

**Obstructing innovation: Social processes that inhibit innovative entrepreneurs**

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### **Obstructing innovation: Social processes that inhibit innovation**

This paper is based on participant-observation research conducted over a two year period in Marlborough, New Zealand (Lynn, 2015)<sup>1</sup>. While the primary focus of that research was the lived experiences of innovative entrepreneurs, broader social data was collected<sup>2</sup>. The social data collected supports the contention made by Fontan, Klein, and Tremblay (2004) that understanding the social structures and processes within which innovative entrepreneurs are embedded is important. These social structures and processes have both an independent and a combined effect on innovation and entrepreneurship (Fontan et al., 2004). Dahlstrand and Stevenson (2010) argued that the coupling of innovation and entrepreneurship and improved understanding of the social influences affecting (specifically) innovative entrepreneurship are integral to effective economic development policy at a regional, national and supranational level. Economic development differs from economic growth in terms of the complexity of measures, with economic development embracing a myriad of micro-economic interventions sufficient to distribute wellbeing, in particular, by broadening access to opportunity (see Sen, 1999 and Feldman, Hadjimichael, Kemeny, & Lanahan, 2016). Such development may either devolve from or catalyse growth as measured by macro-economic outcomes such as Gross Domestic Product. In this paper I focus primarily on economic development and the micro-economic (and therefore micro-social) influences in relation to innovative entrepreneurs who have been shown by extensive research to catalyse both economic and social change (Baumol, 2004 & 2010; Baumol & Strom, 2008; Low & Isserman, 2015; Schumpeter, 1983 [1911, 1934]; Schumpeter, 1994 [1934]; Sternberg & Wennekers, 2005; Wennekers & Thurik, 1999).

As catalysts of both economic and social change each innovative entrepreneur can be conceptualised as a nexus in regional economic development (Feldman, Hadjimichael, Lanahan & Kemeny, 2016). Innovative entrepreneurs change the physical and social landscape around them, catalysing investment in new infrastructure, stimulating new human and financial capital, making new uses of existing resources and creating new markets, processes and technologies (Lynn, 2015). They are the pragmatic problem solvers that develop new products, services, processes and markets; through this they bring new value into being, catalysing both micro and macro-economic

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<sup>1</sup> Social data and analysis from Chapter Six of Lynn (2015) has been reproduced here with the permission of the author.

<sup>2</sup> While observations included thousands of participants, the interview data included 317 entrepreneurs. Based on Baumol's (2010, p. 18) differentiation of replicative and innovative entrepreneurs this sample was analysed as 37% innovative entrepreneurs, 36% owners of replicative enterprises, 10% innovation support people, 8% community support people, 6% investors/investment support people, and 3% sole-trader/independent advisers (not innovation focused).

and social changes (Lynn, 2015; Schumpeter, 1983 [1911, 1934]; Schumpeter, 1994 [1934]). However change is not always welcome in the recipient society even when shown to have welfare benefits (Coser, 1957; Lynn, 2015). While proponents (those who support change but provide critical analysis and ideas on specific change proposals) offer valuable challenges and insights that refine innovative entrepreneurship, there are those who obstruct the activities of innovative entrepreneurs in a manner which, at first, may appear to belie rationality (Lynn, 2015). While proponents participate in refining interventions, other factors such as economic rent-seeking (the use of the resources to obtain benefits from others without reciprocation)(Kuznets, 1968; Mokyr, 1990; Ríos-Rull, 1996; Parente & Prescott, 1997, all in Acemoglu & Robinson, 2000), the “not-in-my-back-yard phenomenon” (Gleeson & Memon, 1994) and vested interests (a strong personal interest or advantage) (Acemoglu & Robinson, 2000; Rodrik, 2014, p. 189) may catalyse conflict.

However, Coser (1957, p. 203) argued that relying upon concepts such as vested interests when analysing resistance to economic change may oversimplify analysis of social influences and effects. For Coser (1957, p. 197-201), the key is to study the *purpose* of social conflict as it arises in relation to specific contexts, rather than to make assumptions of vested interests (in particular, the type of vested interests and by whom such interests are held). In other words, to study the specific inter-relationships between the activities that are conceptualised as social conflict: the social structures involved; the drivers (social and economic) for change; the mechanism/s by which social change might be achieved; both the likely effects and the *perceived* effects of change, and; the structures, drivers, mechanisms and effects of resistance to change. For Coser (1957, p. 203) the analysis of vested interests was over-simplified by imposing materialist frameworks that failed to account for new and organic forms of social structure, or for the intricacies of the inter-relationships within them. Innovation can be catalysed by the desire to provide social benefits, rather than being limited to profit motives (Lynn, 2015). Innovation can also be resisted by—not just rent-seekers or those with vested interests—but by those who have limited access to information and who are, therefore, limited in their understanding and potentially open to manipulation (Rodrik, 2014). Rodrik (2014, p. 191) conceptualised this as a need to explore the ideas that inform the various perspectives of those engaged in social conflict as these ideas define the belief systems of the protagonists and thus shape the way they perceive a situation despite evidence that may support a contradictory viewpoint.

Complexity, therefore, cannot be avoided. Ideas influence policy-makers, implementers, innovators, entrepreneurs, proponents, protagonists, and people within recipient communities; and all may hold different ideas/beliefs that will either enable or constrain innovative entrepreneurship. Thus

innovative entrepreneurs are influenced by and function within what Stewart (1991, pp. 150-151) termed their social embeddedness<sup>3</sup> and their potential (in the light of social conflict) for disembeddedness (Stewart, 1991, p. 150-151; see also Granovetter, 1985). The discussion I am opening here focuses on a relatively small town in New Zealand with a population of 43,416 people (Statistics New Zealand, 2013). It is therefore important to be clear about the limitations to this analysis. First, this analysis was contextualised in relation to the social and economic environment as this interacts with innovative entrepreneurs. Second, this discussion generated from rich points (Agar, 1997, p. 1157) in the social data such as the self-isolation described to me by many innovative entrepreneurs in the region and my observations of the social structures and processes that influence this self-isolation. Third, I reiterate that it is appropriate to contextualise this analysis as the opening of a discussion; I contend that we must embrace complexity in our analyses and this is neither the work of a single moment, nor of a single research project.

I therefore recommend further exploratory research that provides a more comprehensive conceptualisation of the social structures, networks, processes and information flows within the sample region of Marlborough. In addition, I contend that it would be valuable to conduct comparative analyses on regions of a similar size as well as comparison to a larger region (such as Auckland). I have signalled tension between innovative entrepreneurs and their social context and I recognise that this tension, as well as the introductory nature of the social analysis may be mildly uncomfortable for the reader, however, I concur with Coser (1957), Fontan et al. (2004), Granovetter (1985), Rodrik (2014), and Stewart (1991) that the study of social influences is important. Due to ethical considerations and the troubling aspects of some of the social processes described in this paper participant confidentiality is maintained. In this paper I discuss the formation of social sets in Marlborough, New Zealand. Next, I discuss the role of people I term “obstructors” in the manipulation of social sets in Marlborough. Where appropriate I provide evidence such as articles, blogs, interview notes, observation notes, email excerpts and so forth which are typical of what I have observed. Publicly available information is utilised in addition to personal interview notes. I then offer a model that adds insight into how obstructers attempt to “pull” influence away from leaders (in particular, political or institutional leaders, but this then extends to innovative entrepreneurs) with the goal of appropriating institutional or social power. Finally, I close with a discussion of relevant literature and recommendations regarding further research.

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<sup>3</sup> “Embeddedness” acknowledges the perspective that entrepreneurship occurs within broad social processes. The concept of “disembeddedness” reminds us that embeddedness can be conceptualised as a matter of degree with entrepreneurs being either more or less embedded dependent upon compatibilities with the social environment (Polanyi, 1957, in Stewart, 1991, see also Granovetter, 1985).

### ***Social sets in Marlborough***

In order to explore the social structure<sup>4</sup> of Marlborough I utilised a form of social network analysis that focuses, qualitatively<sup>5</sup>, on meanings in the social interactions and how these articulate a social structure (Marshall & Staeheli, 2015, p. 58). This approach requires that the researcher is embedded “within the inner workings of a network ....” (Marshall & Staeheli, 2015, p. 58). Sometimes conceptualised as a “performative approach”, this enables visualisation (figures one to five) of the research space as it was experienced by the researcher in the process of exploring innovative entrepreneurship in Marlborough (Marshall & Staeheli, 2015, p. 58). Doing so encourages the reflexive understanding that I was within the social context described, able to be influential within it, and limited in my analysis of it by the aim of my study to explore the lived experiences of innovative entrepreneurs (as opposed to exploring, say, disaffectedness in the society). This approach also assisted me in “systematically extracting ... data to reveal patterns and structures not otherwise apparent” (Mitchell, 1986, in Marshall & Staeheli, 2015, p. 58). For the purposes of my analysis, I define social networks as a system of relationships that tie people together, and can both enable and constrain the individual (Morris, 2012, p. 233).

Within days of my arrival in Marlborough (early in 2012) I received an invitation to meet for coffee with a person associated with a local institution. This participant has lived in Marlborough for much, though not all, of their life. Having been asked whether I had a preference for the venue I suggested a local cafe which was large, usually almost empty and therefore quiet. However, when I suggested this as a meeting place the participant responded “*oh no, you mustn't go there*” and suggested an alternative venue which I accepted. On meeting, the participant explained the café conundrum to me noting that “*there are certain people and therefore certain places in Marlborough that do not mix*” (P01, Personal Communication, 4 April 2012). I asked, why? P01 responded: “*Grievances. People who don't get along or who had an argument once, who disagreed and they don't talk any more. It might have happened generations ago, but they just avoid each other; it's just easier that way.*” I wrote this down as it was interesting. I later recognised this as my first introduction to social “sets” in Marlborough. The veracity of P01's information was confirmed repeatedly as I began to meet other people in Marlborough. This was not an isolated incident. As I went through the long process of one to one conversations and observations, this issue kept arising.

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<sup>4</sup> Social structure is defined, for this analysis, as patterns of relationships with a society. The society is conceptualised as the population of Marlborough New Zealand.

<sup>5</sup> For clarity, no quantitative analysis was undertaken, data analysis focused on qualitative engagement in order to observe patterns and explore meanings and relatedness.

When an opportunity arose to work alongside the Marlborough District Council (MDC) in setting up a database of entrepreneurs who might like to attend their economic development forums I was cautioned with respect to who might be included *“because if you invited [this person], [that person] wouldn’t come”* (P02, Personal Communication, 13 April 2012). This being said, no constraint was placed on who I decided would be on the database. The forewarning was useful as I then ensured that I researched as broadly as possible to identify entrepreneurs for the database, and I added network sampling and snowballing to extend the reach of the database as far as possible. When the MDC began to hold their forums, which I was asked to facilitate, this resulted in some interesting and unexpected occurrences represented by the following example: Two participants arrived at a forum separately and sat opposite each other with their arms folded across their chests, warily glaring at each other. I had interviewed both by telephone prior to meeting them at the forum. Both contributed to the general discussions between the entrepreneurs and became increasingly animated as discussions progressed. At the end of the session, each eyeing the other, both approached me and the following discussion ensued:

P03: *That was bloody useful, well done.*

P04: *It was, bloody useful.*

P03: *“You probably don’t realise why it was so useful. But you see this fella here?”* [Pointing to P04] *“I haven’t spoken to this fella in over twenty years. And he’s one of my neighbours.”*

Me: *“Really?”*

P04: *“Yep. It’s a pleasant walk between our properties, can’t say I’ve walked it recently though”* [both laugh quietly].

Me: *“Why?”*

P03: *“I don’t really know. Probably something someone said to someone else. Eh?”<sup>6</sup>*

P04: [Nods] *“Likely.”*

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<sup>6</sup> My assessment, from observation of the exchange of glances that occurred when this was said, is that both could outline the conflict that had catalysed avoidance but did not wish to raise it (thus, once again, avoiding it).

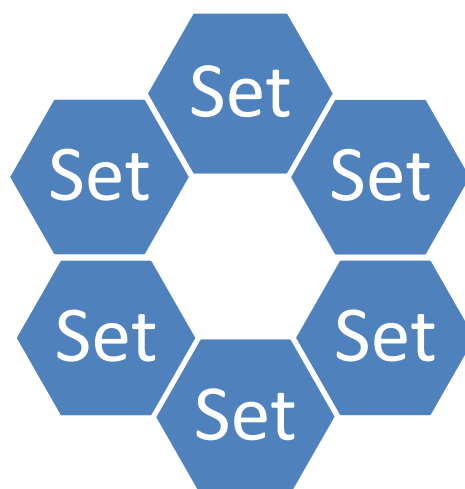
P03: *“The thing is, Amanda, I would have sworn before today that this fella and I have got nothing in common. Yet I’ve sat here today and almost everything that’s come out of his mouth, I agree with. If you’d have told me that would happen I wouldn’t have believed you.”*

P04: *“Yep, same. I had no idea we had so much in common.”*

(P03 & P04, Personal Communication, 7 June 2013)

In the following months I would occasionally see P03 and P04 arrive at forums and events, walk over to each other and chat a while and then go on about their other conversations. I learned that these participants had lived next to each other all of their lives and both were entrepreneurs in the same industry. I was surprised to meet two individuals, embedded in a small community, whose lives had remained so separate while living so close to each other. I was not surprised that these people shared common experiences and ideas as this had been revealed through individual telephone interviews. This rich point—implicit compatibility amongst the explicitly incompatible—was not just apparent to me. It was a source of confusion often communicated by the participants themselves through the preliminary interviews, and later telephone calls and emails sent to me. Often, this would be articulated as a question: *“Why can’t we just get along?”* What was becoming increasingly apparent was that Marlborough was divided into social “sets” of people who shared similar views and characteristics (figure one). The formation of sets was adaptive, with people forming social sets with like-minded individuals to avoid conflict.

Figure 1: Social sets in Marlborough



However, the avoidance of conflict by forming social sets was not an effective adaptation for everyone. When I broke the database of entrepreneurs down into replicative and innovative entrepreneurs (see footnote two) the data illuminated differences. For the replicative entrepreneurs local social sets appeared relatively stable across time with the replicative entrepreneurs remaining engaged in local community activities and institutions. However, for many innovative entrepreneurs engagement with localised social sets became much less frequent across time, to the extent that some innovative entrepreneurs became self-isolating. This was described to me as relating to continuing conflict both *within* and *between* the social sets. For example in one instance an award winning innovative entrepreneur told me of their decision to *“move ourselves and the business well out of it, where it can’t get to me.”* This entrepreneur had physically relocated a business to a remote location, noting *“my customers aren’t here; I don’t need to deal with this stuff.”* (P05, Personal Communication, 12 June 2013). In another instance, a participant shared with me their decision to *“stop going to stuff, or if I go I leave straight after [claps hands], out of there.”* (P06, Personal Communication, 6 November 2014). The self-isolation from local social sets was so pervasive that a participant commented, in passing: *“... he and I are great mates, he still works for me, but I haven’t seen him for years”* (P07, Personal Communication, 7 May 2014).

Such participants described the self-isolation as an adaptation made to avoid ongoing local tensions, which were often described as *“coming out of nowhere”*, or *“out of the left field”*. A participant described the effects of the conflict to me:

*“I thought I was doing something good, something useful. And maybe I got a bit of full of myself. I don’t know. But I’d build myself up<sup>7</sup> and out I’d go and I’d get knocked about. And I’d just come back home and not want to go out again. I didn’t know what was happening.”*

(P08, Personal Communication, 22 May 2013).

Of additional interest to me in relation to the data of the innovative entrepreneurs, was the growth in the strength of their relationships where these were external to Marlborough. Growth in both the strength and breadth of their relationships outside of Marlborough suggested to me that the social skills of the innovative entrepreneurs were not the cause of relationship breakdowns at a local level. Also the sense of reward the innovative entrepreneurs expressed in relation to the formation of new networks indicated that they value their relationships. Finally, it was apparent that the decision to self-isolate was made, to some degree, under duress. The participants expressed hurt and anger,

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<sup>7</sup> “Build myself up” refers here to gathering one’s courage.



indicating that they would prefer to maintain better local relationships. For many innovative entrepreneurs I spoke to, the social disengagement from sets was mirrored in disengagement (where feasible) from local support institutions.

As the initial forums completed and I had become visible and accessible to the local entrepreneurs, more innovative entrepreneurs sought me out and accepted my open invitation to engage. The issue of social challenges continued to come through. For example, I began to receive a series of emails and thought pieces from an innovative entrepreneur. The participant had been asked to take on an institutional leadership role but was hesitant to do so. As this participant worked through the issue, the participant began to talk of “forces” in the social environment of Marlborough that focused their attention on creating conflict:

*“One thing that stands out to me and that is how a community spirit can be disempowered and misguided by shallow thinking, ego and emotion that end up potentially motivating and empowering people in the wrong ways.”*

(P09, Personal Communication, 20 May 2013).

In this participant’s view the issues experienced in Marlborough were brought about by people who, serving their own “ego”, created disharmony by encouraging negativity. According to this participant, Marlburians in leadership roles (that being, the appointed, elected or acknowledged leaders of private organisations, public institutions or social groups) were unable or unwilling to deal with the negativity as the personal cost of doing so was too high:

*“I feel too often [that] leadership appeases the public for short term gains, or [implement] short term solutions to the detriment of facing the real problem.”*

(P09, Personal Communication, 20 May 2013)

This participant described the loss of time and energy experienced when dealing with “negativity”, noting the effect on both their business and personal life. The participant also noted the way that media were used to reinforce or conflate negativity as issues were:

*“... played out through the media. Some would call it politics I guess. I see it as poor use of energy and resources.”*

(P09, Personal Communication, 20 March 2013)

In this participant's opinion:

*"This town needs a shake-up".*

(P09, Personal Communication, 30 May 2013)

### ***Manipulating social sets in Marlborough***

As my fieldwork progressed and the engagement with innovative entrepreneurs intensified, I would often return to such reflections and the insights they provided. At interviews with participants, observations and in local media the thread of negative behaviour continued to come through. Innovative entrepreneurs would describe to me their decisions to self-isolate, the personal cost of self-isolation and the formation of new social networks outside of Marlborough. I provide here an example of the kind of challenge that participants faced. The following is an excerpt from a discussion with an innovative entrepreneur who was explaining to me why it is wise to trust only what you experience of individuals, rather than what you hear about them in Marlborough, noting: *"I don't judge people on, you know, what you hear. I do it on how I find them"* (P10, Personal Communication, 7 May 2014).

In this participant's example a newcomer to Marlborough set themselves up as a spiritual leader in the community, although the person presented no qualifications or evidence to support a legitimate claim to such leadership. The person, traversing local social sets, discovered a point of conflict and attached to a group of people affected by the conflict. This person then began an obstructive campaign against P10, which increased the conflict:

*"... this rooster<sup>8</sup> started bagging me publicly. And it went on and I rang him up and I asked him to refrain. It didn't make any difference. And one day it got to a point where I said to him, 'I'm gonna come up and have a word with you.' So I went up and as I was leaving one of the staff here said, hey [P10] I'm gonna come with you in case it gets out of hand ... I said, look there's no worry about that ...*

*So anyway, I said to this bloke this has got to stop, I'm not gonna put up with it anymore and I left it at that. I was angry and I was pointing my finger and I said: "This has got to stop." And I turned and I walked away, anyway ... the allegation is that I threatened this bloke. But other*

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<sup>8</sup> "Rooster" is a term that signifies someone who is arrogant, and who struts about crowing.

*than saying this has got to stop—I don't know if that's a threat—but I came home and in no time at all I had the Express ringing me up that this bloke had been to the paper and [said that I] had come down and threatened him.*

*I said, 'that's a lot of cock<sup>9</sup>.' And they said 'he says you've threatened to burn his house down and beat him up.' And I said 'that's just ridiculous.' The next day they had the biggest letters that I've ever seen in the Marlborough Express, they were that deep [gestures], '[P10] threatens' and the police are involved, so, he made a complaint to the police."*

(P10, Personal Communication, 7 May 2014)

I asked the participant: How did it feel to be in this situation? The participant responded:

*"It felt like a betrayal. It absolutely did. It was a weirdo's allegations and there was nothing else in it. The police, because obviously he'd made a complaint and they checked it out, and they found nothing in it ... but I had my name tarnished. That made me really angry."*

(P10, Personal Communication, 7 May 2014)

Having heard many stories, some similar to the one related above and some less dramatic but following a similar pattern, I began to reflect on why this occurs in Marlborough and how I could find out more. Participants had described to me their perspectives and I had been close enough to witness their pain, anger and confusion. In addition, I had witnessed aspects of the human cost of difficult and public situations that had occurred just before I arrived in the region. This included public accusations of corruption within the MDC that appear to have been founded on unsubstantiated assertions (Marlborough Online, 2011), and that were disproved by an independent investigation (Sheard, 2011). I recognised that a high price was being paid by targeted leaders. For example, P10 noted the decision to disengage from local social and institutional structures:

*"And, look, it's for that very reason that I've decided not to become a member or contribute [in person] ... I've had invitations to other groups and I don't go*

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<sup>9</sup> "Cock" is short-form of the term "Cock and Bull" which refers to lies; in particular, a lie that is based on an exaggeration of the truth.

*near any of them. Because it all ends up with a heap of shit, strife and stuff that you actually don't need. So, that's why I'm pretty solitary."*

(P10, Personal Communication, 7 May 2014)

I wanted to improve my understanding of the experience of individuals that become a target of the kinds of behaviour described above. Why were these entrepreneurs targeted? I needed to improve my understanding of the motivations and processes of what I had come to call, in my own mind, obstructers. I define obstructers as individuals who systematically obstruct leaders by interfering, creating hindrances and impeding their actions in order to sabotage desired outcomes or development. As obstructers appeared to focus their attention on some entrepreneurs and on some institutional leaders, I was looking for an opportunity to be seen as a leader—rather than just a facilitator or researcher. I needed to create the perception that I could influence entrepreneurs and/or institutions. My opportunity presented itself when I received an invitation from the MDC to attend an industry and community workshop involving the MDC, Destination Marlborough (DM) and the Marlborough Chamber of Commerce (MCOC). The workshop was being facilitated by contracted consultants from Christchurch as a part of a project to develop “The Marlborough Story”. By this stage I was well known and at the close of the workshop I received requests from some of the business and community leaders in attendance to take a leadership role in the project. I volunteered to the MDC to design a structure for them in the form of Governance, Steering, and Advisory Groups to assist them to achieve the story. If they found this structure worked well, they could replicate it to widen community engagement on other projects.

The MDC agreed and requested that I also volunteer to peer review the workshop synopsis being produced by their contracted consultants. All was accepted on the basis that there was agreement from MCOC, DM and the workshop participants. We then set a meeting inviting the institutional representatives and the original facilitated group to a presentation outlining the proposed process, the idea that I would Chair (per above) and to offer and receive recommendations on Steering Group members. At that meeting a vote was taken approving the Chair, structure and process. This was done on the basis that I would become a facilitative Chair (without a vote and not contributing to the Story as this belongs to Marlburians). Within days of that meeting the obstruction became pervasive. Obstructive behaviour came in the form of disruptive behaviour at meetings, rumours, backstabbing, negative comments about me in blogs and a proliferation of emails to me and about me that were forwarded around Marlborough and successively copied, and blind-carbon-copied to many parties. Much of this would have been unknown to me had participants not—understanding my role as a researcher—shared information passed on to them, with me. I cannot accurately gauge

how widely the effects of the obstructive behaviours travelled, except that a colleague within a Ministry in Wellington contacted me to advise me of colleagues *“concerns in relation to my wellbeing over things happening in Marlborough”* (P11, Personal Communication, 1 October 2013), and a relationship with a new contact in Auckland ending due to backstabbing.

For clarity, backstabbing is a treacherous or underhand attack on a person (esp. by a former ally); or, unsuspected criticism or abuse (OED, 2015). Rumours are talk or hearsay not based on definite knowledge (OED, 2015). It was the rumours and backstabbing that highlighted how obstructers infiltrate sets and institutions and then use these links as “evidence” for the validity of untrue assertions. For example, I had formed a connection, though not in person, with an influential company director whose name arose as a person who might like to be involved in The Marlborough Story project. In the past, our telephone and email communication had been succinct but collegial. Now, I could get no reply by telephone or email. I contacted another local leader and asked that person to make contact with the company director to ascertain why there was no response. The company director responded that they had been advised by someone formerly associated with the MCOC that the Chamber was not supportive of my leadership of The Marlborough Story Steering Group and had pulled out in protest. Due to this indication of conflict, the company director decided to ignore my approaches. In truth, the relationship with the MCOC was sound and I was meeting with the President of the MCOC on a regular basis. I contacted the Chamber President and this person was able to reassure the affected person of their continued engagement and their support of my Chair.

However, this did not stop the process of obstruction. The task was now being delegated to a disaffected associate of the obstructer who began an email campaign. The following is a sample excerpt from an email stream:

*“It appears the Chamber are now removed from the project. Where does that leave input and representation from the Business Community comprising >500 Members?”*

(P12, via others, Personal Communication, 1 October 2013)

To which the MCOC offered the following clarification:

*“Chamber of Commerce is a member of the governance group, as is Council and Destination Marlborough. The Mayor, Chair of DM and*

*Chamber President meet with the Marlborough Story chair every few weeks.”*

(P13, Personal Communication 1 October 2013)

In the meantime I was invited by an industry leader to attend a round table meeting being held in Marlborough that was being chaired by the company director who had been the recipient of the original rumour. The conversation at this meeting revolved around understanding regional economic data and the influence of industries on the economy. The group also sought my feedback on wording of a proposed policy. At the end of this meeting the company director addressed me and thanked me for attending, apologising for ignoring contact from me and noting that he found my contribution helpful. The company director then confirmed the obstructor’s use of backstabbing, stating: *“You’re nothing like [name withheld] described you”* (P14, Personal Communication, 6 July 2013). Such incidents assisted me to understand that rumours were used to promulgate conflict, while backstabbing was used to personally discredit. Both had the same result, avoidance.

Across the term of my voluntary tenure of the Chair the obstruction persisted. For example emails were being directed to institutions accusing me of being *“self-appointed.”* When this was refuted, I was accused of being appointed by the MDC and therefore not independent. When reassured by the governing institutions that I was both voluntary and independent the emails would then, tautologically, question the legitimacy of my leadership on the basis that I was voluntary and independent; indicating that my independence endangered the intellectual property of the story:

*“Are you able to confirm [name withheld] advice is as you understand it to be and that Amanda is, in fact, now operating in a totally freelance voluntary capacity with no constraints enforceable for the IP developed thus far and ongoing.”*

(P12, via others, Personal Communication, 1 October, 2013)

At the same time, my inbox was bombarded with emails (as were the inboxes of some of the Steering Group and Advisory Group members). When a Steering Group member responded asking to be removed from an obstructive email list, an email was sent promulgating the rumour that the said member had resigned. The emails to me arrived almost every day, sometimes many times a day, and would grow in size throughout the day. Each time I answered a question a new series of *“comments”* and new questions would be added to my answers. Response emails would sometimes attract up to ten new questions, alongside requests for documents already submitted as well as assorted imaginary documents. In addition, emails used an instructive tone making demands for me

to take actions, and accusatory language that implied conspiracies and leadership failures. I was even accused of failing to meet a deadline five months before it was due. In one example I received a seven hundred and seventy five-word email that implied a waning of support, failure to communicate, “*missing*” documentation, and attempting to portray group discontent through unsubstantiated “*corridor communication*”:

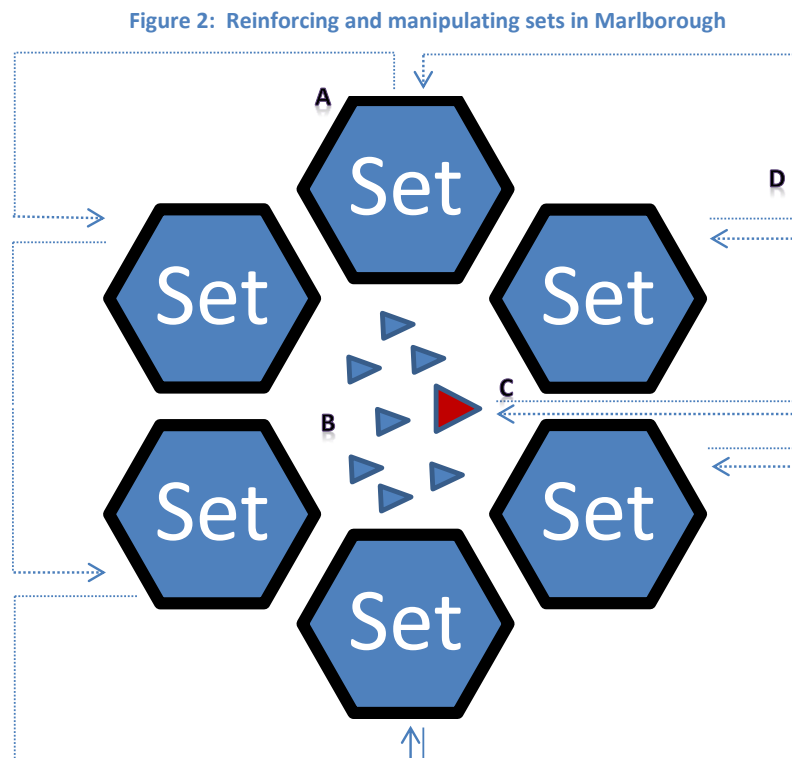
*“It seems, however, that things may now have ‘waned’ somewhat given the casual feedback (corridor communication) from a number of people who seem neither to fully understand ‘where to’ and ‘how’ or are provided little more than the minutes of meeting of the Steering Group. Has there been another meeting and minutes I am unaware of please?”*

(P12, Personal Communication, 2 August 2013)



As the process had been explicit and conducted as agreed it was clear that none of this was true; however, that did not stop the email being annotated and sent—then copied to leaders in four institutions. In October 2013 I stepped down as Chair of The Marlborough Story Steering Group as had always been intended. The structure was in place and we had developed a protocol to take the project forward. In stepping down I noted, via email to the Governance Group and the Steering Group, the sense of privilege I felt in being allowed to work alongside Marlburians on the project. However, I was exhausted and my temper was definitely frayed.

With this being said, being the Steering Group Chair was a valuable and illuminating experience that highlighted the process of obstruction and brought me closer to both obstructers and their adherents, providing valuable data. What I discovered is a social process that is repeated time and again and is thus a pattern. Obstructers within Marlborough are few but their process is effective. Obstructers are people (not organisations or institutions) who appear to act in their own interests. Obstructers have their own informal leadership structure; they make adherents of the disaffected. The disaffected are people who are estranged in allegiance and unfriendly or hostile to authority. Some disaffected owned businesses, or purported to be consultants; they did not appear to be powerless individuals or to lack resources. The disaffected seemed to value the sense of inclusion obstructers offered them and to relish the opportunity to participate in the obstruction of a leader or institution. While that is sufficient for the disaffected, the obstructer appeared to focus on opportunities to usurp institutional power. Obstructive actions were encompassed within a process that encouraged conflict, therefore they seemed to seek “power over” others by inhibiting collective power (Domhoff, 2012, p. 24). As sets form in response to conflict avoidance, increasing conflict

(whether real or perceived) reinforces the boundaries of the sets, pushing the sets apart; thus strengthening obstructer control over information flows to and from the sets (figure two).



Before I discuss the social process of obstruction, there are aspects of figure two (marked A, B, C and D) that require further explanation:

- A. First, the sets exist prior to entry by an obstructer  and can operate relatively autonomously from a social perspective. They do not have impenetrable boundaries, nor are they focused on a particular function (that is, they are not silos). It is the soft boundaries (see figure one) that allow obstructers to enter the sets. Before the obstructers enter, the sets co-exist alongside each other without overt conflict (per the example of the participants who lived close to each other but had not spoken in twenty years). Due to the conflict caused by obstructers the boundaries of the sets become firmer (figure two), making the sets less penetrable to newcomers and impeding collaboration between sets.
- B. The obstructer gathers the disaffected  to form a loose social set and leads a campaign to manipulate the other sets and create conflict. One of the skills the obstructer has is that they are adept at identifying disaffected individuals and manipulating them. While the obstructer moves sociably among the sets, the disaffected attack people in the sets as directed by the obstructer. Both seek to distract targeted leaders from actions that will achieve their goals but



obstructors work subtly (via rumour and backstabbing) while the disaffected are more obvious (for example, using email campaigns, media posturing, and disrupting meetings). This appears to be an effective strategy where the disaffected are pushed out of the sets due to their behaviour, while the obstructer guiding their actions remains covert and connected.

- C. Obstructors have a superficial charm and are ambitious. They ingratiate themselves to the sets and commit their energies to networking, asking *“what can I do for you?”* Or, *“how can I help you?”* They have little intention of doing anything for *you* at all but seek to find the weak points that provide the opportunity for the obstructer to get what they want. Obstructors are particularly interested in finding out who does not get along and why. Obstructors then move between sets manipulating the information flow from one set to another. As such, obstructers “trade” in information.
  
- D. As obstructers move from one set to the next they pick up grains of truth, which are then modified into fabrications of conflict. For example, recall the rumour of the Chamber “pulling out” of The Marlborough Story. The grain of truth is that the person who promulgated the rumour was associated with the Chamber and desired obstruction of the goal, but the information given to the company director was a fabricated conflict between the Chamber and the Chair. Similarly, in relation to P10’s stern request to desist, the fabrication was an escalation to the status of a criminal threat. Avoidance ensues (as evidenced by the company director failing to respond to my contact, and P10’s increasing avoidance of the local social and institutional space). The boundaries of the sets have hardened. This leaves the obstructers with an increasing degree of control over information flows between sets.

As dividing the sets and reinforcing their boundaries is vital to obstructers in achieving their own interests, activities that seek to connect people are antithetical to their goals. Thus activities that target connection (and the leaders of these activities) become a target for obstructers and the disaffected. For example, the MDC have been supporting the development of volunteer-based community groups to which the MDC provides facilitation services. One such group is Picton Smart and Connected (2015) which utilises the engagement structure designed for The Marlborough Story project. Picton Smart and Connected provides a local “channel” for community consultations (Marlborough Express, 2015a), as well as volunteering to undertake local projects by establishing working groups (Marlborough Express, 2015b). Picton Smart and Connected, its related group in Renwick and their leaders have been targets of obstructive behaviour. This behaviour creates conflict and discourages people from connecting. The examples offered below are fairly typical

approaches. Recall that the people targeted in these comments are community volunteers. Note the challenge to the legitimacy of the leaders, the use of grains of truth and the manner in which those grains are modified into fabrications of conspiracy that engender conflict. Note also the focus on the powerful institution.

*“Snart [sic] and Connected is the MDC’s way of controlling the play. Why would the community appoint someone who has been living in Renwick for two weeks? This person used to work for the Christchurch City Council and is now the contract manager for [company name]. Whatever the MDC and their developer mates have in the pipeline for Renwick will be revealed in time. So now you have a person in charge who has no history with the community, is pro-council and works in the roading/construction industry. Join the dots Renwick, you need to fight this scam before it gets evil roots into your community. Ask yourself, what are the chances of a [company name] Contracts Manager opposing anything that the council would put forward. People never bite the hand that feeds remember.”*

(Online Comment, Marlborough Express, 28 May 2015)

Similarly, when the Marlborough Express ran an article on the progress made in quietening “in-fighting” and “silo thinking” in Picton both the community volunteers in Picton and the community volunteers in Renwick were targeted. The Marlborough Express was also challenged for printing the news stories of these groups. This time it was suggested that “residents and ratepayers” are being conspired against.

*“What a load of nonsense! Picton ‘Smart and Connected’ have not engaged the community at all. Where are their submissions? These people were not elected, have not demonstrated that they have the necessary community support or qualifications, and I suspect that the majority of us in Picton would not be able to name their members! Why is the MEx pushing these groups rather than our Residents and Ratepayers Associations who are elected and have a paid up membership?”*

*“You are spot on ... these people weren’t elected they were chosen by the MDC and their development mates to drive the agenda of whatever they have in store for Picton. Why bother asking what the people want?”*

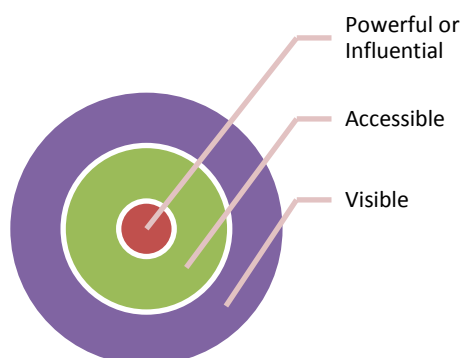
*Smart and Connected will be pushed forward to promote the MDC's game plan and the residents and ratepayers voice will be lost. You are now reading the propaganda machine of this evil Council. Here's an example... a [company name] Contracts Manager who has lived in Renwick for 2 weeks has just been appointed the Chairman of Smart & Connected in Renwick. That says it all...."*

Both extracted from:

(Online Comment, Marlborough Express, 29 May 2015)

Obstructing connection by targeting leaders, suggesting hidden agendas and putting a negative spin on positive community contributions was a strong theme I observed throughout my fieldwork in Marlborough. While there are a relatively small number of obstructers and only a slightly larger group of disaffected people, the process is effective. As I was completing the final stages of my research the community groups continued to grow and to counter-challenge the obstructive behaviour (Marlborough Express, 2015c). However, my research leads me to the conclusion that there is both a social and an economic cost from obstruction in Marlborough. Certainly, the indications from innovative entrepreneurs are that they pay a high price for obstruction, and therefore begin a process of withdrawal from the local society and (where feasible) its support institutions. This withdrawal reduces visibility and accessibility. Along with the leader's growing influence, visibility and accessibility increase the risk of obstruction (figure three). By "keeping my head down" and "bolting the gate" leaders try to avoid obstructers and their disaffected adherents.

**Figure 3: Key Attributes Making Leaders Prime for Obstruction**

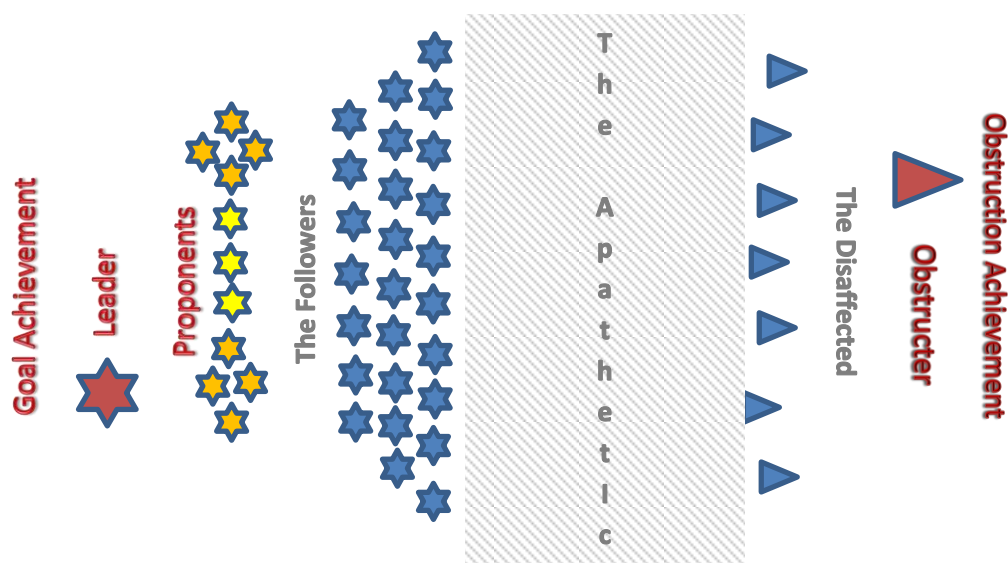


Exploration of the social sets and obstructive behaviour in Marlborough assisted me to understand why obstruction occurs (obstructers seek social power, but do not reciprocate with social value thus

a form of non-pecuniary rent-seeking). Exploration of the lived experiences of innovative entrepreneurs highlighted the rich point that this process has effects on their lives, and that these effects are experienced by them as negative. Through my engagement in The Marlborough Story I was able to get closer to both the obstructers and the disaffected than I had previously been. I was not in a position of real power; rather, I leveraged association to the powerful institutions involved. Therefore, my experience of obstruction was moderate. The campaign I endured was not comparable to the intensity of obstruction that I witnessed against local institutional leaders and innovative entrepreneurs. An insight gained was that obstruction is a social process that mirrors the process of goal seeking and leadership already embedded in business, organisational and economic development. However, where the leader seeks to effect realisation of a development goal, the obstructer seeks to deflect realisation of the development goal; to achieve obstruction. By initiating a process of obstruction, the obstructer causes the leader to fail (or to become sub-optimal). The obstructer then uses this failure or sub-optimal performance (or creates the perception of failure or sub-optimal performance) as evidence of a failure of the leader's legitimacy. This is the mechanism through which obstructers insert themselves into institutions and displace leaders in the social environment of Marlborough. Importantly, neither leaders nor obstructers work alone, they both need support. I will now discuss the social model behind the process of obstruction (figure four).

### ***A model of obstruction***

Figure 4: Leaders versus Obstructors



Referring to the left of figure four, the social model of obstruction begins with a leader setting (or being set) a goal. In the example I have provided, the goal was the development of The Marlborough Story. The first line of support in moving toward a leader's goal is the group of people I refer to here as proponents. Proponents are people who put forward theories, ideas and proposals, or suggest courses of action. Sometimes proponents are future leaders who may be members of the leader's team (by contract, assignment or delegation). Proponents may also operate outside of a team structure and may challenge the leader often stimulating reflection on a goal by providing new insights and information. An example of a proponent would be a marine scientist providing informed opinion that either challenges or supports a resource consent application. Proponents do not simply follow the leader; rather they offer ideas, including critique that is designed to refine the pathway to the goal and to increase the chance of a good outcome. In addition to proponents, critical mass is given to the leader's efforts by people I call followers. I define a follower as a person who follows as an attendant, retainer, employee, contractor, or supporter. Followers do not decide the direction, nor substantively critique the goals of the leader but instead lend their skills and abilities to getting the task done, or support the leader's endeavour in principle. Examples of followers are the many people who have joined Marlborough's Smart and Connected working groups.

Referring to the right of figure four, the obstructer becomes aware of the leader's goal (it becomes visible often through media, a resource consent application, or the opening of a consultation process and so forth) and targets the leader (and thus the goal) for obstruction. The first line of support in moving toward the goal of obstruction is the group of people I refer to here as the disaffected. As noted previously, the disaffected are estranged from sets and are hostile to instituted authority. The obstructer harnesses the hostility of the disaffected to target the leader. The disaffected are not without skills and resources and these are brought in to serve the obstructer. The disaffected do as they are told, and in return for this they achieve a sense of inclusion and a chance to disrupt an institution or to "bring down" a leader (see figure two, B). In between the followers and the disaffected there exists, in Marlborough, a grey social space that I call the apathetic; that is, people who are indifferent to the goals. The apathetic do not contribute actively to support leaders or obstructers. I decided the best course of action to learn about this group was to walk the streets of Marlborough and ask people why they fail to turn up to meetings, vote, assist in development, or either support or allay obstructive attacks on others. The consistent reply I received was: *"Its*

*apathy, I suppose."*

The apathetic appear to be comfortable with both change and stasis. In my opinion, however, apathy in Marlborough is related to conflict avoidance, as conflict causes discomfort. Yet, the apathetic still have a role for the obstructor as their apathy is used as evidence against the leaders and institutions:

*"Before we get too carried away...according to the 2013 census there are 2745 permanent residents in Picton. Forty people liking something equates to an inconsequential 1.45% support . Hardly overwhelming."*

(Online Comment, Marlborough Express, 2015d)

Thus, the power of apathy is usurped by obstructers to provide a passive "bulking" of their own small numbers, and weighted against those who turned up to work together toward a goal. The apathetic, through their silence, enable the achievement of obstruction. Finally, an issue created by the process of obstruction involves the creation of "white noise"<sup>10</sup>. This describes the obfuscation that occurs when obstructers and their adherents imitate proponents by advancing challenges that are intended to distract leaders, waste resources and create conflict.

An example of such obfuscation in relation to The Marlborough Story can be seen in the tautological stream of challenges I previously related. When such obfuscation occurs it is possible to miss the substance of an issue. This problem was also apparent in research conducted on vineyard labour in Marlborough where researchers identified improving socialisation, connection and health and safety as valid foci to improve conditions for transitional Marlborough vineyard workers (Beer & Lewis, 2006, p. 104). Beer and Lewis (2006, p. 96) noted a "... series of sensational headlines ... in local and national media ... [s]tories of human trafficking, vineyard workers living under bridges, exploitative employment practices, and violent coercion." This obfuscation may reflect an obstructive process where valid workplace issues become more difficult to identify amidst the white noise. Similarly, Joseph, Chalmers, and Smithers (2013, p. 60) explored the Marlborough farmers market in terms of differing views on product authenticity and discussed a dramatic contest played out through the media, that "while rich in rhetoric and hyperbole" was actually solved by altering a lease. This may indicate an obstructive process where an issue was inflated into conflict and complicated by the white noise of obstruction.

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<sup>10</sup> White noise is a metaphor for random noise that makes it difficult to distinguish what should be heard.

***Discussion: social sets and obstructive processes***

Through my analysis I have identified and described a tendency in Marlborough for people to form social sets (figure one). Social sets form in response to conflict avoidance in the social environment, where those who share similar views cluster together to live in relative harmony. These social sets are not impermeable, but are reinforced by obstructive processes at work in the society (figures two and three). The tendency to cluster around those who are similar is common across many societies and is referred to in scholarly discussions of social network formation as homophily (Aguiar & Parravano, 2015, p. 30). Homophily can be perceived as a strategy to reduce conflict by limiting one's relationships (as much as possible) to those of like-minded others; as such, homophily is related to intolerance (Aguiar & Parravano, 2015, pp. 30-32). While leaders in the entrepreneur's forums I attended noted that inclusiveness should be a core value for Marlborough, they also noted that tolerance of differences was low and that diversity should become an "*aspirational*" goal for the region (Personal Communication, 5 August 2013). The social dynamics of homophily and its influence on segregation has been explored via quantitative modelling for some time resulting in the development of Balance Theory (Heider, 1946; Cartwright & Harary, 1956), Axelrod's (1997, in Aguiar & Parravano, 2015, p.42) the model of cultural dissemination, and Schelling's (1971, in Aguiar & Parravano, 2015, p. 30) model of social segregation.

According to Aguiar & Parravano (2015, pp. 43-46) in societies where intolerance is widespread multiple social sets will form, with the number of sets increasing as the population increases. As this occurs tolerant individuals become trapped in a social dilemma where they must either give in to the homophilic pressure and match their views to the set, or disconnect (Aguiar & Parravano, 2015, p. 46). Intolerance and the formation of social sets is an important topic for study as the structure of a society has implications for information flows and the development of social capital. Akşehırlı and Bayram (2009, p. 89) described "social capital [a]s a value that is derived from and between social networks within a society." According to Akşehırlı and Bayram (2009, p. 89) this is particularly important in relation to economic development due to the role of social capital in enabling entrepreneurship. Despite this Akşehırlı and Bayram (2009, p. 89) contend that the influence of social structure on entrepreneurship has been under-researched as social network analyses focus primarily on the process of entrepreneurial network development, rather than the social capital implications of their social networks. Akşehırlı and Bayram (2009, p. 89-90) conducted a study involving twenty Russian entrepreneurs to explore the concept of social capital in relation to the social structure within which entrepreneurs are regionally embedded. Akşehırlı and Bayram (2009, p. 90-91) found that entrepreneurs tend to favour heterophilic social networks that are open,

broadly located, and diverse; where ideas are developed independently thus providing new thinking from different perspectives.

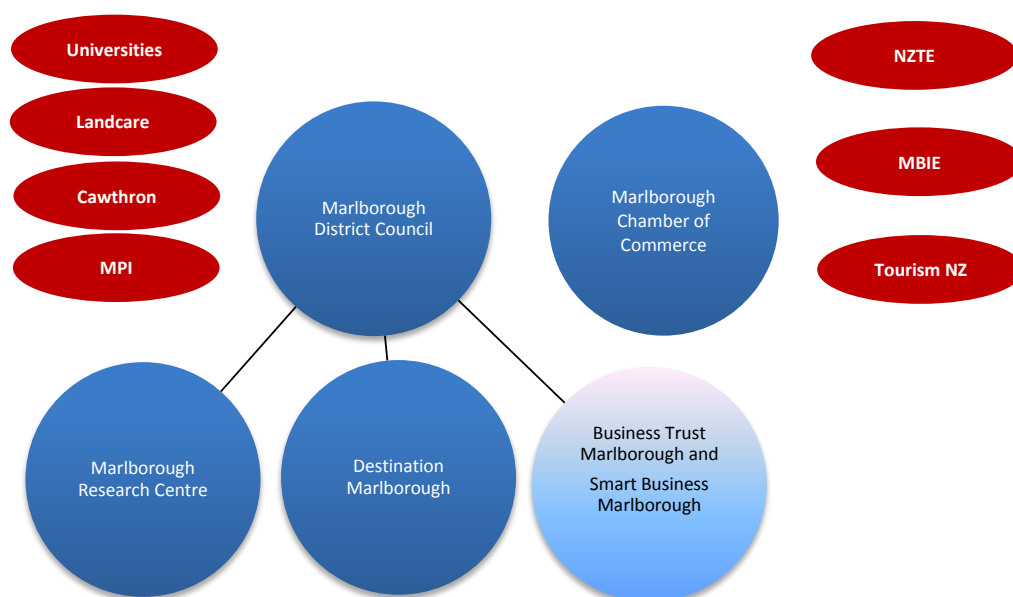
Heterophilic networks are the opposite of homophilic networks, and describe networks of diverse individuals (Akşehırlı & Bayram, 2009, p. 91). These heterophilic social networks provide the entrepreneur access to a greater variety of resources and new ideas, thus encouraging originative thinking; whereas homophilic social sets “are lower in creativity and openness to new ideas” (Perry-Smith & Shalley, 2003, in Akşehırlı & Bayram, 2009, p. 91). The insights gained from my analysis of innovative entrepreneurs in Marlborough support the findings of Akşehırlı and Bayram (2009). Social sets in Marlborough appear to be homophilic and the innovative entrepreneurs describe discomfort with old ways of thinking and a lack of fit between their previous social sets and the more open and diverse social networks they develop through their business activities. While the innovative entrepreneurs describe the benefits of these new networks, the degree of their detachment from the institutional structures—due, in part, to homophilia and, in part, to obstructive influences within Marlborough—may be problematic. Steketee, Miyoaka and Spiegelman (2015, p. 461) argued that “patterns” of social network relationships have “important effects” on individuals providing both constraints as well as opportunities “for individuals to engage and influence their social world.” Nicholls (2013, pp. 612-615) noted that conflict within and between social networks has been shown to undermine the political influence of those social networks, while networks with “cohesive ties” and links to powerful institutions are more effective in political advocacy (Nicholls, 2013, p. 612-615).

This suggests that, while it is enabling in one way to innovative entrepreneurs in Marlborough to become somewhat detached from local social sets, there may be a weakening of their political power at a local level due to disconnection from local institutions. Meetings with industry groups that I attended while in Marlborough suggest that this is the case. While disconnecting from local institutions reduces the amount of social conflict the entrepreneur must engage in, their views are no longer clearly represented within those local institutions leaving room for “advocacy” that may be representative, or may be obstructive. While structures proliferate in Marlborough (figure five) in attempts to heal this issue, due to the homophilic tendencies in the wider society each new structure is likely to become infused with the same issue. A compensating factor may be found in strengthening political advocacy at a national level. However, this level of political advocacy may have limited ability at the local government level where legislative power is devolved to the regions. At this point, locally based innovative entrepreneurs are likely to find themselves re-engaged with



local institutions while suffering the effects of weakened local ties. The negative emotion expressed and obstructive scenarios described by the innovative entrepreneurs indicates that these innovative entrepreneurs would prefer to maintain better local connections than they do; and that disconnection is precipitated, not solely by social sets and new network development but as a response to obstruction. The effects of obstruction such as those delineated have not been studied, especially in relation to innovative entrepreneurs and are likely to be regionally specific.

Figure 5: Structures supporting entrepreneurship in Marlborough, 2012



While my study has focused on innovative entrepreneurs it is my contention that a social network analysis that explores the broader social structure of Marlborough would be of value. In addition, comparison to other (similar) regions would be interesting, as would comparison to a larger region such as Auckland. This would assist in understanding whether the processes of obstruction target only economic and political institutions, whether social institutions (such as hospitals and schools) are also affected, and how structure and networks change as the population grows. A good starting point for the analysis of obstruction might be Burt's (2001) concepts of network closure and brokerage, which focus on information flows (as obstructers are manipulators of information flows). Burt (2001, p. 205) posited that network closure (into sets, cliques, or dense networks) encourages information to circulate within sets (hence a dearth of new ideas) and reduces the chances of cooperation between sets. Burt (2001, p. 205) posits brokerage as the process whereby information is taken from one closed set to another or brought to a closed set by a "broker". In the case of obstructers information is used to manipulate the social sets and to gain power. This turns Burt's

(2001, p. 208) brokerage in a new direction as Burt (2001, p. 208) focused on the role of brokerage in improving collaboration, whereas obstructers appear to use a similar pathway to reinforce sets, stem and control information flows and suppress collaboration. Further research is suggested to explore the role, motivations and effects of the process of obstruction in Marlborough.

The importance of such work in relation to the achievement of meaningful economic development should not be underestimated. It has long been hypothesised that social structures influence economic development and that we should pursue, through grounded data, improved understanding of specific contexts rather than mechanistically imposing theories which may understate or overstate social influences (Granovetter, 1985, p. 504). Recently, Eagle, Masy and Claxton (2010) explored the relationship between social network structure and regional economic development. Eagle et al. (2010, p. 1030) sought new insights into why stimulus policies fail at a regional level, and whether economic development policy that stimulates changes in social network structures should be an area of focus. Eagle et al. (2010, p. 1029) found that “the diversity of individuals’ relationships is strongly correlated with the economic development of communities”. As we look at the effects on innovative entrepreneurs in Marlborough we must ask ourselves first, are we clear about the form and effects of the impact of social influences? And second, have we delivered policy and institutional responses that are likely to be effective? My contention is that we do not yet fully understand the social influences that impact innovative entrepreneurs in New Zealand and, therefore, we cannot fully understand the effects. Without this understanding it is likely that we will establish policy responses that are at best sub-optimally effective, and—potentially—counter-productive to the creation and dissemination of innovation in New Zealand.

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