Social entrepreneurship in the informal economy: a case study of re-enactment festivals

Valery Gordin and Mariya Dedova
Management Department,
National Research University Higher School of Economics,
St. Petersburg, Russia

Abstract
Purpose – The paper aims to generate new information on the types of entrepreneurial activities at the re-enactment festivals and their importance for the re-enactors.
Design/methodology/approach – The study consisted of two stages: a content analysis of information available through online open access and a qualitative survey of re-enactors and a qualitative survey of re-enactors was organised and spanned from November 2012 to February 2013.
Findings – The paper concludes that a specific form of entrepreneurship in the Russian market characterised by creation of social capital, a high level of devotion to engagement and, at the same time, non-profit-related gains has been emerged.
Research limitations/implications – The socio-cultural phenomenon of entrepreneurship within re-enactment festivals is investigated. The study may be further developed by identifying various cultural events that may be characterised by the existence of an internal festival market.
Originality/value – This paper highlights social entrepreneurial activities in informal sector by the example of re-enactment festivals.

Keywords Entrepreneurship, Festival, Re-enactment

Paper type Research paper

Introduction
Historical re-enactment itself may be defined as a reconstruction of past reality in the present (Agnew, 2004). Within activities organised at special sites, re-enactors recreate battles, other historical events or a framed period of time. In most cases, these festivals are organised by re-enactment societies (Hunt, 2004). The high popularity of these cultural and heritage festivals in Europe and North America has attracted attention from scholars. Various studies seek to understand the nature of these events and their meaning for the re-enactors (Mittelstaedt, 1995; Agnew, 2004; Hunt, 2004; Hyounggon, 2004; Hannam and Halewood, 2006); others are focussed on motivating factors for visiting these events (Wilhelm and Mottner, 2005; Guha, 2009). The development of event tourism and experiential consumption, which is among the main features of re-enactment festivals (Ray et al., 2006), motivates research questions in studies on authenticity (Halewood and Hannam, 2001; Chhabra et al., 2003; Ray et al., 2006).

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Carnegie and McCabe, 2008) and festivals’ institutionalisation (Andersson and Getz, 2009; Getz and Andersson, 2009). The research by Andersson and Getz is primarily focussed on festival ownership and reflects the state of affairs in Sweden. Russian re-enactment festivals have been neglected by researchers. Only one paper (Radtchenko, 2006) has investigated the socio-behavioural perspective of re-enactment movement in Russia. To our knowledge, the issue of entrepreneurial activities within re-enactment festivals has not been addressed by scholars, and this paper seeks to fill this gap.

The present study is devoted to the burgeoning entrepreneurship activities within re-enactment festivals in Russia. These events are characterised by constructing the reality of the past using material objects (costume, weaponry, etc.), as well as exotic food and drink that are to be highly authentic. These activities help participants of this movement to create their own image in mythic reality (Radtchenko, 2006). The engagement in the re-enactment movement is defined by some authors as a hobby (Mogilevich, 2009) and, hence, characterised as a non-profit activity. Due to the specific nature of re-enactment activities, these material objects cannot be designed and produced by anyone unfamiliar with the historical details of the subject. Therefore, in many cases, people who participate in such festivals begin to create and produce different thematic items or services (smithery, foundry, etc.) for sale. Special attention is also paid to authentic costumes, and thus demands knowledge of weaving and sewing. The need for specific knowledge and skills for the production of authentic items leads to social commercial and non-commercial entrepreneurial activity.

The purpose of this study is to generate new information on the types of entrepreneurial activities at the re-enactment festivals and their importance for the re-enactors. This paper also highlights the social entrepreneurship perspective in the informal sector, which has not been widely discussed in the academic literature. However, a few recent studies have focussed on not-for-profit-driven motivations of entrepreneurs (Williams and Nadin, 2012a, 2012b).

A concept of serious leisure and its application to re-enactment festivals is first given as a theoretical framework for exploration of re-enactors’ entrepreneurial initiatives. The second section outlines main aspects of informal and social entrepreneurship concepts used for the purpose of the study. A background describing entrepreneurial environment with a particular focus on informal entrepreneurship in Russia is then given as a contextual foundation. The methodological section follows. Next section reports the findings. Types of entrepreneurial activities and their meaning for re-enactors are identified and described. The discussion section comments on the results of the study and their implications. Finally, conclusions and prospects for the further research are presented.

**Serious leisure and re-enactment festivals**

To approach re-enactment festivals in terms of entrepreneurial initiatives, we decide to use the concept of serious leisure developed by Robert A. Stebbins. According to Stebbins (1992), serious leisure is defined as the systematic pursuit of an amateur, hobbyist or volunteer core activity that is highly substantial, interesting and fulfilling and where participants typically find a (leisure) career in acquiring and expressing a combination of its special skills, knowledge and experience. Stebbins also distinguishes the six main characteristics of serious leisure (contrasting with casual leisure):

1. the need to persevere in the activity;
2. the availability of a leisure career;
A key function of a serious leisure from a sociological perspective is the creation and communication of values that reinforce the unity of a society. This unity occurs due to the desire of people to find any significant substitute for a job where they may develop communal connections and invest their energy (Stebbins, 2001a). People who take part in re-enactment festivals not only invest significant time and money to meet the requirements of authenticity but also experience inconvenience and privations. Much detailed argumentation of why re-enactment may be defined as a serious leisure has been already considered by several scholars (Mittelstaedt, 1995; Hyounggon, 2004; Hunt, 2004).

Participation in the re-enactment movement is exhibiting increasing growth in Russia. According to our estimations, more than 60 historic re-enactment festivals, involving more than 100 participants, are organised annually across the country. There are no official statistics available on the precise number of festivals and their participants, and there is no such information on other types of cultural events held in Russia. One of the largest historical festivals held in Moscow during the summer of 2012, “Times and Ages”, featured over 1,300 re-enactors from 31 Russian cities and 13 foreign countries (Varaskina, 2012). It also attracted over 165,000 tourists; in this sense, this type of event has great potential to diversify the tourism market and induce tourists to return in the future (Paiola, 2008).

Informal and social entrepreneurship

In addressing further the issue of informal and social entrepreneurial activities, we must clarify what we mean when using these concepts. Renooy (1990) identifies informal activities as those producing positive income for both the person who exercises the activity and those who obtain the result for which the legislation and regulations applicable are not being met by the entrepreneur. One of the most comprehensive definitions states that informal entrepreneurs are those starting a business or are the owner/manager of a business less than 36 months old and who engage in monetary transactions not declared to the state for tax, benefit and/or labour law purposes when they should be declared but which are legal in all other respects (Williams, 2009; Williams, 2011; Williams and Nadin, 2012a, 2012c). It is of high importance to note that entrepreneurial endeavours within the re-enactment movement are not strictly aimed at earning profits. A few studies (Williams and Nadin, 2012a, 2012b) have recently focussed on the social goals of beginning entrepreneurs. The studies show that commercial and social logics vary depending on localities. The most significant findings of the papers concern the validity of considering social rationales when studying informal entrepreneurship.

Within this theoretical framework and considering market conditions in Russia by the informal entrepreneurial activities of re-enactors, we imply primarily the production of goods and services for third parties. Individual entrepreneurs such as petty traders prefer not to institutionalise their activities in any legal organisational form. Re-enactment events are used by these entrepreneurs as a market outlet.
While expending effort and devoting time and money for producing particular goods or services for counterparts within the community, an entrepreneur is also likely to take on risk in terms of his or her social status. This type of entrepreneurial risk was first described by Jean-Baptiste Say. In his work, “A Treatise on Political Economy or the Production, Distribution and Consumption of Wealth”, he underlined the role of an entrepreneur as bearer of the risk of losing both one’s capital and reputation due to experimentation and failure (Say, 1,803 quoted in Praag, 1999). Considering the intentions and specific conditions of transactions made by re-enactors, we claim that these entrepreneurial activities take the form of social entrepreneurship. The concept of social entrepreneurship has been interpreted by numerous scholars (Boschee, 1998; Prabhu, 1999; Thompson, 2002). Among many peculiarities of social entrepreneurship, one of the most important for re-enactment festivals is the creation of social value and social capital (Mair and Marti, 2006; Mathur and Nihalani, 2011).

Therefore, entrepreneurial activities of re-enactors are considered in the paper from two perspectives: informal and social entrepreneurship. Social entrepreneurial activities identified by the study are executed within informal business structures. We distinguish between three types of entrepreneurial activities:

1. those directly related to the sales and distribution of goods and services;
2. those related to self-promotion; and
3. those related to gaining non-profit benefits such as higher social status in a social world or community and the development of social network.

Contextual background
We must also comment on entrepreneurship itself and the expansion of informal entrepreneurship in Russia. We consider it relevant to use the results of the Global Entrepreneurship Monitor (GEM), which provides a comprehensive picture of the current entrepreneurial environment, as well as public perceptions and attitudes towards entrepreneurship. According to the GEM 2011, 92.8 per cent of the country’s adult population include non-entrepreneurs. The majority of the population does not consider opening a business to be a career development possibility. Only 7.78 per cent of the sample population included potential entrepreneurs, i.e. those who have not yet started a business but positively evaluate their own entrepreneurial skills and market conditions. Moreover, the level of entrepreneurial intentions in Russia was among the lowest in GEM countries. This indicator is evaluated through the following question: “Do you plan to open a business the next three years?” The results show that only 5.8 per cent of people in Russia plan to do so, compared with an average of 25 per cent of citizens in other efficiency-driven economies.

The results of the GEM project research also provide valuable information on the main factors negatively or positively influencing the development of entrepreneurship. Among the negative factors, experts interviewed within the research project named the realisation of a state policy, the absence of a national culture featuring a clearly expressed orientation towards entrepreneurship and a system of primary and secondary education that does not help students to gain the knowledge and skills necessary to find new businesses or encourage personal creativity and initiative (Verkhovskaia and Dorokhina, 2012). Weak institutions inhibit the development of
entrepreneurial environment and discourage many innovative people from pursuing this avenue.

With regard to informal entrepreneurship, most of the existing literature underlines the role of environmental instability, high-interest rates, inconsistent regulations and laws, the mafia and corruption in increasing the number of unregistered entrepreneurs (Peterson, 2001; Ojala and Isomäki, 2011). However, there is limited academic literature evaluating how many entrepreneurs are engaged in informal activities. Williams (2009) finds that 100 per cent of entrepreneurs surveyed do. This finding implies that some or all of their transactions are unregistered.

**Methodology**
The present empirical study is based on mainly primary sources. The study consisted of two main stages:

1. a content analysis of information available through online open access; and
2. a qualitative survey of re-enactors.

Furthermore, the authors visited several of re-enactment festivals using a method of participant observation as a tool for collecting data in qualitative research.

For the purpose of the study, 58 re-enactment festivals organised during 2012 in Russia were chosen randomly on the basis of information provided on a website specialising in historical themed festivals and tournaments[1]. At the first stage of the research, a web page (if applicable) and an event page (“group” or “meeting”) on a popular Russian social network, VKontakte, of each festival were analysed to reveal the entrepreneurship contacts of potential participants in an event. The design of an event page enables us to trace, in most cases, discussions between the engaged participants at different stages of an event: statements on preparation, follow-up and feedback.

The following criterion was used to identify entrepreneurial activities among participants of discussions on the Internet: direct denotation of any activities aimed at the production and distribution of different types of products and services within a re-enactment festival. Due to the specificity of online discussions, we did not include in the research any indirect references to entrepreneurship, such as implicit statements on the production of any good or service. We also did not consider cases where it was unclear whether participants provide a good or service simply for themselves or for their counterparts as well.

Based on this framework and content analysis, we then developed a set of distinctive characteristics of the market and entrepreneurship activities occurring within and discuss contextual factors, such as socio-economic conditions and domestic pressures, on the business practices of small-scale enterprises.

In the second stage of the research, a qualitative survey of re-enactors was organised and spanned from November 2012 to February 2013. The survey consisted of open-ended questions covering participants’ behaviour (the number of visited events and engagement in entrepreneurship activities). A total of 30 surveys were collected. To begin the survey, we targeted respondents because of their established positions in re-enactment societies; other respondents were found through snowball sampling.
This survey provides insights into informal entrepreneurship within the community and yields mental fodder for further discussion. Due to the sensitivity of the research issue, we understood that some respondents were eager to disguise their genuine intentions. However, previous research on informal entrepreneurship has found that, although entrepreneurial activities are hidden from the state, entrepreneurs discuss their activities with academic researchers in an open manner in the same way as they might discuss their volunteering activities (Williams and Nadin, 2012a).

Findings

Types of entrepreneurial activities
The content analysis conducted at the first stage of the study enables authors to identify the existence and continual discussion of different types of services provided by re-enactors to each other. Social networks in Russia are currently used by re-enactment societies as a tool for the self-promotion and promotion of organised festivals for debates and exchange of information. Moreover, the use of a social network is more common than that of official web pages. Out of 58 festivals analysed, 38 (65 per cent) use the social network VKontakte to promote themselves, 9 (15 per cent) use official web pages and 11 (19 per cent) use both information platforms.

Within the content analysis, we traced the entrepreneurship contacts of potential participants of historical themed festivals. In total, 122 entrepreneurship contacts were identified. Based on revealed activities, a classification of services provided by re-enactors was developed:

- **Monetary- and non-monetary-based services**: re-enactors use both types of transaction offering services for money and bartering.
- **Transactions on tangible and intangible services**: fabrication of specific items is a popular type of tangible services, as well as consulting and communication services that are intangible.
- **Services for different types of counterparts**: co-members of a re-enactment society, members of other societies and visitors of festivals.

During the second stage of the research, re-enactors aged 18 to 50 years were surveyed. Re-enactors from 11 Russian cities took part in the survey, with most respondents (9 respondents) representing St. Petersburg, the second-largest city in Russia. However, the geography of the respondents covers cities located in both the European and Asian parts of Russia, including such cities as Moscow, Perm and Novosibirsk. Respondents’ experience of participation in the re-enactment movement varied from 1 to 27 years time period. A total of 24 (80 per cent) respondents used the services of other re-enactors; 21 (70 per cent) respondents provided services themselves for colleagues belonging to other re-enactment societies; 19 (63 per cent) respondents provided services for members of their own re-enactment society; and 6 re-enactors answered that they provided various services for festivals’ visitors.

The most popular services provided by re-enactors are as follows: sewing of clothes, including weaving (10 respondents); consulting services (4 respondents); fabrication of leather goods (3 respondents); forging (2 respondents); fabrication of arrows (2 respondents); and fabrication of household items (2 respondents). Because “you can’t buy a necessary thing simply in a shop”, there is no other choice for most participants...
but to seek help from experts among their comrades who make such items. Another crucial issue in the production of these services is knowledge: “knowledge gained not just from history textbooks, but serious knowledge”. Answering a question regarding the type of services that they typically use, respondents most often say “the kinds of things that I can’t make myself”.

Some respondents also highlight the significance of the quality of items made and distributed by re-enactors. It is often observed that craftsmen who produce high-quality items cannot satisfy demand and tend to make exclusive single pieces for connoisseurs. Meanwhile, there are articles of popular consumption produced by many other relatively good craftspersons.

**Meaning of entrepreneurial activities for re-enactors**

Among the rewards accompanying entrepreneurial activities within re-enactment festivals, the following rewards were identified (several rewards could be named):

- strengthening personal networks in a re-enactment society (18 respondents);
- enhancing solidarity in a re-enactment society (13 respondents);
- increasing social status (13 respondents); and
- material benefit (13 respondents).

It is important to note that the majority of respondents (16 respondents) identified material benefits as being gained when services are provided for members of other re-enactment societies rather than for members of their own society or for festival visitors.

Commenting on the results of participation in festivals, in general, most of the respondents indicate that such events not only have personal significance but also are important for the community and country. Re-enactors mentioned the following outcomes from their engagement:

- “strengthening of good neighbourly relations”;
- “motivation for youth to gain a deep understanding of the history of the country and of the origins of culture”;
- “promotion of eco- and historical tourism”;
- “moral satisfaction from participation in the promotion of handicraft”;
- “patriotic education”, “communication with like-minded persons”; and
- the “pleasure of meeting friends”.

With regard to covering the costs resulting from re-enactment activities, only one respondent answered that the profit gained from entrepreneurial activity is much greater than the costs related to participation in re-enactment events. Four respondents reported that service production helps them to cover all their costs related to their serious leisure. The same number of re-enactors answered that gains partially cover their costs. A total of 12 respondents answered that the profit gained cannot be compared with the costs. Thus, in most cases, entrepreneurial activities are driven by motivations other than profit rather than by intentions to contribute to a re-enactment festival and passion to this serious leisure. Here is a quote from a respondent that adequately illustrates this attitude:
I’m now 33 years old, and I divide my life into “before re-enactment” and during re-enactment. I am very sorry that most of my life passed before I engaged in this activity. In my previous ordinary life, there were such grateful communities to appreciate my talents. Re-enactment is a hobby, a job and a passion. It’s my life.

Discussion

The purpose of this study was to generate new information on the types of entrepreneurial activities at the re-enactment festivals and their importance for the re-enactors. The results of the content analysis and survey suggest the emergence of a new type of social entrepreneurship. Entrepreneurship activities within this interest group have all of the attributes of usual business routines, such as risk-taking or investing. However, there is a set of distinctive characteristics specific to this market. First, profits are not considered to be the main indicator of an entrepreneur’s success. This characteristic is demonstrated by the answers of re-enactors, who note “strengthening personal network in a re-enactment society” as being the primary reward from entrepreneurial activities. Thus, the main outcome that emerged within the development of this market is the creation of social capital. In this sense, employment of serious leisure concept to consideration of re-enactment festivals has been validated. The key function of a serious leisure is the creation and communication of values that reinforce the unity of a society. Moreover, social entrepreneurship is considered within the concept as an example of social capital. Being career volunteers, entrepreneurs devote their time and money to creation and maintenance of enterprise (Cohen-Gewerc and Stebbins, 2013).

Entrepreneurship endeavours pursued by participants at re-enactment festivals are means of self-identification and a way to gain a particular social status within interest groups and society in general. Because of the inheritance of Communist history and an unstable transition period, the concept of social status in Russia is closely associated with a high-profit business or political careers. An extensive bureaucratic system, inconsistent legal regulations and taxation hinder the development of small enterprises and, thus, forestall the emergence of a stable economy. In our view, the development of entrepreneurship within specific interest groups, such as the community of re-enactors, has high potential to facilitate the creation of healthy economic and social systems within the state.

Despite its current informal character, there is no need to eradicate this phenomenon. The informal economy is recognised as a breeding ground for the small enterprise system and a seed-bed for entrepreneurship (Williams and Nadine, 2012c). Therefore, the eradication of entrepreneurship would inevitably lead to the eradication of a nascent entrepreneurial culture.

The entrepreneurial environment that has been already formed by passionate individuals who are interested in the promotion and preservation of traditions and heritage should be supported and developed. There are different approaches to facilitating this process such as the development of an association for re-enactment entrepreneurs that would provide support to individual entrepreneurs, especially in terms of their interaction with external actors. Individual grants or subsidies for cultural entrepreneurship in general and within the re-enactment movement in particular could also be provided by authorities. These measures would help to preserve each new entrepreneurial initiative, which increases the probability of shifting an enterprise into the formal sphere.
The present paper explores the socio-cultural phenomenon of entrepreneurship within re-enactment festivals. However, the theoretical implications are not limited to re-enactment festivals. The study may be further developed by identifying various cultural events that may be characterised by the existence of an internal festival market. A crucial point here involves presence of highly motivated people who are involved in the creation of social capital and in the development of social entrepreneurial initiatives. As the paper shows, entrepreneurial endeavours within such a community are aimed at strengthening one’s social status and personal networks, as well as enhancing solidarity among members.

The paper has posed a problem regarding the informal character of socially oriented entrepreneurial activities. The practical implication of the findings primarily concerns the entrepreneurial environment in Russia, which is constrained by a number of negative factors. Through a case study of the re-enactment movement, the study shows the peculiarities of the festival market and strongly implies that supporting this type of entrepreneurial initiative would inevitably facilitate social entrepreneurship development in the formal sector.

Conclusion and future research
In the present paper, the results of the content analysis and the survey conducted among historic re-enactors were presented. The main findings of the study concern the emergence of a specific form of social entrepreneurship in the Russian market characterised by creation of social capital, high level of devotion to engagement and, at the same time, non-profit-related gains. The internal peculiarities of this type of entrepreneurship are exemplified by re-enactment festivals. Despite the informal nature of entrepreneurial activities, to our view, this example represents a step towards the further development of entrepreneurship in Russia. Future research in this field should be aimed at collecting a wide set of empirical data on entrepreneurial networks within various types of cultural events.

Note

References

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**Further reading**


**About the authors**

Valery Gordin is an Associate Director and Professor at the National Research University Higher School of Economics in St. Petersburg and Head of the Laboratory of Economics of Culture. His areas of research are marketing in the service sphere and management in cultural and creative industries. Valery Gordin is the corresponding author and can be contacted at: gordin@hse.ru

Mariya Dedova is a Postgraduate Student at the National Research University Higher School of Economics in St. Petersburg and Junior Research Assistant at the Laboratory of Economics of Culture. Her main areas of interest are service management in the cultural sphere and festival management.