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“And we found that niche, the bank and I…”

Narratives of bankrupt entrepreneurs

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Abstract

This paper addresses the importance of networks for entrepreneurs in bankruptcy, based on interviews with entrepreneurs who have experienced at least one bankruptcy. Analysis of the interviews reveals two discursive themes: entrepreneurship and bankruptcy. Entrepreneurship is expressed in terms of initiative and of contacts in business contexts; bankruptcy concerns economic marginalization and subordination. Although entrepreneurship and bankruptcy are contrary phenomena, this article shows how these themes are interwoven in a variety of ways in the narratives of the bankrupt entrepreneurs. On the basis of these two themes, four categories of bankrupt entrepreneurs are portrayed: the “continuer,” the “rejected,” the “withdrawn,” and the “analyst.” The methodological approach used in this study is in the field of narrative techniques.

Keywords: bankruptcy, entrepreneur, interview, network, qualitative, typology

Introduction

Inevitably, every entrepreneurial firm and its owner are part of an economic network including bankers, other entrepreneurs, customers, and suppliers. Consequently, economic sociology has come to place great emphasis on the importance of networks in economic enterprises. Businessmen are dependent on social contexts. Their acts are "embedded in concrete, ongoing systems of social relations" (Granovetter, 1985). Such networks grant access to capital and to other vital resources, and enable critical brokering (Parker, 2004). The entrepreneur is to a great extent dependent on what others think of him as a businessman.[1]

When a business goes bankrupt, however, the entrepreneur is unable to participate in established networks on the same terms as before, not least because he has failed to pay salaries, taxes, debts to suppliers, loans to banks, and so on. In addition, he finds himself legally and profoundly separated from his customary economic networks. The motivation behind this study was to investigate how entrepreneurs described being positioned outside their ordinary economic networks and how this condition appeared in the entrepreneurs' narratives. These narratives are not seen simply as representations of extra-linguistic realities, and thus they cannot be "investigated empirically by recapturing those extra-linguistic realities" (Polkinghorne, 1988: 159). Consequently, researching autobiographical narratives is not a matter of establishing whether one is being told "the truth," but of finding out how people comprehend their lives. The ways in which bankrupt entrepreneurs verbally interpret their situations thus form the empirical basis of this study.

Less than 1 percent of the Swedish firms, about 7,000 per year, go bankrupt: not a very common fate. Bankruptcy is most frequent in retail and in labor-intensive ventures such as hotels, restaurants, and advertising. There is a lot of statistical data available concerning specific regions,

[1] For convenience, the entrepreneur is referred to in the masculine voice in this paper.

seasons, or markets, for example. Little is known, however, about the businessman's own interpretation of his new position.

Positioning theory provides a useful tool to address the question of how words come to be said, without invoking intentions and psychological states (Jones, 2006). Entrepreneurs are positioned inside economic networks, and interact with other economic actors. Bankrupts are positioned outside ordinary economic networks. A particular role or position will also assume attributes that imply inter-actional rights. However, positions are seen as variable, multiple, shifting, and contradictory (Davies & Harré, 1990). The position of bankrupt entrepreneurs invites contradictory biographical story lines (Harré and van Langenhove, 1999). Two dimensions are interwoven into the failed businessmen's accounts of their situations. One dimension concerns ways of describing themselves in relation to the network: their experiences of concrete participation in economic networks as compared to a sense of being removed from or outside the general scheme of things, a form of marginalization. The other dimension concerns ways of describing themselves in relation to others: as equal actors, who are in a position to take initiatives and negotiate, or as subordinated and disparaged persons.

The bankrupt entrepreneurs came into new positions and had to create new plots and stories - about belonging or exclusion, and about equality or subordination - in relation to others in economic networks. Their storytelling was, however, done in very different ways (Jensen and Lauritsen, 2005). Chase's (1995) concept of "narrative struggle" offers a convenient term for expressing the interweaving of these dimensions. For a struggle to be present, there must be dimensions that are central to a person's identity, in this case to his professional identity. Narrative struggles describe what Chase calls a "discursive disjunction" between two kinds of experience. In this study, the interwoven inconsistencies are seen to play a central role in the emergence of four distinct attitudes

or “portraits”: the continuer, the rejected, the withdrawn, and the analyst. The analysis focuses on whether the entrepreneurs speak as concrete participants in economic networks, and whether they speak as equal or subordinated actors. The article explores the ways in which these four characters position themselves in relation to the economic world around them. Towards the end of the article, there is a discussion of the perception of these four attitudes by potential future networks (in this case, by a group of receivers in bankruptcy).

The material

The empirical material consists of taped interviews with 22 entrepreneurs whose businesses were declared bankrupt in Sweden in 1993 and 1994. The interviews were conducted in 1994. Interviewees were approached either by letter or by “word of mouth.” About 100 letters were sent to businesses that had completed legal bankruptcy, asking the addressee to respond. Seventeen of the 22 persons interviewed in this study were found in this manner, whereas the remaining five were found by contacting “friends of friends.” The interviews were, for the most part, conducted in the homes of interviewees; some were conducted in offices, or other non-domestic places. Three interviews were done by the author, the rest by two graduate students at the Department of Sociology in Lund. All interviews were tape-recorded and transcribed verbatim. It was difficult to get the interviews. It seems many saw bankruptcy as something they had put behind them. According to those who demurred, they did not wish to reopen old wounds.

The interweaving of contradictions and its different results: four “portraits”

This article draws on the contradictory themes in the interviews. Parenthetically, it should be noted that the interviewing method has been criticized as unreliable because of such contradictions. Scheurich, for example, commented on the “wild profusion ... at the heart of the interview

interaction" (Scheurich, 1995: 249). Such tensions and contradictions might call into question the validity of "traditional" research material (Watson, 2006: 367). However, there are inconsistencies and tensions in every biographical narrative (Watson, 2006; Tannen, 1989). Indeed, it is through these tensions that the entrepreneurs produce their stories.

The stories have what Watson calls a "situated reliability." The different narratives of the former entrepreneurs offer different, competing ways of making sense of the world . When a person takes up a position within the framework of a particular discourse, he must negotiate the resulting contradictions (Kirkman et al., 2001). That entails the creation of narratives, and those narratives may serve as bases for the attempts of researchers to understand how people make sense of their lives. The term "plot" is a serviceable concept in this context. Following Ricoeur (1980), "plot" is taken to refer to that narrative device which imposes order, sequence, and meaning on a collection of otherwise discrete events (Kirkman et al., 2001).

The particular contradictions in these narratives point to the four different identities of the bankrupt entrepreneurs. In this section a short overall view of the four identities is given. Later, two will be explored more extensively: the continuer and the rejected. The reason for this is, first, that these two categories were more common in the empirical material and, second, they are, in a sense, polar opposites: the continuer talks of concrete economic actors on equal footing, while the rejected describes subordination and generalized experiences of bad treatment by the society at large. Interviewees describe contradictions inherent in the bankrupt businessman's experience by their dissimilar verbal presentations. A brief survey of the four attitudes emerging from their narratives follows.

The *continuer* (6 out of the 22 bankrupts) says that he has continued to pursue his activities in economic networks in spite of what happened, although the post-bankruptcy situation requires a

more delicate approach. The continuer keeps talking about his active economic network even after the bankruptcy and in spite of his (actual) sidelined position. When he speaks about others, he expresses himself as a peer.

The second group, the *rejected* (11 out of the 22 bankrupts), speaks of economic interactions that, in his view, failed unnecessarily because of the bankruptcy. The rejected feels that it is his failure, his bankruptcy, and not his entrepreneurship, that now defines his subordinate position in relation to other economic actors. According to him, others let him down. That applies to concrete actors who are then interpreted in more general terms such as “the banking system,” “Swedish society,” and so on. The rejected typically describes himself as a person who is not treated as an equal.

The *withdrawn* (4 out of 22 bankrupts) speaks of those concrete relations he used to have. He avoids contact with his former network. However, the way he presents himself is more low-key than that of the rejected. He “lies low” now, nursing the reputation he once created. His narratives imply that he has withdrawn from every kind of economic entrepreneurship and from any participation in economic networks.

The fourth narrative, that of the *analyst* (1 out of 22 bankrupts), presents a discursive conjoining of professional entrepreneurial vocabulary and the idea of forming a part of a significant economic network, with the “outsider” theme as related to the bankruptcy. The analyst firmly removes his narrative from the level of concrete local relations. He describes very little in the way of concrete economic contacts (thereby expressing a special kind of outsider status). However, he employs a peer vocabulary when venting opinions of political processes, that is, he describes himself as a participant in important economic networks which are not restricted to local conditions. The typology is constructed after the classical model presented by Lazarsfeld, P. F. and Rosenberg

(1963) and Barton (1955).

	Themes talked about	
	Concrete econ. relations (local bank, suppliers, etc.)	General econ. relations (Swedish society, the banks etc.)
Describes equal footing in relations	Continuators	Analysts
Describes subordination in relations	Withdrawn	Rejectees

Kommentar [R1]: "Continuators" should be changed to "continuer," "analysts" should be changed to "analyst," and "rejectees" should be changed to "rejected" in this table.

The continuer

Certain features recur in the interviews with the continuers. First, they speak of actors in their environment as evincing a willingness to negotiate and an accommodating attitude, as though that were perfectly natural. As viewed by them, others are prepared to negotiate - even now. Second, they frequently describe themselves as actively maintaining their economic networks. They account for concrete actions and contacts made after the bankruptcy, as well as before it. Third, they emphasize their close relations with their suppliers, customers, auditors, banks, and others by employing a "we-language." Fourth, they describe themselves as not only active participants but as peers in negotiations. They see themselves as able to present others with ultimatums. Continuers speak of agreements where they played prominent roles, and they talk of what they are planning to do next. (Some continuers have started a new business at the time of the interview, or are continuing to run a firm they operated alongside the one that went bankrupt.) Continuers describe their sustained trust in relationships as a natural phenomenon; they do not see the bankruptcy as having destroyed trust. Continuers present themselves as naturally sought after; the kind of people one can do business with. The interviewee named Kennet emphasizes that he drafted his payment plan in collaboration with the bank. In his account of the negotiations, Kennet uses a "we-language" which expresses his close relation with the bank:

-- And we found that niche, the bank and I, we found a level where I thought, well, on that level I

> should be able to pay off this debt. And the bank felt that if I take on that responsibility, I'm giving more money to the bank than they'd have been able to get hold of in any other way. It was a fair deal. I could have said no, I don't have the strength to take on such a large loan, not again. Then the bank would have had to go on to -- the bank could have said no. We don't trust you, we're not lending you this money. Then I'd have had to find another way to get on with things. But we managed to come to an understanding...

Continuers compare how easy it is to negotiate with various economic actors, usually concluding that people in their environment are perfectly ready to negotiate. They describe how the different parties' willingness to negotiate affects people down the line like a favorable chain reaction: one economic actor will tell another that he has confidence in the bankrupt entrepreneur, and so on. Occasionally, continuers speak about direct support from certain concrete economic actors in their environment. An interviewee referred to as Paul supplies the following account:

> -- We had the bank with us all the way, you know. For if we'd got the rent down, the bank would have helped even more by cancelling, like, pretty well all of that loan. For they were, well, very interested in keeping it going, you know...

Another interviewee, Erland, also points to the favorable effects that arise when the different parties are willing to negotiate. The senior enforcement officer is told that an agent is ready to negotiate. Erland's account makes it seem as if more and more people in the surroundings are taking action to support him: “So the idea was, and the communication I had with the enforcement officer, that selling up was definitely the best option. So he let me get on with the business of selling.”

Continuers also mention how they deliberately prepare their continued economic contacts. An interviewee called Tony describes how he cleared up the financial mess after the bankruptcy, stressing that these efforts amount to showing good will to certain actors. According to Tony, these actors duly respond by indicating their interest in future cooperation: “So I paid off so much that my

loan against guarantee was down to fifty thousand. But they actually wrote it off...”

Continuers underline the importance of remaining in touch, of making it clear that they are interesting in ongoing contacts and in “warming up” relations that have gone cold (Asplund, 1987). To be sure, mutual uncertainty is an inescapable aspect of financial transactions, but recurrent transactions normally increase certainty and bolster trust (Simmel 1964; Sellerberg, 1997; Parker, 2004). Continuers keep “dropping by,” attempting to maintain an element of active participation in economic networks and to create trust through presence and contact (Hanlon, 2004; Giddens, 1991; Fukuyama, 1999). The interviewee called Patrik, who does not characterize his negotiating position as weak despite his bankruptcy (personal as well as business), deliberately strives to remain in his economic network:

> -- We lost touch to some extent. So there was a bit of a grudge, you know. So when I got in touch with the bank again a few months ago they were a bit, well, on the chilly side, and they didn't want to get on with anything. -- In fact, I dropped by, when I was working too, I'd drop by them… which means the situation actually looks very good for me, because I've got the biggest bank or biggest creditor, like the bank, playing along. That gives one quite a different sort of hearing with the rest of the creditors ...

Patrik stresses his own control of the scope for negotiation. He goes as far as saying that “Here at least I have the option of negotiating, you know. So you might say I'm the one who decides how tough it's going to be...”

By stressing his resistance to temptations the bankrupt distances himself from those who leave the legal economic networks (Wästerfors, 2004). In the comment below a tone of irony is discernable. Certain attitudes such as irony have a capacity for holding incompatible themes together (Strathearn, 2004). Lather (1995) uses the concept “‘ironic validity”’ for this discursive device of interweaving contradictions. Patrik argues that he acts honestly, although he could in fact have acted quite differently if he had chosen to: “In principle, you can deny the whole thing as long

as there's no -- If you haven't got a signature on an order confirmation, you can reject much of the material (laughter) that's out there. But that's if you want to be dishonest."

Kennet also describes his control of the negotiations, stating that he is the one who spells out the options, along the lines of "now there are two ways of dealing with this." He presents a supplier who is thinking of suing him with two alternatives. Quoting his own words, Kennet argues that the situation has changed thanks to his negotiating skills. He refers to the outcome as a test of confidence in him as well as a test of his negotiating capability. His opposing party continues to have a customer relationship with him, says Kennet:

> -- So I said to him, now there are two ways of dealing with this. One is you sue me, make a proper legal dispute of the whole thing, and then you'll lose because there's nothing real in there. I mean, I know what really happened. And the people around me know what really happened. I can pick up any number of people who'll say that that's how it really was. But you can do it, it's up to you. Then you'll end up with costs, quite a bit, but you're not going to get any money. The other way is I go on being a customer of yours. And you go on making money out of me. And after a little while you'll have earned this money back...
> -- Mm ... he accepted that or...
> -- Yeah, he swallowed that. I've bought quite a lot from him since...

Continuers stress how active they are in negotiations, but also how their network extends invitations to them, offering to cooperate on equal terms. Kennet, for example, says that the bank has asked him whether he wants to continue "in some sort of activity." Nor do continuers describe themselves as subordinate in their economic relations with, for instance, creditors. If anything, their accounts of their financial contacts suggest equality and closeness. They express themselves as not "unattractive" to continue doing business with. Expressions such as "[others] got in touch with me" illustrate this element in their narratives. Erland speaks about "my communication with the senior enforcement officer" or "my communication with the receiver"; Patrik says that the bank is "completely on board."

Continuers describe bankruptcy as an experience to be mastered. In that context, one has to be

aware of the informal rules. Patrik talks about “some sort of unwritten code.” Characteristically, Erland's account of his negotiations with authorities is based on knowledge he has picked up from friends in his own network who have been in the same situation. He talks about a friend of his, saying, “his communications with authorities and banks and all that, they've sort of given me information about the options...”

Another significant feature in continuers’ accounts is the description of situations which do not work out according to expectations, situations which leave them feeling “run over” and deprived of their say. Patrik describes this as “a wholly different world, a world that really feels awfully strange.” He characterizes economic interaction where he does not participate on equal terms as something deviant and peculiar: “And they talk an entirely different language. I felt like they're a good bit above. They don't listen to the arguments I had and that, you know, they just look at the legal practice, nothing else.”

Patrik’s narrative shows that he expects willingness to negotiate, closeness, equality, and informal treatment. When his negotiation fails or stalls, he tries to find out why; this is not the normal situation as far as he is concerned. The answers he comes up with may, in turn, yield fresh, informal bankruptcy information: “Because that told me a little about why things went the way they did in the bankruptcy proceedings.“ An interviewee named Paul describes an uncooperative contact as “incomprehensible,” saying “I don't quite understand how these people think.” Another entrepreneur, Peter, also shows a continuer's attitude to his economic situation. He has firm plans for the continuation of his company, a water-supply business:

> I ended up bankrupt, but my contacts and all that are still there, you know. So the potential today may actually be greater than it was just before the bankruptcy.
> -- Does that mean you've started over again now, so you've got...
> -- Yes, I've applied now ... I mean I've registered again as a private firm. And I'll go on with a private firm only (laughter).

Peter says that he is continuing to work with those same contacts that actually caused the bankruptcy. He calls his trading partners “my Englishmen”:

> -- I'm going on... I've worked with my Englishmen even though they were also.. partly responsible for ... Yes ... partly responsible for my bankruptcy but even so, they're nice people and I work with my Englishmen and it's been four years now I've been working with them.

Continuers stress the rationality of negotiating with their network, even after bankruptcy. Kennet underlines his own active efforts to keep economic relations going. Analyzing his negotiating position as a debtor in bankruptcy, he avers that it is not so very bad. He presents a clear picture of the options open to his opposing party, the bank. One of the bank's alternatives is described in forbidding terms: the bank could have chosen to “freeze me out” or “sell the deceased's estate to anyone.” Kennet's voice changes when he presents the second alternative: he might be able to “pull it off.” He emphasizes that he did have “a certain business capability.” Here, interestingly, the bank is referred to as the active and interested party in the relationship: “*The bank* found ...,” “*the bank* felt ...,” “*the bank* could have said no.” It is a “we're-in-this-together” kind of language. It is also, however, a language of economic statement: “the loss of capital was minimal.” The interview with Kennet presents a picture of problems solved by two equal business partners, the bank and Kennet:

> -- The bank had to choose either of two things after the bankruptcy. Either freeze me out and sell the deceased's estate to anyone...
> -- The bankrupt's estate...
> -- Yes, they'd have got a sum of money out of that. Then they wouldn't have had to lend me any money. Alternative two was for the bank to trust me to pull it off, that I had a certain business capability after all.

That is an account delivered from the point of view of an active businessman. Kennet never refers to

a hiatus in activity caused by the bankruptcy. Everything went on as usual, he insists. In his view, the continuation was made possible by various internal transactions and by the maintenance of certain vital economic relations:

> -- Well everything just went straight on as usual and once I'd bought the stock I arranged a big bankruptcy sale -- which wasn't properly speaking a bankruptcy sale, because it wasn't a bankrupt's estate that sold it. But it was a consequence of the bankruptcy, so I sold everything that had to do with the music shop here in Smalltown. That way I raised capital for the new firm. I got rid of everything I didn't want to deal with any more. And now, in the new small firm, I work a bit with sound installations and selling loudspeakers at the retail level. At the same time the wholesale company continues to trade all over Sweden and Finland at wholesale level, so my new small firm is a customer of the wholesale company. And I sell at the retail level, a bit of sound equipment and that sort of thing...

One of the entrepreneurs, Tony, even maintains that he saved money for the bank in connection with the bankruptcy. In order to “cheer up” the bank, he says, he made up an attractive balance sheet. He then showed it to the bank, expecting to be granted short-term loans and generous guarantees as a result:

> -- So I didn't have to pay it (a SEK 50,000 guarantee) thanks to my having sorted things out pretty well myself, saving such a lot of money for the bank ... well that was the profit of my action, you might say ... so they wrote it off, must be about six months ago ... and then the bank stood by me, I've got, I've still got the same bank actually and they haven't made any fuss or been nasty in any way, so I can't really agree with all this criticism of the banks. For they really stood by me and I've borrowed a little ...

The rejected

There is a striking difference between the ways in which the rejected and the continuers describe their relations with others. First, narratives of the rejected contain a consequential reasoning imbued with bitterness. They speak of how they were rejected at a concrete level, for instance, by other firms. On this basis, the rejected draw general conclusions: they were unnecessarily rebuffed and ill-treated. Second, these entrepreneurs often make comparisons to other tradesmen not rejected the

way they have been. The system is unfair, they say, and they are more subordinate and powerless than others. The rejected offer examples of how other economic actors have turned their backs on them. The interviewee called Gunnar says that people regard him as a crook, so he might just as well behave like one:

> -- I tried to ask for grace and respite and permission to make part-payments and that, at first. But then, you know, you get tired of it all at some point. If you want someone to behave like a crook, nothing beats treating him like one...
> -- Of course...
> -- And begging and pleading when you know it's no good anyway, because you know you're in a bad situation. But I never set out to cheat anybody, you know. I was totally committed to everything taking off properly, paying its way.

The rejected stress that they were dismissed in concrete economic negotiations and compare themselves with others who continue economic negotiations despite their bankruptcies:

> -- And they don't suffer like I've done. They can be declared personally bankrupt and can still have three four luxury cars and a grand house in England or somewhere...
> -- And a Swiss bank account (laughter)...
> --Exactly. And they sort of know in time that they've got to move their assets out there.

There is a tendency to generalize once the rejected has experienced unfavorable treatment from his economic surroundings: everyone around him dismisses him.

An interviewee named Ben describes how a rejecting attitude on the part of the world around him spread, becoming more and more general. The bankruptcy set off a kind of adverse chain reaction that affected him in a number of ways:

> -- I had success with that /the horse/ ... and then they suddenly discovered that I had, or some people got envious. So they tried to harass me over that ... and then, the central racing federation discovered or they were tipped off that I was in trouble, I mean in trouble financially. And they got hold of credit information on me. They found out that I have debts with the enforcement service and so on. So they took my licence away from me. Now I can't even train horses, just because of that ... so there was a bit of a catastrophe, quite simply...

As noted, continuers describe how economic actors in the world around them are linked in an

advantageous manner: if one favorably disposed actor takes the lead, they expect others to follow suit. The rejected, by contrast, are more likely to present themselves as passive victims of an unfavorable network. Economic actors in the world around them connect bad situations. Along the lines of what Goffman describes as “loopings” - processes in which efforts to fight humiliation and resist stigma lead to an even worse situation (Goffman, 1961) - the rejected speak of facing new trials with new economic actors, but everything turns out badly “all over my life, you might say.”

Ben, who had a restaurant, emphasizes that the same public money he now receives from “Social” could have helped him run his business. Ben describes his outsider status as a punishment meted out to him by society. As a result of his bankruptcy, he finds himself legally and economically outside the interaction in which he used to participate. That, in Ben's opinion, places a person in a position of subservience to the public authorities. Society's aim, he says, is to make it impossible for such a person to “come back” and once more become a part of normal economic exchanges.

The opposing parties described by the rejected do not come across as individuals; the rejected regard society at large, and authorities in general, as uncooperative. In Ben's words, the authorities “are out to get you.” The rejected stress how rejection affects their self-image. A vengeful attitude emerges. Ben articulates it in the following manner:

> -- I don't care, I mean I can always -- if I want to I can work without declaring any income and make money and they can't (get at) me. But I don't want to work. All I want is to be left alone. Now they've broken me, thanks very much, it's all over ... now you can take the consequences...

Ben says that the more he earns, the more the enforcement service takes, so he chooses not to work. In his view it is society, the state, and the authorities that have placed him in this outsider position: “Oh yes, sure, go to school, be paid five and five, they take three hundred, thanks a bunch, bye-

bye...”

The rejected frequently describe society's treatment of them as symbolic of how the world feels about bankrupts. They generalize about how economic actors behave towards them using what Pomeranz (1986) calls “extreme cases,” with phrases such as “like a wild animal in a cage,” “completely innocent,” and “strip you naked” to legitimize claims. An interviewee named Kalle says:

> -- I'm not saying it shouldn't hurt a bit. But you shouldn't be totally knocked out and humiliated the way you are when there's a bankruptcy. You really are, you know. It'd be much better if they tried to help you when they see you've lost everything, every last penny. And I was around forty then, full of energy and ideas, I'd always been working and I'd done well, earned a lot of money. It was like putting a wild animal in a cage...

Gunnar expresses himself in a way that reveals his inability to understand why society has placed him beyond the Pale. The bankruptcy, he points out, made the state of his business public property. Everyone could see there were no assets left. The world around him did not stand to benefit financially from rejecting him; it wanted to “screw him”:

> -- There should be more negotiating space, more room for composition with creditors, sorting it all out in a human way. I feel that generally speaking there's no point in starting a sort of war with people just because you happen to be stronger. Actually I think that sort of action is even more blameworthy than running into debt.

Continuers do not use such concepts as “broken” and “beaten,” but the rejected do. Several of them argue that the marginalization they describe is not just morally wrong, but economically irrational as well. Kalle says that society acted in a wasteful manner when it invested SEK 50,000 in an investigation that yielded a SEK 600 fine. That mode of action acquired symbolic properties for him, “this is how society regards you”:

> -- One sort of feels that there isn't a lot of money in this country, so resources could be put to better use than they were in our case. We were found guilty of an accountancy crime as well. We got the lowest possible penalty, a fine of SEK 600, and it wouldn't surprise me if they spent SEK 50,000 to get that 600 out of us.

Gunnar also underlines the irrational aspect of society's treatment of him. The rejected describe their situation as one that does not permit them to cultivate ordinary, “white” (that is, properly documented and declared) economic relations of the kind described by continuers. Instead, Gunnar outlines a relationship with his economic contacts that is characterized by conflict. Before he went bankrupt, suppliers were chasing him and he had to “feed the loudest screamers.” His outsider status leads to his illegal participation in economic activity, he says, as he sees no alternative:

> -- So they paid seven thousand for the pleasure of having me declared bankrupt. And the only thing that happened was that I had to ... keep from being active for three months. Which between you and me and I wasn't able to do, not quite.

Several of the rejected mention in passing that they have attempted new activities, but these activities were of the “black” - unofficial and undeclared - variety. One reason, of course, is the objective situation of not having enough money to be able to start a new business. Interviewees state another reason too, however: the “black” activity becomes a response to, and revenge for, the exclusion that they are subjected to. They speak in moral and frequently in dramatic terms. An interviewee called Valter makes comparisons with the ways other businessmen have been treated. Unlike him, he says, they were not rejected:

> -- So when I get there it's after one and the authority closes. I get no subsidy for my company. Everyone else gets subsidies for theirs, and you've got no bank loans or anything.
> -- You can't have anything. No accounts, no credit cards, nothing.
>
> -- And they sort of strip you naked after this. Because you know that if you were self-employed you get no unemployment benefit, no cash allowance, no grants, you get nothing. So there's nothing you can do.
>
> --... when you get the bankruptcy, you're completely thrown to the rats. There's nothing. The reason I'm sitting here is that I have this tremendous international past. I've worked more than seventy per cent abroad. So I have the option of starting up consulting work and pushing on. But I'm under enormous pressure to cope with all this -- I'm not a young man today, that I'm not. An old man trying to fight his way through all of this. But it's ... tough, you know, it's terrible. And

neither national nor local authorities take any sort of responsibility in this, none.

The rejected characteristically refer to the Swedish “system,” to the state and local authorities. Valter has “totally resigned from Swedish bank[ing],” he says. He is not speaking of a delimited contact with a particular bank, but of Swedish banks and Swedish authorities generally: “No, never. A foreign bank, that I might consider. But never a Swedish bank. There I feel that the worst of the fiddling and hanky-panky that goes on in Swedish business, it's in Swedish banking...”

The rejected also dwell on the disproportionate reactions they face from the world around them. Society, they say, expends massive negative energies in the bankruptcies of its firms - bankruptcies that were, after all, “very minor affairs.” According to an interviewee called Vincent, his “bad name” is now on record all over the place; his bankruptcy has generated “five kilos of computer printouts.”

> -- I mean the receiver, gets paid for his work, he doesn't give a damn how the firm is cut up and what's sold and what it fetches. Just as long as it's enough so he's able to cover his own work. For it's not about getting the maximum out of it at any price, to reduce the maximum effect and the damage that's done… All anyone cares about is that everything must be ripped out and got rid of.

The rejected stress that their distrust of their surroundings is due to their surroundings' distrust of them. It was their network that started it, so to speak. Actors in the economic environment were only interested in laying their hands on the spoils, “slaughtering,” making them even more marginalized from ordinary economic networks.

The withdrawn and the analyst

The withdrawn (4 bankrupts) and the analyst (1 bankrupt) will be described more briefly. Continuers, as noted, describe themselves as equal and active partners, whereas the rejected describe themselves as marginalized and “doing business on the sly” - the latter sometimes being presented as acts of revenge for their humiliation. The withdrawn dwell on their concrete rejection, too, but

they do not express any feeling of revenge, nor do they talk about taking action in any way. The withdrawn present themselves as observers. They talk about former (no longer operating) concrete economic relations in a very favorable manner. The question of whether their customers still feel well-treated preoccupies them. They often speak about their legacy, stressing the importance of their reputation, anxious that what other economic actors say about them should be favorable in spite of the bankruptcy. Some of them do not use the word “bankruptcy,” preferring to say “my reputation” in relation to the bank as a result of what happened with the business.

The withdrawn underline the worsening of their negotiating position - in the bankruptcy itself, but also in the stage when it was drawing close. In the bankruptcy situation, they point out, the terms of negotiation change, and they are no longer able to negotiate on their own terms. They use such words as “panicky” and “confusion.” Continuers, as was pointed out above, stressed a sense of equality; conversely, the withdrawn lay stress on their *not* being equal. What the withdrawn describe as particularly mortifying is the way their firms were treated. The withdrawn express a kind of underlying discord; they see themselves as capable entrepreneurs and plain-dealing professionals, but the world around them did not recognize their virtues.

Only one narrative describes the final category of the analyst, but it had such distinctive features that it invited consideration under a separate heading. When Max speaks about economic relations, he does so on a theoretical level and presents himself as the equal of those he talks about. The analyst describes the situation analytically, from the outside, as an observer of events: owing to the orientation of the political system, certain occupational categories are excluded from the kind of negotiations that other people conduct. Farmers and small entrepreneurs start off in a less advantageous position than others. The analyst describes how laws and the economic system influence both his own negotiating position and the positions of other professional groups in society.

His narrative leads the listener to understand that the analyst has seen through the system and perceived the true state of things. It is not, however, characterized by the aggression of the rejected, nor by the reticence of the withdrawn. An analyst would not say that “society broke” him. Instead, he argues - by way of an analysis of the situation - that his problems were caused by certain ministers and by a certain government's legislation.

Conclusion

The emphasis in this analysis has been on how the contradictory themes combine. The question of *why* the failed entrepreneurs evolved such dissimilar combinations of contradictory dimensions is well beyond the scope of this paper, but certainly invites more extensive research.

One feature is apparent in all the interviews, however, regardless of which category an interviewee belongs to. In a variety of ways, the narratives illustrate the great value attached to being a participant - actual or potential - in an economic network, and a trustworthy and acceptable commercial partner. Other economic actors are, to borrow Mead's (Mead, 1934) and Becker's (Becker, 1970) terminology, significant. In spite of being removed from economic participation, bankrupt entrepreneurs seem to feel that their economic networks matter a great deal. In their narratives, other actors in economic networks are the important others.

This study has not investigated how those important others might look upon the four ”attitudes” of the bankrupt position. In researching this study, however, this author has participated in discussions and conferences with “relevant” others. The second question raised in this discussion thus deals with how these others perceived the attitudes portrayed by the four categories, specifically considering which would be a worthy future economic actor. Queries came up after a lecture that this author delivered to an audience consisting of members of the Swedish Bar Association. All of them had worked with bankruptcies, mostly as receivers in bankruptcy, and they wanted to discuss

forecasts. One of these lawyers submitted a written commentary on the lecture, maintaining that the only type one might go on working with were the continuers. According to him, the other bankrupts were distancing themselves from existing networks. Hence, they seemed impossible as future economic actors, not for legal reasons but because of their ways of interpreting their position (Hägglund, 1999). The lawyers seemed only to distinguish between two types of failed entrepreneurs. On the one hand there were the continuers, whose narratives spoke of efforts to push on or begin again as participants in networks. On the other hand there were all the others. In these cases, as one of the receivers put it, “new starts are likely to be much rarer occurrences” (Hägglund, 1999).

The continuers regarded themselves as attractive negotiating partners for other economic actors even after the bankruptcy; characteristically, they would set about warming up any economic relations that had become chilly. The account of these efforts presented above illustrates Granovetter's idea of “embeddedness” in economic networks. Such embeddedness involves processes that economic actors must work to maintain and keep “warm,” especially if they find themselves on the periphery of the network. The receivers paid special attention to this indefatigable desire to form part of an accepted economic network. In their view, it made all the difference: the continuers were the people they believed in. Embeddedness is interaction: The receivers looked upon the continuers as useful future economic actors and the continuers saw themselves as participants in economic networks.

In Sweden,t here is statistical analysis about bankruptcies – by region, by season, by number employed, etc. This article stresses the importance also of qualitative data, and specifically, the bankrupt businessman’s own interpretation of his new position. As a bankrupt, the incumbent

experiences a number of rejecting signals. He is marginalized legally and economically. A majority of those interviewed in this study responded by withdrawing, in different ways, from their economic networks. It seemed to be hard work to go on contacting other actors as the continuers did in spite of the rejecting signals. Practically, those turning away from life as a businessman still have the potential to contribute to economic growth, in spite of their failure. The continuers' attitude and their assiduous contacting of other economic actors seemed to become wholly decisive for their continued economic activity.

Failure is common in many fields and there is a great need for more qualitative data to understand that experience, specifically for business failure. What kind of interaction is a budinessfailure? The perspective of symbolic interaction seems to be highly relevant in connection with the embeddedness (and disembeddedness) theories.

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