Destituent power and the suspension of the law: Radicalizing the idea of ‘entrepreneurial value creation’

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The creation of value forms a defining feature of entrepreneurship. In entrepreneurship studies, the normative thinking is that value should be created in a law-abiding manner. Invoking the notion of destituent power (from Latin destituens: “abandoning”), this paper challenges the academic canon by highlighting a form of value creation which is premised on the suspension of, rather than compliance with the law. Focusing on how destituent power precipitates value for society, the worker-occupied factories in Argentina (fábricas recuperadas) get used to illustrate how the refusal to acknowledge existing laws creates new possibilities for collaboration and modes of existence. Specifically, the worker-occupied factories offer a case of ‘becoming entrepreneur’ where workers, by reclaiming factories that were abandoned by their owners, suspended existing laws to affirm a common people characterised by principles of solidarity, dignity and collectiveness. The key contribution this paper makes is to reflect illegality in terms of its political thrust, with the specific aim of alerting us to how radical forms of societal value emanate from the free-floating conflictual energy at the heart of the social edifice.

*Keywords*: Destituent power, becoming entrepreneur, law, societal value creation, sovereign power, worker-occupied factories, the political.
It is important to learn hoping. Its work does not despair, it fell in love with succeeding rather than with failure.

Ernst Bloch (The Principle of Hope, 1959)

Outline

Hope is a pervasive feature of entrepreneurship studies. Hope has thereby mainly been expressed in conjunction with the productive aspects of entrepreneurship – such as creativity, opportunity recognition and/or exploitation, or wealth creation. It is thus fairly uncontroversial to suggest that hope is mainly related to entrepreneurship’s ability to ‘create something (of value)’ (Chell 2007, 6). Common wisdom has it that entrepreneurs create value by leveraging innovation to exploit new opportunities. Whereas entrepreneurship research remains wedded to an economic understanding of value creation (Baumol 1993), recent times have witnessed an increasing interest in forms of value creation which pertain to society at large (e.g. Hjorth et al. 2008; Steyaert and Katz 2004). Hope in this body of literature exceeds the narrow preoccupation with employment generation and dynamics, innovation, and productivity and growth (cf. van Praag and Versloot 2007), thus being couched in different concepts such as justice (Santos 2013), decommodification (Vail 2010), community building (Savaya et al. 2008), social innovation (Nicholls and Murdock 2011), or emancipation (Rindova et al. 2011), to name but a few. Whilst these conceptual developments help reintroduce social and ethical considerations into discussions of entrepreneurial value creation, a conspicuous silence in these debates concerns the role of the law, notably as it relates to legal breaches or illegal behaviours. Consequently, though there has been a marked intensification of research dealing with how (social) entrepreneurs and enterprises create societal value, this endeavour on the whole tends to locate value creation firmly within the boundaries of the law. Meanwhile, research dealing with illegal entrepreneurship has offered invaluable insights with regard to the different ways in which illegality is enacted in the
entrepreneurial process. Recent conceptualisations put us in a better position to distinguish acts of petty illegality from more downright criminal offences (Smith and McElwee 2013). The various phenomena currently studied from the vantage point of illegality tend to capture aspects of entrepreneurship which are, to use Baumol’s (1990) classificatory schema, either ‘destructive’ or ‘unproductive’ (cf. also Smith and McElwee 2013). And although notable exceptions do exist (e.g. Johannisson and Wigren 2006), most studies operate on the assumption that the authority of the law should be acknowledged. Whilst the social imaginary of entrepreneurship as a law-abiding activity has become so accepted that it is very difficult to challenge it, it is the contention of this paper that we are nevertheless obliged to acknowledge the potentiality related to transgressions, violations or the suspension of the law. Consequently, the present paper aspires to give the debate on illegality a novel twist based on the concept ‘destituent power’ (from Latin destituens: “abandoning”). Drawing its cues from political theory, notably the work of Agamben (2014) and Laudani (2013), destituent power offers a genuine possibility to locate the productive aspect of entrepreneurship, or what gets referred to as ‘societal value creation’, in radical acts of disobedience vis-à-vis sovereign power and its foundational laws. Using as an illustrative case the worker-occupied factories in Argentina, destituent power is suggestive of how the refusal to acknowledge existing laws creates new possibilities of (co)existence. Moving against the current of canonical interpretations of societal value creation, destituent power suggests the need to become more attentive to situations in which disobedience to the authority of the law becomes a precondition for the creation of societal value. Specifically, rather than offering a carte blanche for illegal behaviour, the paper seeks to raise awareness that under conditions where legal stipulations are out of step with the needs of society, the suspension of the law might represent a precondition for creating value for society. The Argentine experience offers an emblematic case of how workers engaged in a process of ‘becoming entrepreneur’ where they reclaimed abandoned factories with the aim of creating dignified working conditions,
cooperative forms of management and a common people. ‘Becoming entrepreneur’ is less an individual survival strategy, although survival does play a role, than a collective affirmation of the possible outside of the limits imposed by the law. The key contribution this paper makes is to delineate illegal practices not so much as a juridical but as a political matter, thus alerting us to how radical forms of societal value emanate from the free-floating conflictual energy at the heart of the social edifice.

The full paper will proceed as follows. In order to develop the main argument of this paper, I will offer a brief overview of the literature dealing with entrepreneurship in its relationship with a) societal value creation and b) the law. Second, the concept destituent power is introduced and, third, illustrated via the worker-occupied factories in Argentina. Finally, I discuss the theoretical implications of destituent power for a more radical, explicitly political understanding of societal value creation.

References


