belezza et al, 2016; Du Gay, 1996) and that this is an underappreciated source of low entrepreneurial quality and frequent failure. In this sense, entrepreneurship should not be assessed as only being more or less gainful. We also need to assess it as being more or less directly wasteful (Jones and Spicer, 2009). By extension, Veblenian entrepreneurship also represents a negative externality of the celebration of entrepreneurship. In this sense, the ascendancy of the Ideology of Entrepreneurialism may have reached a point where it no longer creates economic growth and value (e.g. McCloskey, 2010), but impedes it. Like other externalities, it needs to be appreciated and understood in greater detail.

This also suggest that our models of entrepreneurial entry, exit and learning should be expanded to take into account the role of the Entrepreneurship Industry. Extending Hunt & Kiefer's (2017) work, we posit that there are important and frequently overlooked vested interests in encouraging low-quality entry, distorting entrepreneurial learning and delaying exit. This can all contribute to creating more active consumers of the Entrepreneurship Industry's products. Research on how entrepreneurs learn (Minitti & Bygrave, 2001), fail to learn (Ucbasaran et al, 2010) and learn to fail (Politis & Gabrielson, 2009) might benefit from appreciating how the Entrepreneurship Industry actively contributes to helping people reinterpret failure and engage only in a select set of learning behavior.

With regards to practical implications, this paper adds to an already considerable body of work raising concerns about widely used entrepreneurship policy (e.g. Shane, 2008; Acs et al, 2016; Hellmann & Thiele, 2019; Ahl & Marlow, 2019; Santarelli & Vivarelli, 2002; Minitti, 2008). Our suggestions are modest, but three-fold. For one, it may be prudent to refocus policies on enabling entrepreneurship by older, more experienced people rather than the young and inexperienced. This is prudent both because young people seem less likely to succeed (Azoulay et al, 2019) and because engaging in unsuccessful entrepreneurship can have so many negative consequences for individuals, even if they are quite skilled and serious. More experienced people may also face higher opportunities costs when pursuing entrepreneurship, and that may deter pursuits of unfounded entrepreneurial hypotheses (Felin & Zenger, 2017).

Second, it may be important to appreciate how policies interact with the Entrepreneurship Industry. The goals of the Entrepreneurship Industry are most likely imperfectly aligned with

societal and individual welfare. A growth-oriented policy should certainly not promote low-quality entrepreneurs, yet the Entrepreneurship Industry benefits from a profusion of low-quality entrepreneurship because they make for more profitable customers and because their lack of success can be explained away or used to romanticize entrepreneurship generally. This certainly merits some serious reflection about how government funding can end up directly or indirectly supporting the Entrepreneurship Industry rather than entrepreneurship per-se.

Finally, this paper has important implication for entrepreneurship educators. Far too often, educators are complicit in marketing of the ideology of entrepreneurship and ignoring the substantial risks that individuals incur when undertaking entrepreneurial ventures and the negative societal consequences that can arise from encouraging people to ‘be an entrepreneur’ when they lack skills and ideas to succeed. Perhaps it is time for entrepreneurship education to not just help people abandon poor idea (e.g. Camuffo et al, 2020), but to start actively *discouraging* some people from going into entrepreneurship.

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TABLES AND FIGURES

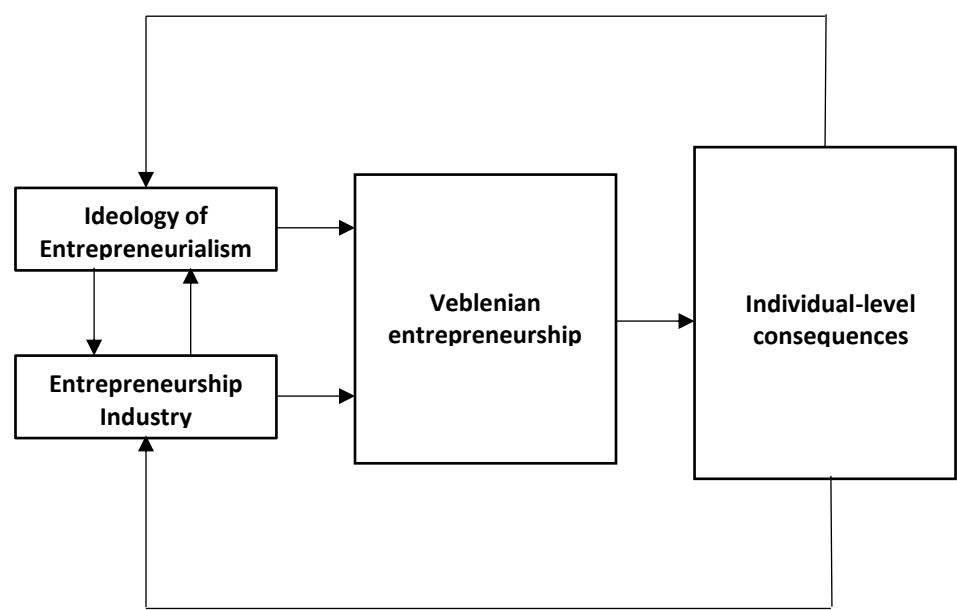


Figure 1. Veblenian entrepreneurship.

Table 1: Exemplary differences between innovation-driven and Veblenian entrepreneurship

	Innovation-driven entrepreneurship	Veblenian entrepreneurship
Trigger for venture creation	Identification of market opportunity	Desire for entrepreneurial identity
Activities		
Venture founding	Legal requirement for operation	Requirement for legitimate participation in entrepreneurial lifestyle
Product design and market testing	Learning, production and clarification of product-market fit	Symbolic manipulation
Long work hours	Driven by obsession to succeed	Amble and enjoyable quasi-leisure
Networking	Means of accessing resources in entrepreneurial eco-system	Means of meeting fun and interesting people
Pitch competitions	Means of attracting investor attention	Legitimizing ritual
Resources		
Technical knowledge	Deep knowledge essential to executing innovation	Superficial knowledge essential to talk about current fashions
Business knowledge	Inspiration for venture strategy	Impression management
Industry knowledge	Means of opportunity recognition	Obstacle to vision
Venture capital	Requirement for realizing key growth-driving activities	Achievement signifying authenticity
Technology	Tool for product development	Fashion statement
Work environment	Requirement for motivating and attracting talented workers	Toys and personal enjoyment

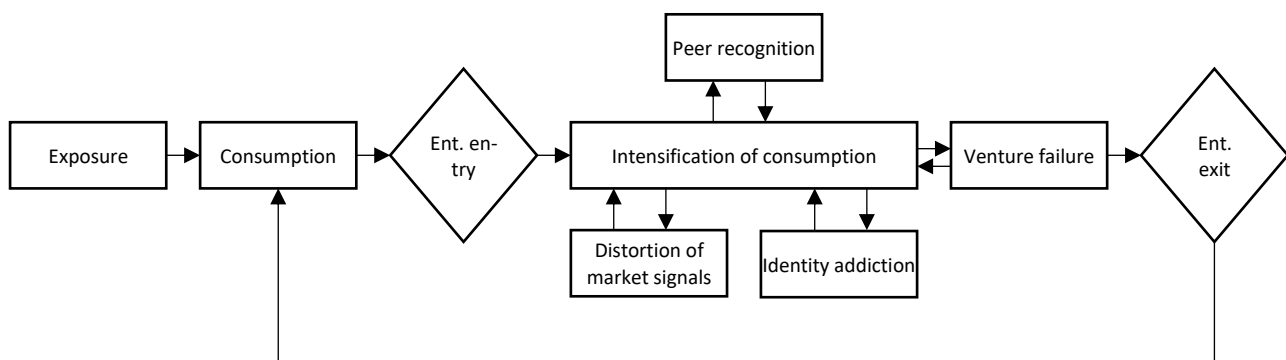


Figure 2. The lifecycle of the Veblenian venture.