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## Networking And Automation Are Upending The Scholarly Study Of Entrepreneurship

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July 24, 2018

The *changing nature of work* via the sharing economy, automation and networking is one among a profusion of variables (such as economic liberty) affecting modern entrepreneurship.

These transformations have been revolutionary. Key entrepreneurship studies of the early 2000s undergird much of today's current scholarly understanding about the conceptual and empirical relationships between government regulation and the inclination to become an entrepreneur.

The pace of technological change will complicate the ongoing work of scholars trying to keep abreast; but that can be a good thing.

We might note a bit of an amusing disconnect between the academic world and the entrepreneurial self-help book community that has also eagerly embraced the remote-yet-connected workplace transformation. A casual search of SSRN, the Social Science Research Network, returns no mention of perhaps most popular volume for everyday entrepreneurs, *The 4-Hour Workweek* by Timothy Ferriss.

But scholars and self-help gurus alike recognize that revolutionary developments like instantaneous communication and networking are changing the landscape in ways that will continue to astonish. Handheld devices doubling as libraries of all human knowledge have democratized the availability of information and access to skills one might need to engage in entrepreneurship (or, similarly, to carry out duties as an employee or contractor in more "entrepreneurial" fashion).

Notable for example, is how some in the developing world skipped over telephone landline infrastructure, heading straight to the smartphone. If the smartphone had not come upon the scene, we would be having a different discussion entirely with respect to developing-nation entrepreneurship, yet this seems unappreciated or at least underdeveloped in the literature and in compilations like the World Bank's *Doing Business* annual.

In a sense there is vastly more tangible and intangible "raw material" available than there had been for those entrepreneurs who came before, in the sense that the wealthy developed world never had the technological advantages that developing nations now have. There is a newfound

wealth of raw materials--intellectual and informational--available to the potential entrepreneur and to production processes, that are unique in history.

That doesn't necessarily networking and automation make things "easier," for a number of reasons. Timing and resources matter, for example. One likely can't build a search engine or PayPal now as the time for such one-time innovations has now come and gone (not to re-litigate first-mover advantages and "lock-in" here, and not to concede such as "monopoly" power). See Peter Thiel's article "Competition Is for Losers" on such themes.)

Still, entrepreneurs increasingly respond rapidly to well-armed counterparts worldwide. An economy starting from a lower base of poorer institutions can grow faster and improve entrepreneurship relative to others, and gain some foothold that way, so we can expect interesting developments in global rankings of well-being, such as the Heritage Foundation/Wall Street Journal Index of Economic Freedom, and the Fraser Institute/Cato Institute Economic Freedom of the World report. Likely too is that an increasingly important part of the reason for tomorrow's improvements in growth and well-being will be cross-fertilization, learning from the favorable *institutions* of others, themselves enabled by the very networking and automation technology that enable entrepreneurship itself.

The ability to freely trade is one of many potential determinants of entrepreneurial success, and the topic dominates economic news now given the Trump administration's tariff campaign. Unprecedented proximity to markets and the prevalence of networking are reasons why trade wars now will hurt worse than those of the past.

Indeed, if one is comparing decades rather than year to year, "cyberspace" developments the rise of eBay, Alibaba and Amazon Associates in concert with "meatspace" developments like the shipping container revolution (well demonstrated in *The Box: How the Shipping Container Made the World Smaller and the World Economy Bigger*) elevate entrepreneurship to yet unappreciated heights via streamlining access to markets for both buyer and seller.

We have a global economy transformed not just by the intangible Internet, but also by something as humble as a container combined with cheaper (even customized) manufacturing and automation. Are those in China selling aftermarket chrome auto trim over eBay appreciated in modern entrepreneurial studies? I suspect not, but that they will be.

On the downside, automation and workplace transformation have led to calls for Guaranteed Minimum Income (or Universal Basic Income) allegedly to ease social turmoil in the face of predictions that "currently demonstrated technologies could automate 45 percent of the activities people are paid to perform."

Such interventionist moves will be catastrophic, and primarily benefit the political class.

It is true, though, that accelerated creative destruction doesn't just happen to the powerful, but to mom and pop operations and to small individual enterprises. Plenty folks are understandably ambivalent about technology-driven contract or remote work, just as others would prefer full-time work but are relegated to part-time by regulation that makes employers reluctant to hire. Healthy adaptations will require labor force flexibility and vast regulatory liberalization, such as those described by my colleague Iain Murray in "Punching the Clock On a Smartphone App?"

Scholars studying entrepreneurship will increasingly need to isolate trends influenced by regulation on the one hand, and the changing networked/automated economy on the other. Changes have come so quickly in automation, networking and workplace structure that there has been little time to absorb them.

And since the pace is unlikely to let up, there are plenty dissertations to be written. Luckily academics are entrepreneurs in their own right.