

# **ENTREPRENEURSHIP UNDER EXTREME CONSTRAINTS: EVIDENCE OF MICRO-BRICOLAGE FROM ROHINGYA REFUGEE CAMPS**

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## **INTRODUCTION**

An increasingly important concern for management researchers is how resource-constrained actors in hostile environments initiate and sustain economic activities and innovation for their survival (Branzei & Abdelnour, 2010; Dimitriadis et al., 2017; George et al., 2016; Hall et al. 2012; Ranganathan, 2018). Not surprisingly, the idea of ‘bricolage’, initially introduced by Lévi-Strauss (1966) and later popularized in management literature by Baker and Nelson (2005: 329) as an activity to “create something from nothing by exploiting physical, social, or institutional inputs that other firms rejected or ignored”, has recently been identified as a high potential concept for this emerging stream of rather unorthodox research (e.g., Busch & Barkema, 2020; Desa, 2012). To date, however, for the conceptual development of bricolage, management researchers focused mainly on activities of small- or medium-sized businesses in the rather cooperative setting of developed economies (Bechky & Okhuysen, 2011; Ciborra, 1996; Perkmann & Spicer, 2014), with some exceptions where scholars have investigated bricolage activities in large organizations (Halme et al., 2012; Linna, 2013). Although such small- and medium-sized businesses indeed suffer from relative resource scarcity and institutional constraints compared to their more influential counterparts such as multinational corporations (MNCs) (Gras & Nason, 2015; Garud & Karnøe, 2003), they still have access to a variety of inputs and opportunities.

Our study focuses on entrepreneurship in a noncooperative space – defined as “a space which is highly restrictive, disadvantageous, or even harmful because of institutional arrangements; where people have virtually no capacity to use their very real potential and skills” (Chowdhury, 2020: 4). Examples of noncooperative spaces comprise the inhumane living environments of illegal immigrants in Europe and the USA who are continuously fleeing from conflict zones and find themselves living miserable lives without decent work, shelter and food (Menjívar, 2006) or ghettos in Europe, such as the suburban sites of Sinti and Roma, which are home to minorities because of historic socio-economic discrimination (Powell, 2013). While various forms of noncooperative spaces exist, what they share is an almost absolute detachment of inhabitants from their social surroundings and often extreme constraints to participating in basic economic activities (Chowdhury, 2020).

Despite extreme constraints, research in fields such as development studies (Alloush et al., 2017), economics (Taylor et al., 2016) and sociology (Abel, 1951) indicate an emergence of economic and, more specifically, entrepreneurial activities also taking place in noncooperative

spaces (Jacobsen, 2005; Radford, 1945). Indeed, emergences of markets and trade systems are observed or reported in the most unlikely places: from prisons (Skarbek, 2012) to refugee camps (Alloush et al., 2017) and even in Nazi-Germany's infamous concentration camps as probably the most extreme noncooperative space imaginable (Luchterhand, 1967; Suderland, 2013). Similarly, the ethnographic observations gathered by our first author which provided motivation and basis for this article bear witness to various economic activities in the highly restrictive settings of Rohingya refugee camps in Bangladesh. Yet, the phenomenon remains relatively unexamined in management scholarship and we have very limited understanding of how marginalized actors overcome constraints in extreme settings (de la Chaux et al., 2018; Mintzberg, 2001), making it critical to define these actors through their representative characteristics and functionalities in the noncooperative context (Burton et al., 2013; Gras et al., 2020). From this perspective, with its focus on overcoming constraints with almost nothing at hand, bricolage emerges as the most suitable theoretical lens.

Using rare, extensive survey data from the Rohingya refugee camps in Bangladesh, we refine and extend the concept of bricolage for its use in the study of noncooperative spaces and thus we propose the idea of *micro-bricolage*. Micro-bricolage refers to activities that are not necessarily legitimate in the eyes of authorities in noncooperative spaces but desirable and even plausibly necessary for micro-bricoleurs to maintain a minimum living condition. We find that conventional factors such as start-up capital, access to debt, possession of prior business experiences and internal social ties – all of which are deemed imperative in conventional entrepreneurship and bricolage studies (Baker & Nelson, 2005; Ireland et al., 2003; Venkatesh et al., 2017) – are not necessarily the main contributor to the socio-economic development in refugee camps.

## ELEMENTS OF MICRO-BRICOLAGE

### Trove

Traditionally, trove has been viewed as tangible inputs such as tools, materials, odd bits and pieces and human capital available to bricoleurs (Baker & Nelson, 2005). Trove can also be intangible in terms of accumulated educational and business experiences and other applicable skills on the part of the bricoleur (Baker et al., 2003). No matter how insignificant they seem, both intangible and tangible troves are important for micro-bricoleurs with ideas and opportunities (Garud & Karnøe, 2003). We extend the meaning and boundaries of trove in the noncooperative setting, where actors not only have significantly less diversified trove, but also lack access to institutional or other contextual arrangements which would normally enable most alternative application of the little trove available to them in the first place (Amezcu, 2013; Friedland & Alford, 1991). Consequently, we suggest that the specialized way in which micro-bricoleurs mobilize intangible trove has profound importance to micro-bricoleurs for their earning. Although such earnings are temporary in nature, they are their primary concern for survival at that time. Overall, we suggest that it is as important for micro-bricoleurs to possess intangible trove as it is for them to have tangible trove.

### Multiplex Social Ties

Multiplex social ties are the network of social relations maintained by bricoleurs to conduct their business (Baker & Nelson, 2005), and may be internal or external. Internal ties are

close social relations such as family relationships and friendships and close connections to peers from the same social group with whom bricoleurs regularly interact (Baker & Nelson, 2005; Granovetter, 1973). In most settings, formation of in-groups or communities based on internal social ties is important for bricoleurs because such group or community-based ties enable a business to deal with difficult decision-making, find alternative tools and services, and even gain vital access to emergency financial capital (c.f. Uzzi, 1997; Venkatesh et al., 2017).

In contrast, external social ties are referred to as less intimate, primarily business-related social relationships maintained with actors outside the own social group or community such as those maintained with authorities, suppliers, or customers (Baker & Nelson, 2005; Granovetter, 1973). Out-groups based on external ties are important too (Kilduff & Brass, 2010), because for instance, a supplier's knowledge of or access to essential ingredients helps bricoleurs to envisage a potential improvement in their existing activities or products (Baker & Nelson, 2005; Korsching & Allen, 2004;). Suppliers often help with products which were previously unknown to bricoleurs and thus help in expanding businesses. Suppliers even give discounted ingredients when bricoleurs face cash-flow problems (c.f. Goh & Sharafali, 2002). Similarly, bricoleurs benefit from the relationships with their customers, who are a source of inspiration and reputation as word of mouth is essential for such business success (Baker & Nelson, 2005). This is particularly important for bricoleurs since unlike large or resourceful firms, bricoleurs cannot spend much money in market research and advertisement (c.f. Venkatesh et al., 2017). Micro-bricoleurs are highly dependent on external ties (including through regulatory terms) to provide them with some tangible scope for micro-bricolage ventures.

### **Institutional Constraints**

In noncooperative spaces characteristics of the institutional framework relevant to micro-bricoleurs differ significantly. On the one hand, informal institutions in noncooperative spaces are relatively rigid and difficult to circumvent due to the nature of the relevant institutions as well as the specific context in which they are enacted (Jacobsen, 2005). On the other hand, formal institutional arrangements in noncooperative spaces are produced, structured, and maintained by authorities with the purpose to immediately disadvantage and even entirely prevent economic activities of micro-bricoleurs (Jacobsen, 2005). In such context, normal institutions prohibit certain activities even beyond what is generally accepted in a normal social environment (Puffer, et al., 2010).

Micro-bricoleurs such as refugees do not have any opportunity to participate in the creation, implementation and adaption of rigid, politically motivated sets of rules which are enforced by authorities. The only option left for micro-bricoleurs is to transgress these rules and constraints (e.g., Imas et al., 2012). Therefore, we argue that there is a much higher relevance of the transgression of formal institutions rather than of informal institutions in the context of noncooperative spaces. For example, our ethnographic observation indicates that illegally obtaining a sim card enables refugees to receive valuable information regarding what type of products are needed in other camps or to identify local price differences (c.f. Jensen, 2007; Göransson et al., 2020).

## **METHODOLOGY**

### **Rohingya Refugee Camps as Research Context**

Since the early 1990s, a small number of Rohingya refugees had started to enter Cox's Bazar, a district in the division of Chittagong, Bangladesh. Following a renewed and deadly crackdown by the Myanmar government, from January 2017 hundreds of thousands of Rohingyas crossed the Myanmar-Bangladesh border (France-Presse, 2017), and more than 1.1 million refugees now reside in Cox's Bazar (Withnall, 2019). Thirty-four Rohingya refugee camps have been set up in a corner of Cox's Bazar, guarded by Bangladeshi armed forces, and maintained partially by the Bangladesh government and mainly by UN agencies which subcontract to various (inter)national NGOs and corporations for numerous supplies and services (Chowdhury, 2020). Our study is based on data from ten of these camps, including Kutupalong, the largest of these camps, which is nearly 13 square kilometers and houses over 630,000 refugees (Linter, 2020).

Life in Rohingya refugee camps can be described as living in a highly noncooperative environment, where a variety of restrictions heavily impede any forms of economic activities (Chowdhury, 2020). UN agencies provide the camps' refugees with basic rations (comprising rice, lentils, and oil and gas for cooking), for which they typically need to queue up for several hours once every month. Refugees are not allowed to leave the camps and find work outside of Cox's Bazar or travel freely between the 34 camps after 6pm. Refugees can only leave the camp areas if they need urgent hospital treatment which is not available in the camps. Moreover, it is strictly prohibited to bring any goods across the borders of the camp areas.

Against this backdrop, Rohingya refugees have very limited potential to invent their own economic activities. Moreover, since the Myanmar government never considered the Rohingya people as citizens, most refugees are deprived of higher education, employment and any formal work experience, placing them in an extremely impoverished and low socio-economic class category (Faulkner & Schiffer, 2019). Despite all personal and institutional obstacles, we find a fascinating emergence of markets in these camps in which refugee micro-bricoleurs sell food, clothing, electronics and other items to other refugees in their camps. They source goods from outside regular channels by developing connections with locals, bribing authorities to bring non-ration items into the camp and selling these products to other refugees in bazars. Although our observations suggest that bazars/markets are full of expired or illegitimate products, refugees who we term micro-bricoleurs use their earnings to continue to stock these products so that they can enjoy life beyond the meagre rations they receive from camp authorities.

## **Data Collection**

The first author obtained permission from the Bangladeshi government to access Rohingya refugee camps for fieldwork for one month (6 April to 5 May 2019). This exclusive, unrestricted access to any of 34 camps at that time allowed the first author to bring ten research assistants (RAs) with him to conduct extensive interviews and surveys.

While management scholarship has occasionally examined economic and management activity in extreme environments (see Hallgren et al., 2018 for a review), it is largely silent on the issue of refugees, and empirical research in these settings is limited. Hence, we relied strongly on past literature in development and refugee studies (e.g., Alloush et al., 2017; Chaaban et al., 2010) to develop the core constructs in the survey, while also adapting them to be more relevant to the studies of bricolage (Baker & Nelson, 2005; Lévi-Strauss, 1966). The survey items were mainly guided by one of the authors' extensive local and cultural knowledge of the Cox's Bazar region. Specifically, the first author was born in Chittagong; therefore, his/her language proficiency, cultural understanding, and social network to access RAs and subsequent

training of these RAs were crucial. We conducted our surveys in ten camps, selected through purposive sampling (Eisenhardt, 1989), as our information from local and refugee informants suggested that these camps had relatively higher levels of observable economic activity (i.e. shops). The RAs completed 768 surveys across the ten camps. These surveys included 666 surveys of micro-bricoleurs selling goods and 102 surveys of micro-bricoleurs selling services (typically labor), with each survey taking, on average, 60 minutes to complete. After accounting for some minor missing data in our key explanatory variables, we were left with 648 complete responses for our regression analyses. These survey data were supplemented by extensive ethnographic observations by the first author.

Overall, we note that the shops set up by micro-bricoleurs in refugee camps are relatively homogeneous – not surprising, given the limited resources with which they started with and maintained throughout. Most (90%) shops regard other refugees in their camp as their main customers, and only a small percent (7.7%) report selling to locals. Most (81%) also report that their main competitors are also their fellow community members in the camps. While a small percent (under 10%) will sell products on credit, over 90% sell for cash only. The majority (61%) of shops only sell food while smaller percentages sell items such as clothing (21%), hygiene products (18%), jewellery (8.5%) and utensils (7.7%). On average, these businesses earned 9,435 Taka (roughly US\$111) in the previous month. There are some high-earning businesses that skew the data, and the median earnings are a more modest 6,000 Taka (US\$70).

## **ANALYSIS AND RESULTS**

Given the newness of the topic and the relatively limited theory that applies to economic activities in such extreme environments our analysis aims to be primarily descriptive and exploratory. Our data are cross-sectional in nature, and rather than explicitly examining causal relations between micro-bricolage and earnings, we focus on identifying associations between these constructs, and providing rich descriptions of the phenomenon. We find that some elements of the intangible trove (notably education and grit) were associated with higher earnings, while others like prior experience operating a shop were not. Somewhat surprisingly, tangible trove elements do not appear to matter for earnings. In terms of multiplex social ties, external ties (with local Bangladeshis) are more strongly associated with higher earnings than internal ties (with Rohingyas). Finally, we find that overcoming some formal institutional constraints (like paying bribes for operating their shops) are beneficial, but others (like obtaining credit to start a business) are detrimental.

## **DISCUSSION AND CONCLUSION**

We make four theoretical contributions. First, one of the main concerns of any entrepreneur is to find enough start-up capital (Ireland et al., 2003; Sirmon & Hitt, 2003). In the case of a highly constrained environment, generally friends and families, local moneylenders, or even NGOs provide funds so that entrepreneurs start-up their businesses (Banerjee & Jackson, 2017; Banerjee & Duflo, 2007). Contrary to general wisdom, our result thus strongly suggests that micro-bricoleurs that used their own capital, or those that started their businesses with nothing, perform considerably better compared to those that borrowed money to start their businesses – and those who started with nothing still better than those with own capital. This means that, for micro-bricoleurs, their business success does not simply rely on whether they have access to (external) capital sources. Rather, their survival and success rely on factors that

are under their more immediate control such as their spirit and making best use of intangible resources to do something that carries self-meaning and self-worth.

Second, experiences in a field related to the business of an entrepreneur and conventional bricoleurs is typically assumed to be advantageous (Fisher, 2012; Grégoire et al., 2012). However, our findings stress that micro-bricoleurs' prior experience running a business makes no meaningful difference to their business success. Rather, the ability to adapt in an extreme environment appears to be the much more critical aspect than making use of a learned skill. Thus, we extend the idea of *trove* by the notion of *intangible resource specialization* (c.f. Maielli, 2005a,b) – i.e. the ability to think or imagine – that serves the immediate purpose of improvising, enacting and facilitating micro-economic activities in an adaptive manner.

Third, bricolage activities in relatively less constrained environments such as developed economies encourage transgression against informal institutions (Baker & Nelson, 2005; Garud & Karnøe, 2003). In such contexts, transgression against formal institutions can lead to violation of established laws and regulations (Hodgson, 2006). However, we find that micro-bricoleurs transgress against formal institutions so that they can explore and materialize new possibilities for micro-bricolage activities. Depending on the context, transgressions against even relatively rigid and monitored formal institutions enable entrepreneurial activities which not only provide micro-bricoleurs with earnings for their immediate survival but also hope and self-determination, thus bringing some dignity to their lives and those of their families (c.f. Sen, 1999).

These findings have implications to management literature more broadly. For example, the concept of the institutional void largely concerns a lack of formal institutions in developing countries as this negatively affects the growth of businesses (Palepu & Khanna, 2010). Thus, management scholars in general emphasize that governments or NGOs need to fill the void through the development of enabling institutions to ensure business growth (Puffer et al., 2010). However, our finding shows that in the absence of enabling institutions, micro-bricoleurs are good at developing *workable institutions* that help them to survive in a highly restrictive space. This means that it is not the institutional void that must be our main concern to facilitate micro-bricolage activities; rather, we must focus more on how to loosen specific rigid institutions that disadvantage marginalized actors in noncooperative spaces.

Fourth, traditional bricolage studies generally favor the development of internal social ties for entrepreneurial activities since such ties indicate collaboration and assistance from family or closely linked organizational members for both social and economic gains (Kibria, 1994; Baker & Nelson, 2005). One can easily expect that such a pattern would be prominent in the case of micro-bricoleurs given their vulnerabilities in such a highly constrained environment (Carter & Ram, 2003; Villares-Varela, 2018). However, our finding clearly emphasizes that since micro-bricoleurs are aware that they have limited inputs, and face many constraints — they put their efforts into developing external ties that become valuable for both social and economic gains. This obviously does not mean that members of external networks necessarily help micro-bricoleurs just because they care about vulnerable people. It is the economic advantages those actors also gain by developing relationships external to their own community that drives them (Jensen, 2007; Kreibaum, 2016). In other words, we must not romanticize the capabilities of micro-bricoleurs because they indeed live on the mercy of external ties. Disregarding or challenging such ties would risk loss of earnings or exclude them from their business activities.

**REFERENCES ARE AVAILABLE FROM AUTHORS ON REQUEST**