

CONSTRAINTS AND OPPORTUNITIES OF STIGMA: ENTREPRENEURIAL EMANCIPATION IN THE SEX INDUSTRY

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Entrepreneurs work not only in socially accepted and valued domains but also in highly contested, stigmatized industries. Despite the extreme constraints of working in stigmatized domains, entrepreneurs manage to thrive. The fact that entrepreneurs in these industries appear to overcome the constraints of stigma raises questions about the actual impacts of stigma on entrepreneurs and their ventures. Our qualitative study of entrepreneurs in the sex industry in Canada reveals that the many constraints faced by entrepreneurs in stigmatized industries also create opportunities. Actualizing such stigma-based opportunities loosens the constraints of stigma and enables entrepreneurs to experience structural, cognitive, and emotional emancipation. However, such emancipation is confined to the context, and thus threatened by interactions with those outside the industry. Based on our findings, we develop a model of entrepreneurial emancipation in stigmatized industries.

When industries are stigmatized, important audiences impose severe social and economic sanctions (Ashforth & Kreiner, 1999; Devers, Dewitt, Mishina, & Belsito, 2009; Lashley & Pollock, 2019; Sutton & Callahan, 1987). Findings have shown that organizations in such industries are “subject to lower evaluations and higher penalties from the stigmatizing audience” (Barlow, Verhaal, & Hoskins, 2018: 2934) and have limited access to resources (Lashley & Pollock, 2019; Vergne, 2012). “Dirty workers” who work in stigmatized industries are also the targets of shaming efforts from others who devalue their identities and apply sanctions that limit their opportunities, mobility, and relationships (Ashforth & Kreiner,

1999; Galvin, Ventresca, & Hudson, 2005; Hughes, 1958; Simpson, Slutskaya, Lewis, & Hopfl, 2012). Stigma thus has been repeatedly shown to place significant constraints on those operating in such industries.

These constraints can be expected to be particularly burdensome for entrepreneurs, who already face a higher risk of failure (Lounsbury & Glynn, 2001; McMullen & Dimov, 2013) due to the liabilities of newness and smallness (Bruderl & Schussler, 1990; Freeman, Carroll, & Hannan, 1983; Stinchcombe, 1965). Yet, we know that entrepreneurs in stigmatized industries manage to survive and even flourish (Scott, 2013). For example, research has shown that despite extensive challenges, small-scale entrepreneurs dominate the controversial but fast-growing human tissue trade (Reuber & Morgan-Thomas, 2017). Similarly, the sex industry faces a high degree of stigma as a result of the moral, social, and physical taint attached to the core activities (Ashforth & Kreiner, 2014; Hudson, 2008); yet, the sex industry has also seen huge growth in the number of entrepreneurs starting new ventures (Bernstein, 2007). The fact that entrepreneurs in these industries appear to overcome the severe constraints of stigma raises questions about the actual impacts of stigma on entrepreneurs and their ventures.

The entrepreneurship-as-emancipation perspective would suggest that entrepreneurship may be a

We thank the editor Eero Vaara and three anonymous reviewers for their support and developmental feedback throughout the review process. We would also like to thank Sean Buchanan, Eileen Fischer, Royston Greenwood, Jennifer Jennings, Tom Lumpkin, Sarah Kaplan, Becky Reuber, and Maxim Voronov for their insight during the early stages of this research, as well as Teddy Carter for her research assistance. We thank participants and organizers of the Queens Visiting Speaker Series, Qualitative Working Group Montreal 2015, EGOS 2016 Colloquium, COSI 2016, and members of the Toronto Qualitative Working Group for their feedback on earlier versions of this paper. We gratefully acknowledge that this research was funded by the Social Sciences and Humanities Research Council of Canada.

tool to manage stigma, as the literature has outlined how entrepreneurs can *remove* constraints (Jennings, Jennings, & Sharifian, 2014; Rindova, Barry, & Ketchen, 2009). This perspective proposes that entrepreneurs can create “new openings for more liberating forms of individual and collective existence,” thereby “overcoming extant relations of exploitation, domination, and oppression” (Verduijn, Dey, Tedmanson, & Essers, 2014: 98; see also Foucault, 1986). According to Rindova and colleagues (2009), entrepreneurs can create freedom from authority and the space to enact a personal vision—that is, entrepreneurs experience a form of emancipation.¹ This is because entrepreneurs are able to express alternative worldviews and construct “new ‘spaces’ for living, thinking and interacting” (Montessori, 2016: 538), which can counteract the exclusion efforts of those in power (Goss, Jones, Betta, & Latham, 2011) and improve quality of life (Tobias, Mair, & Barbosa-Leiker, 2013).

Thus, on one hand entrepreneurship is seen as emancipatory and well-suited to address the constraints of operating in a core stigmatized industry, and on the other hand, research has suggested that entrepreneurs may be particularly threatened by the constraints of stigma. The literature is thus characterized by a tension regarding the potential impact of stigma on entrepreneurs. In order to resolve this tension we need to develop a better understanding of entrepreneurs in stigmatized industries. Thus, we ask two research questions: What are the negative and positive impacts of stigma for entrepreneurs in stigmatized industries? Moreover, can entrepreneurship “emancipate” entrepreneurs from these negative impacts?

We explore these questions through an inductive, qualitative study of entrepreneurs in the sex industry.

¹ The term “emancipation” is contested and has different meanings for different scholars. Our review of the literature yielded no consistent definition of the term. While some see emancipation as only occurring when oppressive social structures are removed (i.e., the eradication of the institution of slavery), management and entrepreneurship scholars have typically adopted a more limited view of emancipation (Alvesson & Willmott, 1992; Rindova et al., 2009). Building on Foucault’s (1997) argument that individuals can never be free from all constraints as in a state of nature, emancipation is seen as possible when individuals are able to remove or loosen constraints by working on or within the social structure. Thus, the perspective we take is that the (potential) emancipation enabled by entrepreneurship *does not* eliminate oppressive structures to generate absolute freedom; rather, it eases some constraints to provide a limited form of freedom.

The sex industry refers to the category of activities involving sexual services, including but not limited to prostitution, pornography, stripping, erotic domination, and erotic massage (Mavin & Grandy, 2013; Wolfe & Blithe, 2015). Our findings reveal that the many constraints faced by entrepreneurs in stigmatized industries also create *opportunities*. Importantly, we find that actualizing such stigma-based opportunities enables entrepreneurs to loosen the constraints of stigma and experience structural, cognitive, and emotional emancipation. These forms of emancipation, however, are context-specific (i.e., confined to the stigmatized industry) and easily undermined during interactions with actors outside the industry. Based on our findings, we develop a model of entrepreneurial emancipation in stigmatized industries.

We contribute to the growing literature on stigma by articulating the entrepreneurial opportunities created by stigma. Extensive work has pointed to the negative implications of stigma for individuals, organizations, and industries. Only recently have some organizational stigma scholars begun to explore the positive side of stigma (Helms & Patterson, 2014; Helms, Patterson, & Hudson, 2019; Roulet, 2020; Tracey & Phillips, 2016). We extend this research by showing how the unique context created by stigma can lead to opportunities for entrepreneurs. By constructing a model of entrepreneurial emancipation in stigmatized industries, we show how entrepreneurs and their ventures can actually benefit from stigma.

In doing so, we also contribute to the entrepreneurship literature by clarifying the debate about the emancipatory potential of entrepreneurship. Specifically, we reveal three distinct forms of emancipation—structural, cognitive, and emotional—and thus present a conceptualization of emancipation as multifaceted and context-specific. We outline how entrepreneurship can be emancipatory in some contexts and some ways but not others, thereby explaining why some researchers have found entrepreneurship to be emancipatory (e.g., Montessori, 2016; Rindova et al., 2009; Scott, Dolan, Johnstone-Louis, Sugden, & Wu, 2012) whereas others have found it to reproduce existing constraints (e.g., Goss, Jones, Betta, & Latham, 2011; Jennings et al., 2014).

THEORETICAL BACKGROUND

The Constraints of Stigma

Stigma is based on an attribute that is “deeply discrediting” (Goffman, 1963: 3). Many individuals are

stigmatized based on race, sexual preference, or physical characteristics (Goffman, 1963); importantly, stigma also operates at the occupation, organization, and industry levels (Ashforth & Kreiner, 1999; Durand & Vergne, 2015; Piazza & Perretti, 2015; Simpson, Slutskaya, Lewis, & Hopfl, 2012; Voss, 2015; Zhang, Wang, Toubiana & Greenwood, 2021). Whereas individual stigmas are typically uncontrollable (e.g., gender, race), stigmas associated with occupations, organizations, and industries are often viewed as controllable; as such, individuals are further sanctioned and stigmatized for choosing to defy or transgress social norms (Bruyaka, Philippe, & Castañer, 2018; Crocker et al., 1998). Stigma operates as a form of social discipline that sanctions and limits those who are stigmatized (Becker, 1963; Creed, Hudson, Okhuysen, & Smith-Crowe, 2014; Devers et al., 2009). Workers within stigmatized industries “are seen to personify [the work] so that over time they become dirty workers who are stigmatized in the same way as the work they perform” (Mavin & Grandy, 2013: 232). As such, workers develop spoiled identities that are entwined with the tainted work (Ashforth & Kreiner, 1999; Simpson et al., 2012). For example, police officers are maligned for using coercive force (Dick, 2005), garbage collectors are seen as “scum,” who are “lower than a snake’s belly” (Hamilton, Redman, & McMurray, 2019: 894), and exotic dancers are deemed “bad girls” (Mavin & Grandy, 2013: 232). Audiences tend to react to these devalued workers with “disgust, fear and repulsion” (Devers et al., 2009: 157; see also Goffman, 1963), and at times engage in shaming attempts “to induce felt shame and carry implicit or explicit threats of ostracization or even the sundering of social bonds and loss of community membership” (Creed et al., 2014: 280). As a result of this devaluation and shaming, workers in stigmatized industries often experience social isolation and exclusion (Bergman & Chalkley, 2007; Wolfe, Blithe, & Mohr, 2018).

The literature has also revealed negative implications of stigma for industry players and organizations. Stigma can lead to economic and regulatory sanctions, such as the banning of mixed martial arts events (Helms & Patterson, 2014), the closing of men’s bathhouses by authorities (Hudson & Okhuysen, 2009), and protesting of abortion clinics (Augustine & Piazza, 2021). Research has further revealed that stigma can serve as a basis for organizational exclusion, whereby audiences avoid interaction with stigmatized organizations (Elsbach & Bhattacharya, 2001; Hudson & Okhuysen, 2009; Wolfe & Blithe, 2015). Stigma “reduc[es] a firm’s capacity to find investors, build stable alliances, or maintain a loyal

customer base” (Vergne, 2012: 1027; see also Lashley & Pollock, 2019). As such, the lack of stakeholder support becomes a significant constraint that can threaten organizational survival in stigmatized industries.

Taken together, existing research on stigma has outlined the many ways in which stigma can have negative impacts on organizations and individuals working in stigmatized domains. However, how this applies to entrepreneurs has yet to be examined in either the stigma or the entrepreneurship literatures. Based on our existing understanding of stigma, it can be expected that stigma would have a particularly negative impact on entrepreneurs. Even in socially acceptable domains, entrepreneurship has a high failure rate (McMullen & Dimov, 2013) as “stable links to clients, supporters, or customers are not yet established when an organization begins operation” (Bruderl & Schussler, 1990: 530). Gaining trust is difficult for new ventures because they often do not have stable, reliable structures (Freeman et al., 1983) or valid identities to appeal to stakeholders (Lounsbury & Glynn, 2001, 2019). Thus, if stigma makes it even more difficult to craft a positive, resonant identity and obtain support from stakeholders, it is likely to undermine entrepreneurial efforts and make entrepreneurship even more challenging.

Entrepreneurship as Emancipation

Although we have a limited understanding of how stigma might impact entrepreneurs, a stream of literature has begun to point to the ways in which entrepreneurs might impact the constraints of stigma. The entrepreneurship-as-emancipation perspective suggests that because entrepreneurship is an agentic act of creation (Montessori, 2016; Suddaby, Bruton, & Si, 2015) it may be able to remove or alter societal constraints (Rindova et al., 2009).

Removing constraints through entrepreneurship has often been equated with social change that alters oppressive structures and shifts structural arrangements to provide more freedom (Alvesson & Willmott, 1992; Tedmanson, Verduijn, Essers, & Gartner, 2012). For example, Montessori (2016: 539, 556) found that “in order to escape the top-down, instrumental control and restrictions of their formal workplace,” entrepreneurs “brought into being innovative social practices, created innovative social relations and mobilized activists and supporters.” Similarly, Jennings and colleagues (2014) found that a small percentage of entrepreneurs, particularly women with young children, were able to create ventures with structures that differed from constraining corporate

forms. Thus, emancipation is achieved by changing social structures that confine or constrain actors' "purposiveness, creativity, and rationality" (Alvesson & Willmott, 1992: 94). It is important to note that this is not emancipation from, for example, capitalist structures, or the eradication of institutions that perpetuate constraints. Instead, scholars use the term emancipation to refer to the removal or loosening of constraints by working on, or within, the social structure. The loosening of constraints is understood to involve either a reduction in constraints or protection from their impacts.

Other researchers have focused on smaller, everyday "practices of freedom" (Dey & Steyaert, 2016; Foucault, 1997) through entrepreneurship. As Foucault (1997) argued, transgressing the limits of society to govern oneself is a practice of freedom (Dey & Steyaert, 2016). Researchers have found that some women are able to resist gender norms in their interactions, building a sense of independence and self-actualization through entrepreneurship (e.g., Datta & Gailey, 2012; Essers & Benschop, 2007; Scott et al., 2012). In Scott and colleagues' (2012: 557) study, "Avon ladies" in South Africa identified themselves as free from previous gender- and class-based constraints in their work context due to their increased income, newfound independence and professional experience. Chandra (2017) showed that entrepreneurship can reduce constraints imposed by others, and, importantly, can reduce the internalization of those constraints. Entrepreneurship, in his study, enabled ex-terrorists "not only to escape some ideological constraints but also to construct new meaning in life," (Chandra, 2017: 657), yielding "psychic" benefits (Jennings et al., 2014).

This work has suggested that entrepreneurship may facilitate emancipation (i.e., by removing or loosening constraints and constructing alternatives). However, other scholars have questioned this emancipatory potential, suggesting that entrepreneurship may only provide limited "degrees of freedom" due to the "solidity of the structures they seek to dislodge" (Goss et al., 2011: 213) and the reproduction of oppressive structures within their ventures (e.g., Jennings et al., 2014; McAdam & Marlow, 2013). Entrepreneurs may reproduce constraining structures in response to pressure from crucial stakeholders (Calas, Smircich, & Bourne, 2009), such as suppliers (Al-Dajani, Carter, Shaw, & Marlow, 2015) or customers (Jennings et al., 2014). This raises questions about whether entrepreneurship can lead to emancipatory outcomes for those working in stigmatized industries.

Stigma leads to significant constraints that may be particularly challenging for entrepreneurship. Yet,

we do not know whether stigma may also have positive impacts, and whether entrepreneurship may be able to help loosen constraints to generate emancipatory outcomes. Exploring these impacts is important because they refine our understanding of the nature of stigma and can illuminate how entrepreneurs in core stigmatized industries may succeed and even prosper, despite severe constraints.

METHODS

Research Setting: The Sex Industry in Canada

We performed an in-depth, qualitative study of entrepreneurs in the Canadian sex industry.² The industry is highly stigmatized, where the core activities of those in the industry are deemed inappropriate and some activities (e.g., purchasing sex, advertising and benefitting from the sale of sexual services) are illegal. Note that in Canada it is not the *selling* but the *purchasing* of sexual services that is illegal. Additionally, it is broadly assumed that Canadian laws target prostitution (or escorting), and do not apply to activities such as pornography, erotic domination or burlesque (Warnica, 2016), although this is less clear in practice.

The sex industry is characterized by a three-part core stigma (Ashforth & Kreiner, 2014; Hoang, 2015; Mavin & Grandy, 2013; Wolfe & Blithe, 2015). First, due to the stigmatized nature of the products and services offered, sex work is viewed as "a risky business" (Sanders, 2005) that is "corruptive, corrosive, seedy, and immoral" (Voss, 2015: 7). The work-related identities of those who run such businesses are thus stigmatized as "exploitative." Managers, producers, and pimps who run sex-related agencies, clubs, parlors, dungeons, studios, shops, and other sex-related companies are regarded as "sinister cigar-chewing humanoid who wear nothing but towels round their middles" (McClintock, 1992: 130).

There are two additional stigmas tied to participation in the industry. These two stigmas become attached to workers within the industry and are thus personal stigmas: a "victim" and a "whore" stigma (Weitzer, 2010). The victim stigma characterizes sex workers as victims of circumstance (e.g., poor drug addicts who escaped abusive homes) who are now controlled and even trafficked by ruthless pimps

² The terms "sex industry," "sex trade," and "sex work" refer to the same overarching activities, but carry different ideological connotations (Ferris, 2015). We use these terms interchangeably and leave the participants' choices of labels unchanged to ensure we accurately reflect their own views.

(Hallgrimsdottir, Phillips, & Benoit, 2006). The victim stigma frames sex workers' behavior as uncontrollable and deprives actors of agency, thereby eliciting pity and concern (Crocker, Major, & Steele, 1998; Goffman, 1963). The other stigma is that of the whore,³ which is based on stereotypical conceptualizations of prostitutes as scantily clad and dangerous women who engage in dishonorable behavior (Hallgrimsdottir et al., 2006; Scambler, 2007). The whore stigma frames sex workers' behavior as controllable, making them targets of blame and disgust (Crocker et al., 1998; Goffman, 1963).

Importantly, according to the literature, two of the three stigmas (victim and whore) are disproportionately attributed to women and transgender people (Bernstein, 2007; Hallgrimsdottir et al., 2006; Mavin & Grandy, 2013). In this paper, we therefore focus on this group of entrepreneurs, as the literature has suggested that the stigma facing women and transgender sex workers is particularly intense and potentially distinct from that facing cisgender male sex workers (Bernstein, 2007; Hallgrimsdottir et al., 2006). While we acknowledge that entrepreneurs of any gender will be confronted by the challenges of working in a stigmatized industry, we confine our sample to this group to ensure precision in our analysis.

Despite the presence of legal issues and a high degree of stigma, entrepreneurship in the sex industry is thriving. Since technology has reduced barriers to entry by making it easy to virtually connect to the market without having a physical presence, the number of independent escorts and professional dominatrices has increased, and traditional pornography and erotic webcam work (live online pornography) have proliferated across the Internet (Bernstein, 2007). Additionally, the industry has seen the emergence of escort collectives and nonprofit organizations dedicated to supporting sex workers. We focus on this entrepreneurial side of the industry. Following previous studies on emancipation, we adopt a broad definition of entrepreneurship to "encompass the entire array of entrepreneurial activity" (Raffiee & Feng, 2014: 938). We include those who are self-employed (Al-Dajani et al., 2015), "ordinary" entrepreneurs running small businesses (Tobias et al., 2013), and social change

agents and social entrepreneurs who have started for-profit or nonprofit organizations (Montessori, 2016).

Data Collection

We conducted this study over a six-year period (2013–2019). Data include interviews with women and transgender entrepreneurs, with other players in the industry, observations where possible, and social media posts by the entrepreneurs. We conducted 83 interviews with 68 people involved in the sex industry: 48 interviews with 39 entrepreneurs from a wide range of subsectors; and 35 interviews with 29 sex work employees, activists, counselors, and clients. We used purposive sampling to ensure a broad range of actors in the field (Denzin, 1989), along with snowball sampling, which is particularly helpful for reaching those who operate in relative secrecy (Creed, DeJordy, & Lok, 2010; Lashley & Pollock, 2019). We sought entrepreneurs who are engaged in various types of work (escorting, pornography and erotic webcam, erotic domination, erotic massage, sex shops, burlesque, and sex work support),⁴ and ventures (small businesses, collectives, independent operators, and nonprofit organizations). The 39 entrepreneurs worked in a wide range of subsectors within the sex industry, including escorting (10), pornography (13), erotic webcam (4), erotic domination or BDSM⁵ (7), erotic massage (2), sex shops (3), burlesque (4) and sex work support (6). Many had worked as entrepreneurs in multiple subsectors over the years, or in several simultaneously. Most of the entrepreneurs were sole founders of their enterprises; however, a few were cofounders and two entrepreneurs became owners post-founding (see Appendix A for descriptions of the entrepreneurs and their ventures). This diverse but targeted sample was confirmed as relevant to the industry through interview discussions with activists and support workers who clarified definitions, hierarchies, and boundaries of the field.

³ Throughout the paper, we use the term "sex worker," or in some cases "sex trade worker," to describe those who engage in consensual sexual services for money (Sanders, 2005), as these are the terms our participants used to describe themselves and such workers. We use the terms "prostitute" and "whore" to connote the stigmatized image of sex workers.

⁴ Workers engaged in stripping, phone sex, brothels, and street-based sex work are conspicuously absent from our sample of entrepreneurs, but are included as employees. This is not surprising, as these forms of sex work are less likely to provide entrepreneurial opportunities. Several of the entrepreneurs in our study had worked in these subsectors prior to becoming entrepreneurs: five had worked as strippers, one had worked in phone sex, and six had worked in street-based sex work or in brothels.

⁵ Erotic domination is also called BDSM, an acronym used to describe the activities involved: bondage and discipline, dominance and submission, sadism and masochism.

Importantly, all of these entrepreneurs faced high levels of stigma and are considered distinct from the other important category of sex workers: those who work for others.

Semistructured interviews allowed for open-ended discussions about the entrepreneurs' experiences and the meanings attached to these experiences (McCracken, 1988). We asked entrepreneurs to describe their businesses, how entrepreneurship differs from working for someone else, what they liked best about running their own businesses, and what they found most challenging. Then, we asked direct questions about the impacts of stigma on their businesses and on the entrepreneurs themselves. Framing early questions in entrepreneurial terms (e.g., Can you tell me about your business? What inspired you to start your own business?) helped build trust and demonstrate that we were not applying the traditional stigmatized lens prevalent in society. Interviews with nonentrepreneurs helped us better understand the nature of the industry, sensitized us to the core social issues, and helped us understand how stigma plays out in the industry for those who are not entrepreneurs. We interviewed some participants multiple times and emailed clarification questions to others. We used these emails and the second and third interviews to confirm emerging hunches. Interviews lasted an average of 73 minutes and resulted in 1,429 pages of transcripts.

Although interviews were our primary data source, observations at work, social, and activist events (94 hours), and social media posts written by the entrepreneurs (52,610 Twitter messages, as well as blog posts, forum discussions, and media articles) yielded important data about the impact of stigma and entrepreneurship. We took detailed field notes and made audio recordings when possible. By observing interactions in situ between entrepreneurs, others in the industry, and those outside the field, we saw how entrepreneurs represented themselves and their businesses, and how others reacted to these representations. We acknowledge, however, the potential impact of our presence in the field. Given the stigmatized nature of the work, the relative social distance between researcher and participant may have impacted how the entrepreneurs presented themselves. Thus, we endeavored to make our presence nonintrusive and to build trust with participants. Having a social media presence was an important step. In the early stages of the research, we set up a research account on Twitter and Facebook where we identified ourselves and our research. We then began following nonprofit sex work organizations and sex workers. This not only

enabled us to understand sensitivities before interacting, but also built legitimacy within the network of sex workers, as those we connected with could vouch for us (e.g., one escort even gave a "shout-out" on Twitter to show her support for our research following her interview). Second, we conducted observations in sex worker spaces that are less known to those outside the industry (e.g., small clubs holding fundraisers for sex work-related causes, sex clubs that host semipublic porn filmings, etc.). These spaces conferred a different form of legitimacy on the researchers compared to emails from a university address.

Table 1 provides a detailed summary of the data collected and its role in the research process. We assigned entrepreneurs pseudonyms to protect their anonymity; we also anonymized organization names and locations throughout the paper.

Data Analysis

We used an inductive qualitative approach to analyze the data, iterating between our data and the literature as analysis progressed (Denzin & Lincoln, 2000; Miles & Huberman, 1994). During the first phase, we created biographies for each entrepreneur based on stories and details provided during their interviews. This involved identifying the subsectors in which they worked, previous employment, and experiences of stigma. We divided biographies into past, present, and future to better understand each entrepreneur's life story (Essers, 2009). This was helpful for contrasting stories of previous nonentrepreneurial work with current entrepreneurship in the sex industry. It is important to note that many of our participants used stigmatizing labels when referring to themselves; we use this language in our findings to remain close to the data and reflect their lived experiences of stigma and each worker's sense of self.

During the second phase, we examined entrepreneurs' diverse descriptions of their work, and coded elements of entrepreneurship, noting similarities across entrepreneurs (e.g., doing things differently, reaching new customer groups, expressing their true selves). We also reviewed interviews for impacts of stigma. It became clear that entrepreneurs faced constraints such as undesirable market exchanges, identity devaluation, and shaming, but that these constraints were intimately connected to opportunities. An important insight at this stage was that the entrepreneurs' ways of navigating the industry related to both constraints and opportunities, such that actualizing opportunities also reduced constraints. We identified two types of practices that enabled the

TABLE 1
Description of Data

| Data type | | Description | Amount | Use in analysis |
|----------------|------------------------|--|---|---|
| Primary data | Interviews | 48 semistructured interviews with 39 entrepreneurs, lasting between 30 minutes and 3 hours | 964 single-spaced pages of transcripts | Provided insight into individuals' experiences with stigma in their work and the ways they navigated and framed their work in response. |
| | | 35 semistructured interviews with 29 others connected to the field (sex work employees, activists, support workers, clients) lasting between 20 minutes and 2 hours | 465 single-spaced pages of transcripts | Provided insight into the nature and dynamics of stigma facing those who work in the industry. |
| Secondary data | Social media and media | Twitter data Blogs, forums, media articles written by the entrepreneurs | Over 52,610 tweets 972 pages of archival data | Provided insight into the entrepreneurs' online interactions with others, including clients and other sex workers; how they present themselves and their work in situ. |
| | Observations | 20 work-related events (movie festivals, award ceremonies, semipublic porn shoots, sex education workshops, studio tours, burlesque performances) lasting between 1.5 hours and 6 hours 12 social change events (protests, fundraisers, conferences, planning meetings) lasting between 1.5 hours and 9 hours | 57 hours of observation, 110 single-spaced pages of notes 40 hours of observation, 38 single-spaced pages of notes | Provided access to participants and allowed observation of interaction dynamics naturally occurring in work settings. Confirmed insights about stigma facing the industry and the workers. |

entrepreneurs to actualize opportunities and eliminate constraints: edifying practices (i.e., humanizing, ethical pioneering), and reframing practices (i.e., infusing positive value into their devalued identities).

In the final phase, we explored differences between the entrepreneurs, and between entrepreneurial and nonentrepreneurial work. We found that the entrepreneurs employed different practices to actualize the opportunities, which allowed us to divide them into two groups. One group of entrepreneurs ($n = 17$) had self-focused ventures and used practices to humanize themselves and reframe themselves as authentic. Many of these entrepreneurs were independent escorts, erotic masseuses, webcam performers, and dominatrices. A second group of entrepreneurs ($n = 22$) had established other-focused ventures and they engaged in ethical pioneering and reframed themselves as significant. These entrepreneurs operated a wide range of

ventures: escort collectives that bring together independent escorts to provide sexual companionship for clients; feminist and transgender porn companies that create videos or photos depicting sex; burlesque troupes that develop theatrical performances of a sexual nature; sex shops that sell sex toys, books, lingerie, etc.; and nonprofit organizations that provide support services for sex workers.

ENTREPRENEURS AND STIGMA

Our findings reveal that entrepreneurship in stigmatized industries is challenging due to the significant constraints on entrepreneurs seeking to operate in these domains. However, we also discovered that unique *opportunities* emerge from the constraints of stigma (see Table 2 for representative quotes revealing constraints and opportunities). Specifically,

TABLE 2
Representative Data for Constraints and Opportunities in a Stigmatized Industry

| Themes and subthemes | | Representative quotes from the data |
|----------------------|--------------------------------|---|
| Constraints | Undesirable market exchanges | <p>“If I was to decide to just be a full-service escort, I could make 10 times what I make now probably, based on friends that I have and people I know. But the risk is higher, and I’m really scared of the risk factors. Physical violence, law enforcement, stuff like that.” (E13, feminist, transgender porn and webcam producer)</p> <p>“I would take all kinds of texts and calls at all hours of the day, asking for further discounts, harassing me a lot of the time, people would just like, show up at my in-call location if they knew where I was. Without my permission, um, expecting that they would be able to have access to me at every single time of the day. There, there was someone showed up at my house at 3 o’clock in the morning one time, because they just assumed that they could come and get service from me whenever they wanted.” (E29, independent escort and erotic masseuse)</p> |
| | Identity devaluation | <p>“Because, yeah, not everybody was abused as a child and just because somebody was abused as a child doesn’t mean that it takes away their agency or their ability to make choices. People will try to, I don’t know, make up a history that I don’t have or make up reasons that I do what I do, that I’m addicted to drugs, which I’m not. I don’t even do drugs. I don’t even drink alcohol, to be honest.” (E2, dungeon owner and independent dominatrix)</p> <p>“[A friend] ended up finding out and felt the need to save me—that I was obviously doing this against my will, and I felt pressured into it. He wanted to save me, and I felt really, really bad. It takes away my agency, it takes away the fact that I made this decision on my own.” (E23, escort collective organizer)</p> |
| | Shaming | <p>“These women [sex workers], they’re also afraid of being judged and being shamed by those people who will judge them for that kind of stuff. Right?” (E9, sex shop owner, porn producer, and actor)</p> |
| Opportunities | Satisfying unmet demand | <p>I think one of the biggest struggles is all the hate we get. (E19, webcam producer and actor)</p> <p>“The typical young university-aged, big-boobed, [tight-waisted] blonde is probably the one who’s going to get the most attention and the most business—and then that tends to be reinforced by being the only type of worker that [mainstream] agencies will clamor over.” (E20, escort collective organizer and independent escort)</p> <p>“The number [performance] can be more story-based and have more things going on, can play around with it more because we don’t have to fit the narrow vision of the male strip club goer. Actually, burlesque’s primary audience is women, not men. I feel that’s really different.” (E37, burlesque producer and performer)</p> |
| | Establishing ethical standards | <p>“This is an industry that has a great deal of, you know, harms. It can benefit from workplace protections and there are ways to engage in proper licensing and regulation to reduce those harms as well, while bringing the industry out from underneath.” (E20, escort collective organizer and independent escort)</p> <p>“Whatever needs to go on to continue to fight for their rights. Because sometimes these guys, you know, if a girl calls and says, ‘I’m not coming in, it’s my period,’ then she shouldn’t have to come in. ‘I’m not coming in, my kids are sick.’ She shouldn’t have to come in. There’s no way ... and the girls they hire should also belong to a union where they can picket, protest ... it’s a legal occupation ... Why not give sex trade workers rights that allow them to protect themselves?” (E1, dungeon owner and independent dominatrix)</p> |
| | Redefining oneself | <p>“[I have] the freedom to be myself and not have to worry about what I wear to work or how I dress or what I look like or my tattoos. Freedom just to be.” (E14, transgender porn producer, actor, and motivational speaker)</p> <p>“It’s just overcoming all those negativities that you grow up with ... ‘Cause we’re adults. We can make our own rules in our private [spaces], in our bedrooms. Can’t we? We can do anything we want.” (E7, sex shop owner and independent dominatrix)</p> |

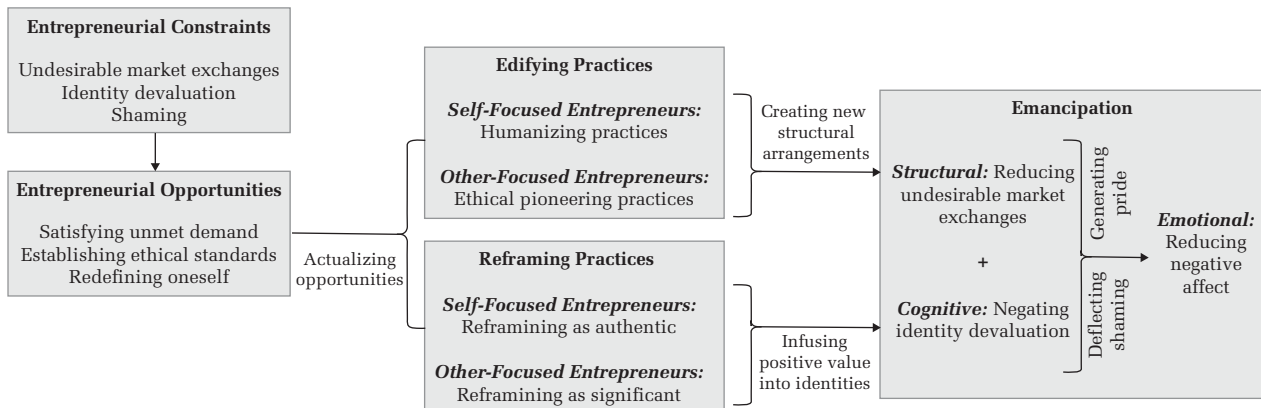
constraints create a context that enables particular opportunities for entrepreneurs. Importantly, we found that by actualizing these opportunities, entrepreneurs are able to loosen the constraints of stigma. The loosening of constraints leads to what we conceptualize as structural, cognitive, and emotional forms of

emancipation. We provide a visual representation of our theorizing in Figure 1.

The Constraints of Stigma for Entrepreneurs

Our analysis reveals three constraints facing entrepreneurs in a stigmatized industry: undesirable

FIGURE 1
A Model of Entrepreneurial Emancipation in a Stigmatized Industry



market exchanges, identity devaluation, and shaming. These constraints applied to all of the entrepreneurs, and impacted them as individuals, as well as their ventures.

Undesirable market exchanges. Sex work is characterized by many undesirable and negative interactions due to the stigma facing the industry. We define undesirable market exchanges as an exploitive and violent undercurrent associated with the production, distribution, and exchange of goods and services. Our participants explained that, as a stigmatized industry operating in the shadows, existing market exchanges support those in privileged positions and disadvantage others in marginalized positions, creating a system of domination (Sadeh & Zilber, 2019). Often, managers, producers, pimps and clients—typically cisgender men⁶—are able to abuse their privileged positions when employing, contracting, and hiring female and transgender sex workers. A female entrepreneur working as an independent escort explained to us, “it’s all about patriarchy and owning women’s bodies” (E24). Another entrepreneur who was an independent dominatrix, porn producer, and actor described the potential exploitation from client exchanges: “There are definitely like dangers in the aspect of meeting strange men ... clients who may be abusive, time wasters try not to pay you, that kind of thing” (E6).

These undesirable market exchanges exist because the industry operates in the shadows, enabling the conditions to manifest. “[Stigma] drives things

underground, which means that it’s away from where we can see it ... when things are hidden, you just—you can’t like, you can’t watch it” (E2, dungeon owner and dominatrix). Additionally, there is no recourse in the face of exploitation. One entrepreneur explained how “stigma plays out heavily,” limiting her options for things such as “complaining about bad clients or people who don’t live up to their terms of the agreement”; she highlighted “the inability to call the police if there’s a dispute that needs to be resolved, the inability to call a collections agency if somebody doesn’t pay you” (E20, escort collective organizer and independent escort).

For entrepreneurs, this constraint means putting up with exploitation or turning down potential opportunities that would be beneficial for business. A burlesque producer and performer who had been running shows across the country for more than a decade stated, “exploitation, and not being appreciated [is] why I haven’t worked in [City X] since 2012, it’s why I don’t work in [City Y] anymore. Because I don’t feel that we are valued as humans” (E38). The stigma facing the industry thus leads to undesirable market exchanges for the entrepreneurs, who are often in vulnerable positions based on the structure of domination that exists. This structural constraint was described by the entrepreneurs as compromising the success of their businesses because they must turn down opportunities to avoid exploitation and lack recourse to deal with exploitation when it occurs.

Identity devaluation. Work in a stigmatized industry also creates an identity-based constraint, as the dirty work literature has shown (Ashforth &

⁶ We use the term “cisgender” to refer to individuals whose gender expression matches that assigned at birth.

Kreiner, 1999; Ashforth et al., 2007; Simpson et al., 2012). This limits entrepreneurs' ability to use identity as a valuable resource, which is an important factor in a venture's success (Lounsbury & Glynn, 2001, 2019). The entrepreneurs in our study described how their work and personal identities have been devalued, and explained how these constraints limit their ventures.

As owners and managers, entrepreneurs' work identities have been devalued by stigma that carries the assumption that those in charge are *exploitative*. Two founders of nonprofit organizations explained that everyone in the industry is assumed to be "[perpetrators of] organized crime and pimps" (E31) because "prostitution is exploitive" (E36). In addition, the personal identities of women and transgender individuals are often devalued by the assumption that they are *victims*:

They base their belief systems on a few select people's stories and then just try and use, from their moralistic standpoint, that what we're doing, nobody could possibly *want* to do it. Because [it's] so immoral that [sex workers] *must* be victims and not doing things out of their free will ... we don't *all* fall into that category. (E4, independent dominatrix)

Being labeled as a "dirty, skanky *whore*" (E17, porn producer) is an additional stigma that devalues the identities of women and transgender people in the sex industry. "I knew that people just thought I was this big tramp who loved sex and money" (E34, nonprofit founder).

As such, our participants explained that stigmatization has constrained their business interactions and sense of self by making "it very, very difficult for people to see a profession as being legitimate and on par with other forms of work" (E20, escort collective organizer and independent escort). When this entrepreneur explained her business and the hard work of being an entrepreneur to others, her efforts were often undermined by stigmatized perceptions.

I can present all the business arguments and everything, but there is still that underlying feeling that I know there is an unacceptance there, you know? ... People think, you know, this isn't a job, it's not a job, it's not a real job ... so dealing with this day in, day out sometimes is very hard, um, mentally. (E18, webcam producer and actor)

For entrepreneurs in the sex industry, struggling with devalued identities imposes a significant cognitive constraint by limiting their ability to use identity as a business resource and develop a positive sense of self.

Shaming. The stigma facing the sex industry also creates an emotional constraint for the entrepreneurs, as described in the stigma literature (Creed et al., 2014; Devers et al., 2009; Goffman, 1963). The entrepreneurs described how others typically react to their work: "They were feeling upset about the work we're doing, or if they think that we're evil ... they think that the work I'm doing is shameful" (E12, feminist porn producer and sex educator). Sex workers frequently experience shaming attempts from "all of society obviously, there's plenty of people who will shame us" (E38, burlesque producer and performer).

These shaming attempts are emotionally taxing and impact important social bonds:

It wasn't easy. People hated me, and people pushed me away ... [Interviewer: How did you deal with that?] I got angry. I got upset. I got depressed ... They didn't want anything to do with me. They hated [me], they thought it was disgusting. (E14, transgender porn producer, actor, and motivational speaker)

Similarly, one nonprofit founder reflected: "I knew it wasn't true. But it doesn't mean that it still didn't hurt some days" (E31). Thus, entrepreneurs in the sex industry struggle with the emotional drain and social barriers created by the shaming they experienced from broader society. This is a significant constraint for entrepreneurs because research has shown that social bonds, including strong work and personal networks, are important for entrepreneurial success (Ostgaard & Birley, 1996) and negative emotions such as shame and anger can stall and prevent entrepreneurship (Doern & Goss, 2014; Markman, Baron, & Balkin, 2003).

Opportunities for Entrepreneurs in a Stigmatized Industry

Although stigmatization leads to constraints, our findings also reveal three distinct opportunities for entrepreneurs in the sex industry that emerged from these constraints: satisfying unmet demand, creating ethical standards, and redefining self.

Satisfying unmet demand. The undesirable market exchange constraint limits products and services within the industry. Due to the male-dominated nature of the market exchange, products and services are primarily created by and for men. Many entrepreneurs revealed that this constraint creates opportunities to serve large, untargeted market segments.

Because the industry was originally designed for "the male gaze [i.e., to appeal to men's desires]" (E16, virtual reality feminist porn producer), products and services tend to prominently feature

characteristics that are preferred by cisgender and (typically) heterosexual men, such as “bleached blond hair, fake tits, bronze skin, whatever—doesn’t matter what kind of person they are” (E25, independent escort, burlesque producer, and performer). A feminist porn producer explained: “The most privileged in our society are straight white men. Straight white men create the most mainstream pornography, so it’s created to please them. And they’re a very small majority of people who have sex” (E11, feminist porn producer).

This leaves an opportunity to serve alternative segments of potential customers in an otherwise saturated market. For example, when one entrepreneur established a feminist porn company, she began doing market research: “I find when I’m asking women, ‘What sorts of porn do you watch?’ Often, they don’t” (E13). Another entrepreneur revealed that when he started in the industry, “in 2001, 2000, there were no trans men at all in pornography, at all. Imagine that ... There was nobody, nothing, never existed in the world of the adult entertainment” (E14, transgender porn producer, actor, and motivational speaker). Thus, there was an opportunity to serve other market segments with products that differ from traditional offerings: “If you’re willing to do it, somebody’s willing to pay for it. Sexuality is so diverse that that’s the reality” (E20, escort collective organization and independent escort).

Additionally, much of what is offered by the “mainstream” industry is depersonalized. In response to undesirable market exchanges, sex workers create barriers between their work selves and real selves to reduce the risks and impacts of exploitation: “girls put on kind of like a disguise almost even with their personality” (E19, webcam producer and actor); “everyone’s always like you know ... don’t let them know who you are ... like there’s this assumption that [clients are] gonna be malicious and like do terrible things with your information” (E28, independent escort).

Because the mainstream industry offers primarily depersonalized services, there is latent demand for personalized products and services:

The big companies, it’s more about mass appeal. They operate like movie studios. Where there is just as much money in more niche, specialized small businesses ... there are these people who are looking to masturbate to trans porn, but they want someone who’s good-looking, who they can relate to, who they can kind of imagine knowing in real life, who’s not going to make a lot of weird porn sounds and weird faces to pretend they’re enjoying themselves. (E13, feminist, transgender porn, and webcam producer)

A segment of the market is looking for “relatable” products and services where sex workers are not fake, but instead express their real personalities. One entrepreneur who had been working in the industry for 20 years explained: “the fact that I actually have a personality ... can attract more people because I’m a little more interesting than say, you know the common sort of thing” (E25, independent escort, burlesque producer, and performer).

Overall, undesirable market exchanges in the industry constitute a constraint that leads to a narrow offering of depersonalized products and services. However, this constraint simultaneously creates an opportunity to satisfy demand from alternative segments of the market.

Establishing ethical standards. Undesirable market exchanges also create opportunities to establish ethical standards in the industry. Entrepreneurs described an opportunity to serve sex workers and customers who are seeking to avoid the exploitation associated with the industry. For example, a virtual reality feminist porn producer found that when she shared her ideas about higher standards of practice and labor rights in the porn industry, people came forward to say they would like to support companies with ethical standards:

The older males that I’ve worked with in the past at [Company Z]—I used to work at a coworking space in fact, in another city—they’re actually private messaging me, being like, “I’ve always felt so bad watching sex. I’m so excited to see your work.” (E15)

Some entrepreneurs saw an opportunity to offer something different, “to create a safe and healthy space with the women in mind, run by women that have been in the industry that understand it” (E23, escort collective organizer). An escort collective organizer and independent escort explained that it is “what the community needs and wants,” because the industry “wasn’t like, by us. It was not for us. It’s really important that when people are coming in they understand that they can dictate what happens ... Like, for so long that voice has been squashed” (E22). Therefore, the undesirable market exchange constraint also provides an opportunity to introduce ethical standards that are desired by many sex workers and customers.

Redefining oneself. In addition to these two structural opportunities, the constraints of stigma present a cognitive, identity-based opportunity for entrepreneurs. Although identity devaluation and shaming attempts often have a disciplining effect, it is possible for individuals to reject these efforts (Creed et al.,

2014). We found that these constraints push entrepreneurs to free themselves from the norms and boundaries dictated by society.

Entrepreneurs described how violating social norms provides an opportunity to “develop your own personal constitution [on which] to base your actions” (E1, dungeon owner and independent dominatrix). For people who feel like “weirdos. Little weirdos who describe not fitting in ... burlesque makes it like okay, and makes you feel good about yourself” (E37, burlesque producer and performer). Although society determines what and who is valuable, the identity devaluation and shaming that occurs in a stigmatized industry actually leads to an opportunity to define new positive identities based on different criteria. One sex shop owner and independent dominatrix described coming to the realization that she had the freedom to define herself outside the boundaries of social norms:

I also realized ... that I was never going to have a normal life, what people classify as normal. That was a great epiphany for me. I realized that I was going to have to create my own existence and people were going to love me for me or they weren't. (E7)

This opportunity to redefine oneself outside existing social norms is incredibly important for entrepreneurship.

You're not going to be thinking of what other people are doing or saying or thinking about you ... change is important. It's important that we don't stagnate or become robots to a way of life that impedes our progress as a nation. Don't let the government be your conscience. No, let your conscience be your God. (E1, dungeon owner and independent dominatrix)

In this way, entrepreneurs redefine what and who has value; “it's the whole ‘well-behaved women never make history’ [thing]” (E2, dungeon owner and independent dominatrix). The ability to break free of social norms is important for entrepreneurship, which is about creating innovations with the potential to transform society (Rindova et al., 2009; Tobias et al., 2013).

Stigma clearly imposes constraints on entrepreneurs. However, we found that these constraints also create important opportunities to satisfy unmet demand, establish ethical standards, and redefine oneself.

ACTUALIZING STIGMA-BASED OPPORTUNITIES AND THE EMANCIPATORY POTENTIAL OF ENTREPRENEURSHIP

We have outlined constraints and opportunities for entrepreneurs in a stigmatized industry, thereby

illuminating the negative and positive impacts of stigma. In this section, we explore how entrepreneurship can emancipate entrepreneurs from stigma's negative impacts. Specifically, our findings show that when entrepreneurs actualize the opportunities afforded by stigma through edifying and reframing practices, constraints are loosened and entrepreneurs experience structural, cognitive, and emotional emancipation. However, this multifaceted emancipation is not all-encompassing but specific to the industry.

We elaborate how this process of actualizing stigma-based opportunities unfolded for two distinct groups of entrepreneurs in our sample. One set of entrepreneurs established self-focused ventures to carve out safe spaces for themselves to work in the industry. The other set of entrepreneurs established other-focused ventures that provide products and services to benefit other sex workers. Although these distinct entrepreneurs actualized opportunities based on two different types of practices, both groups experienced a loosening of constraints because either the constraints themselves were reduced or their impacts were weakened or negated. As such, we identified different practices used by the entrepreneurs that resulted in the same emancipatory outcomes. In Table 3, we provide representative quotes that describe the different practices and their impacts.

Actualizing Opportunities Using Edifying Practices

Our findings reveal that the entrepreneurs actualized opportunities to satisfy unmet demand and establish ethical standards by employing distinct edifying practices—activities that infuse humanity and morality into the work. Self-focused entrepreneurs implemented humanizing as one type of edifying practice and other-focused entrepreneurs implemented ethical pioneering as an additional type of edifying practice. These practices helped entrepreneurs create and define new structural arrangements that were not based on exploitation.

Humanizing. Self-focused entrepreneurs actualized opportunities to satisfy unmet demand by employing humanizing as an edifying practice (i.e., activities that work to integrate the entrepreneur as a relatable and whole person). Humanizing involves satisfying the unmet demand for personalized, relatable offerings in an industry flooded with depersonalized products and services. For example, one

TABLE 3
Actualizing Opportunities and Loosening Constraints

| Themes and subthemes | | Representative quotes from the data |
|----------------------|---------------------------------------|---|
| Practices | | |
| Edifying practices | Humanizing | “Yeah. I give people the option to follow me on Twitter so that they can like see my personality, which is fun for me because I’m a little bit batshit crazy, and I want people to expect that.” (E29, independent escort and erotic masseuse) |
| | Ethical pioneering | “I want to pitch the ethically made part because a lot of people do worry about performer safety and, ‘Is everybody being respected? What were conditions like on set?’ ... I really want to concentrate on that as a marketing point to stand out in the industry. Kind of like people who pay a bit more for products that are locally made and make them feel good about it.” (E10, feminist porn producer) |
| Reframing practices | Reframing as authentic | “I enjoy the things that I’m doing with them. Because I really, I mean, like, I am genuinely into BDSM, so I really enjoy the activities that I’m doing. I don’t do things that I don’t enjoy, so I don’t enjoy verbal humiliation, I don’t do it.” (E2, dungeon owner and independent dominatrix) |
| | Reframing as significant | “I mean, you know, talking to the women, oh my God, you know ... they’ll look to me for leadership, which is awesome and wonderful and it’s a privilege, but at the same, at the same token, you know, I’m looking to them, um, cause I, I have so much to learn, um, from, you know, from these women.” (E33, nonprofit organizer) |
| Emancipation | | |
| Structural | Reducing undesirable market exchanges | “So what I’m doing is going back to those people who are starting out again, and I don’t want anyone to go through what I went through ... So instead of the agency hiring you to work, what I’m doing is offering a service [to independent escorts].” (E22, escort collective organizer and independent escort) “I am not a sex worker who puts on a separate persona—I just do me. And so, if you’re into, you know, a grad student who talks a lot about politics, then you will like me ... so I post stuff like that on Twitter, and then, I feel like that sometimes alienates clients, but I would rather attract the clients who like that about me than fake it and get people who would just, like, actually make me want to vomit.” (E28, independent escort) |
| | Cognitive | Negating identity devaluation |
| Emotional | Reducing negative affect | “I love producing burlesque shows. I love producing big events; that’s my pride and joy. Some of my happiest moments have been when I’m not on stage. When I’m standing at the back of a full house, and the curtains open, and there’s a performer on stage who I booked who is fucking amazing. A perfect example ... curtains open, full house. She’s standing there with this glorious 1950s microphone, it’s just covered in rhinestones, and this long slinky gown. And all she did was just, ‘Oh, hello [City].’ And the audience went wild, and I cried. I cried, because I was just like, ‘This is perfect. This whole situation, that I helped create, is perfect.’ And that’s what I love.” (E38, burlesque producer and actor) “The stigma didn’t bother me. In fact, I really enjoyed talking about it, because I’m helping remove not just the stigma, but the silence around it. That was part of my whole thing, that we have to be talking about this ... So, I’m gonna talk about it as much as possible [laughing] and as publicly as possible.” (E35, nonprofit founder) |

entrepreneur explained how she incorporated her personality into her webcam performances: “Technically, I’m a professional masturbator. That’s most of my job, especially on cam I guess, but really it’s more. If I’m being realistic, I’m a professional

online personality” (E13, feminist, transgender porn, and webcam producer). She then explained how her personality is an important tool for connecting with specific customers who relate to her on a personal level.

Often, I'll make videos that don't even feature nudity, just me talking to the camera in a seductive way. It's because [customers] are invested in me as a person. Their fantasy is not having sex with someone, it's having sex with *me* personally. (E13)

Similarly, an independent escort and erotic masseuse described the stark contrast between working with clients who connect with her on a human level and working for a pimp:

Before, it was, "You're available. I'm just gonna do whatever I want." And now it's, "I'm gonna listen to what you want." [Now,] I enjoy it a lot more. So, since then ... I get better clients, I get better *presents* from my clients [laughs]. (E29)

Self-focused entrepreneurs implemented humanizing practices to access preferred clients and thus create more favorable exchanges for themselves.

Ethical pioneering. Other-focused entrepreneurs actualized opportunities to satisfy unmet demand and established ethical standards through ethical pioneering as an edifying practice, which we define as implementing fair labor practices and ethical forms of representation in existing industry business models or offerings. For example, feminist pornography companies used ethical pioneering practices to guide the filming process:

We would never want someone to fake an orgasm to look good on a camera ... we never ask people to perform acts that they haven't brought up wanting to do. In terms of direction, we comment on things like lighting and positioning, but we never ask performers to perform specific acts and we never encourage them to wear things they don't want to wear. (E11, feminist porn producer)

Through ethical pioneering, other-focused entrepreneurs developed new standards and products. For example, one virtual reality feminist porn producer explained how she sought to design new porn offerings for "divorced women, older women who live alone ... those who want to ... have a sexual experience that's not derogatory" (E15). In contrast to other pornography companies that target male audiences with traditional porn products, feminist porn companies "make porn that is for the female gaze, from the female point of view" (E16, virtual reality feminist porn producer).

Other entrepreneurs in this group innovated and founded new business-to-business ventures where sex workers are customers, not employees. For example, escort collectives offer business support services (e.g., advertising, space rental) to independent escorts. This model enables escorts to receive support from an

organization while continuing to work independently, thereby eliminating the risk of exploitation from pimps and traditional agencies. An escort collective organizer explained the innovative ethical practices used in her collective:

So instead of the agency hiring [a sex worker] to work, what I'm doing is offering a service. So, suppose you want to do your own advertising and you want to communicate with your own clients. Great, I have a room for you. And you don't want to advertise. Okay, cool, I can help you to do that. But you have your own space, awesome. So, it's like a split model ... It's what I wanted 10 years ago but didn't have. (E22).

In summary, self-focused entrepreneurs actualized opportunities to satisfy unmet demand by implementing humanizing as an edifying practice that enabled them to access clients who respect them. Other-focused entrepreneurs actualized opportunities to satisfy unmet demand and establish ethical standards by employing ethical pioneering as an edifying practice that enabled them to offer fair products and services to other sex workers.

Actualizing Opportunities Using Reframing Practices

In addition to the efforts described above, entrepreneurs used reframing practices to infuse positive value into their identities. Self-focused and other-focused entrepreneurs actualized opportunities to redefine themselves by reframing their identities as authentic and significant, respectively, in contrast to the devalued identities created by stigma (e.g., victim, whore, and exploitative stigmas).

Reframing as authentic. Self-focused entrepreneurs actualized opportunities to redefine themselves by reframing their work as an expression of their authentic selves. That is, the entrepreneurs claimed to have an authentic work motive, as opposed to having no choice (victim stigma) or no morals (whore stigma). The entrepreneurs embraced sex positivity as an alternate view of their work and the sex worker identity as an authentic expression of their true selves in defiance of existing social norms. A dungeon owner and independent dominatrix described BDSM and her entire appearance (i.e., dressed in a corset and gown, and with a pink mohawk) as "a deep-seated part of my sexuality and like, to the point that I consider it to be an orientation ... it's as much a part of me as the fact that I'm a woman ... It's that deep" (E2).

Entrepreneurs explained that they are not just in it for the money, but have a great desire to perform their work, which they view as an authentic reflection of

themselves. When hiring dominatrices for her dungeon, one entrepreneur would contrast herself with those who just wanted the job for the money: “You can’t be there just for the money ... I’m not there just for the money. I happen to really love the whole BDSM kind of power” (E3). A webcam producer and actor similarly explained: “It kind of shows that I’m more about the lifestyle ... Not that I’m just some girl that needs to make money” (E19).

Although the victim and whore stigmas devalued their identities by emphasizing a lack of choice, vulnerability, and immorality, the entrepreneurs invoked authenticity as an alternative ethic and explanation for their work.

Reframing as significant. Other-focused entrepreneurs also actualized opportunities to redefine themselves outside social norms by reframing the sex worker identity as significant. Doing so infused a sense of value into the identities of those who are not valued—those outside the bounds of acceptability in society. This reframing helped the entrepreneurs overcome the whore stigma, which suggests that sex workers are less valuable due to their behavior and choices, and the exploitative stigma, which assumes that business owners treat sex workers as less valuable human beings. A dungeon owner and independent dominatrix explained: “We’re not viewed as important people. We are viewed as disposable” (E2). In contrast, one nonprofit founder explained that her own identity as a sex worker is valid and important, and should not be marginalized:

I have the knowledge about something that you don’t. And we all have that in different parts of our lives, but this is mine. My specialty is the sex industry and you need to understand how much it affects everyone, like all of Canada. (E31)

The entrepreneurs also emphasized the significance of other sex workers. Through her work, a feminist porn producer and sex educator validated the identities of the other sex workers on her team and the actors in her films: “I really see the value in other people, and I want other people to feel ... seen and heard and understood, and ultimately, when I’m in a position of power I get to do that for other people” (E12). By reframing themselves and other sex workers as significant, these entrepreneurs negated the stigma that devalues sex workers.

A transgender porn producer, actor, and motivational speaker was very clear about the significance and value of his identity as a transgender man with a vagina working in porn. He emphasized the social importance of openly depicting the bodies and

sexualities of transgender men: “I already get emails from guys, ‘Thank you so much for liberating me about my vagina, and I feel so—I can have sex now.’ Hello! Like how can you think that my work isn’t important?” (E14). Thus, entrepreneurs infused positive value into their identities, constructing themselves and other sex workers as significant. They were not, thus, victims or whores.

The Multifaceted Nature of Emancipation

Our findings reveal that entrepreneurs in stigmatized industries face both severe constraints and unique opportunities that emerge from these constraints. We discovered that by actualizing opportunities through edifying and reframing practices, entrepreneurs are able to create new structural arrangements and infuse positive value into their identities, thereby loosening constraints on their work. Thus, we theorize that entrepreneurship can be emancipatory to the extent that it aids in loosening the constraints of stigma through the actualization of opportunities. Our findings point to three distinct forms of emancipation enabled by entrepreneurship: structural, cognitive, and emotional.

Structural emancipation. We define structural emancipation as removing or loosening system-based constraints imposed by an industry, or society more broadly. The entrepreneurs in our study employed humanizing and ethical pioneering practices to reduce the constraints of undesirable market exchanges as they worked to satisfy unmet demand and establish ethical standards. Humanizing practices promoted structural emancipation by attracting clients who respected rather than exploited them. Humanizing thus attracts better customers who treat the entrepreneurs with respect:

I was getting a lot more of the kind of people I wanted to play with. People who kind of struck my interest more, but it was also a kind of *respect* for me. Less of a kinky vending machine and more of like a personal experience. They were looking to see me and not just get their balls busted. (E5, independent dominatrix)

Such practices allow entrepreneurs to reach customers that relate to them as human beings. By actualizing this opportunity, these entrepreneurs, thus, reduced the constraint of undesirable market exchanges for themselves by generating alternate respectful market exchanges.

Ethical pioneering practices enabled structural emancipation by establishing alternate fair exchanges or changing industry practices to reduce exploitation. Specifically, sex workers do not have to engage in

exploitative exchanges because they have access to alternative, fair exchanges run by the entrepreneurs: “Our whole goal and our whole process, the reason we’re doing this is ... to make sure it’s a better space, things are a healthier, happier space” (E23, escort collective organizer). Several entrepreneurs produced burlesque performances or founded sex shops similarly focused on women as the core audience, in contrast to the male-dominated audience for stripping and traditional sex shops; in doing so, these entrepreneurs created spaces for women to work that are based on fair labor standards and products with ethical representations. Other entrepreneurs founded nonprofits to serve sex workers by engaging in advocacy to change industry practices and reduce exploitation.

Furthermore, the entrepreneurs explained how their pioneering practices even aim to reduce undesirable market exchanges beyond their own ventures, by pushing competitors “to either adapt their business model, be more provider-positive, or go out of business. I’m forcing social change through economic forces” (E20, escort collective organizer and independent escort). These entrepreneurs reduced the constraints of undesirable market exchanges for sex workers by providing alternative, ethical exchanges or working to change the practices of others to reduce exploitation. In these ways, the entrepreneurs and other sex workers were able to avoid working for those who may exploit them in undesirable market exchanges, as they created or found safe alternative exchanges. Thus, through edifying and reframing practices these entrepreneurs loosened some of the system-based constraints within the industry and experienced a structural emancipation.

Cognitive emancipation. The entrepreneurs also experienced cognitive emancipation, which we define as removing or loosening identity-based constraints derived from existing social and cultural environments. The entrepreneurs in our study accomplished this by reframing their identities outside existing social norms: as authentic and significant.

By reframing themselves as authentic, self-focused entrepreneurs were able to negate the identity devaluation constraint and instead infuse positive value into their identities. Letting go of social norms and reframing oneself as authentic is “extremely liberating” (E39, burlesque producer and performer). During an early morning interview, an independent escort sat drinking coffee in a green velvet evening gown, and described how embracing an identity outside of social norms has enabled her to be herself without the anxiety she felt before.

I don’t think I could really live without the other part of me ... I do think that this [escorting] is work I was always meant to do, so I think part of me would be missing ... I just felt like there was this part of my life that I wasn’t living. So, I don’t think I would feel right being my personal self without knowing that my professional self is also there. (E26)

By reframing the sex worker identity as significant the other-focused entrepreneurs were able to negate the devaluing of their identities, and actively counteract the exploitative stigma that assumes business owners will treat sex workers as less valuable. One feminist porn producer explained how she was able to negate this stigma by reframing her identity as significant, thereby infusing it with positive value.

Everyone I’ve told has kind of taken a step back, thought about it, and said, “You know what? I really respect and appreciate what you’re doing and I’m glad that someone like you is doing it.” I think that it’s really disarming for a lot of people to see that there’s a self-identified woman doing these things. And when I tell them about performer respect and all these things ... they’re kind of, well, on board. (E10, feminist porn producer)

By actualizing opportunities to redefine themselves, entrepreneurs infused positive value into their personal and work identities, thereby enabling cognitive emancipation.

Emotional emancipation. Here, we introduce the new concept of emotional emancipation, which we define as removing or loosening affect-based constraints that result in negative emotions, allowing for alternative positive emotions. For the entrepreneurs, emotional emancipation occurred through a combination of generating pride from the loosening of structural constraints, and deflecting shaming efforts by loosening cognitive constraints.

We found that reducing the undesirable market exchange constraint via edifying practices enabled the entrepreneurs to experience pride in their work. For example, an independent escort and erotic masseuse described the pride she now feels as a business owner, having created a venture that allows her to avoid undesirable market exchanges:

Yeah, I’ve been homeless in my life. I’ve obviously been pimped out—it’s an amazing feeling to have this much independence and freedom and being proud of [myself] for running [my] own business that well, right? So that’s 100% what I love about it. (E29)

Other-focused entrepreneurs also described taking great pride in their work, particularly in their ability to drive social change in the industry by creating alternative structural arrangements: “This is the new wave

of sex-positive, female-positive, sex-for-sale in the city. Collectives, initiatives, everyone working together” (E22, escort collective organizer and independent escort). Rather than personal success, the social impact of their work serves as a great source of pride for the entrepreneurs. One transgender porn producer described taking great pride in normalizing transgender bodies, particularly those who identify as men but still have vaginas.

Ten, 15 years ago, guys hated me. They were like, “You’re ruining our community. Everyone’s going to think we all have vaginas.” And now they’re all calling themselves men with vaginas and pussies ... it’s fucking amazing ... It’s just like, I am the voice of pushing boundaries. That’s what I am. I’m the voice of pushing things that no one wants to fucking talk about. (E14, transgender porn producer, actor and motivational speaker)

Likewise, an entrepreneur who had experienced extreme exploitation in the industry and established a nonprofit to advocate for sex workers described taking great pride in her venture’s social impacts:

That’s probably one of the things I’m most proud of. This stuff. It’s those individual conversations I have with men that I’m most proud of. Like, the men who have emailed me who said, “You’ve totally made me you know, rethink what I was doing” ... This is it. This is the real thing. (E31)

Thus, reducing the undesirable market exchange constraint through edifying practices allowed entrepreneurs to feel pride in their work.

In addition, loosening cognitive constraints through reframing enabled entrepreneurs to deflect shaming and loosen emotional constraints. For example, reframing as authentic enabled the entrepreneurs to deflect others’ shaming efforts. When asked to describe how she deals with people who stigmatize her, an independent escort replied: “Uh, how do I respond? I usually laugh in their face” (E28). Likewise, a sex shop owner and independent dominatrix explicitly described how embodying her authentic self enables her to deflect shaming attempts and avoid feeling shame.

People have seen me sip a glass of wine behind the counter. If I crotch, or I knit, or if I’m doing something, I’ll take it into the store. I’m not ashamed of who I am personally and I’m not ashamed of who I am professionally. (E7)

Reframing the sex worker identity as significant also allowed entrepreneurs to deflect shaming. These entrepreneurs were able to shut down the shaming

efforts of others in the work context by drawing on this cognitive source of value. A nonprofit founder who openly described living on the street and working for a pimp declared: “I have no shame in where I came from” (E34). A burlesque producer and performer took a similar stance: “If people are going to shame me for doing burlesque then I’ll sometimes have a bit of a conversation with them, but I don’t really care” (E37). Thus, infusing positive value into their identities and negating the devalued identities associated with sex work enabled entrepreneurs to deflect shaming attempts and avoid feelings of shame.

Overall, the combination of generating pride and deflecting shaming enabled emotional emancipation, preventing negative affect for the entrepreneurs.

The Context-Specific Nature of Emancipation

Importantly, however, the structural, cognitive, and emotional emancipation enabled by actualizing stigma-based opportunities is not permanent or all-encompassing. Despite clear benefits, entrepreneurial activities only partly loosen the constraints caused by stigma. Although the emancipatory benefits of entrepreneurship are realized within the stigmatized sex industry, they do not extend beyond it. As such, the entrepreneurial process yields what we conceptualize as context-specific emancipation: confined and interaction-specific relief from the constraints of working in a stigmatized industry.

Although structural emancipation significantly improved the lives of entrepreneurs and other sex workers in the industry, we found that it was fragile and did not yield benefits outside the industry. For example, the entrepreneurs continued to be at a disadvantage in transactions with banks, insurance agents, and advertisers. Because the stigma facing the sex industry includes perceptions of immorality and riskiness, external organizations charged exorbitant rates or even refused to work with the entrepreneurs. For example, a sex shop owned by an independent dominatrix was broken into twice in a short time period, and had been denied insurance because of the nature of the goods in her store:

I was broken into *again* this year and it was another \$7,000 worth of stock. Because it’s the sex industry ... they won’t insure my stock. Nobody wants to deal. I have an insurance underwriter who’s a good friend of mine. She said, “Nobody’s going to deal with you. They don’t want to deal with sex toys” ... This time, it really knocked me for a loop and I didn’t have that savings because I had spent it last year [on a

previous theft] ... This time, it took me a couple months to really pull out of it. (E7)

This constraint seriously limited the entrepreneurs' ability to access typical business resources. An escort collective organizer explained that despite "trying to make it as legitimate of a business as possible" entrepreneurs in the sex industry encounter "so many hurdles, in terms of advertising and hiring and how we can finance, and what financial institutions will be willing to work with us ... all of these laws that are put in place prevent us from being like any other business" (E23). Thus, our findings show that structural emancipation enabled through entrepreneurship is context-specific, as entrepreneurs face structural constraints when engaging in interactions beyond the stigmatized industry.

Likewise, our findings show that cognitive emancipation is context-specific. The cognitive emancipation entrepreneurs achieved by reframing themselves as authentic and significant was periodically undermined during interactions with those outside the industry.

I really don't like the question, "What do you do?" when I'm meeting somebody [outside of work] for the first time anymore. 'Cause, like, I'm really proud of what I do. [But] I don't know how they're gonna react. And I've been in a public situation where I've been humiliated by somebody being an asshole. Um, and that wasn't a fun experience ... In my personal life, like if I disclose my professional life it could cost me. Like people look at you differently. (E26, independent escort)

Another entrepreneur temporarily left the porn industry to become a motivational speaker and described similar experiences. Interactions with those in the motivational speaking industry threatened the positive value he had infused into his identity because others continued to apply the whore stigma.

I was actually removing myself a lot from the sex industry. But the last couple of weeks I've been noticing that I feel ashamed that I'm doing that ... I just thought to myself, "Well, if they're going to continue to treat me like I'm a bad porn star, I shouldn't remove myself from it." Because what I'm doing is, I'm sort of letting them, I'm proving them to be right in a weird way. (E14, transgender porn producer, actor, and motivational speaker)

Another entrepreneur described similar experiences:

I've had so many people tell me to get an actual job. I'm like, "This is my actual job. Like I, I pay rent, I'm gonna buy a house in a few years. Like this is my actual job. What do you mean?" (E19, independent escort)

Interactions such as these undermine cognitive emancipation as entrepreneurs are forced to confront external audiences that challenge the value they have infused into their identities. Thus, cognitive emancipation is fragile and threatened by interactions outside the industry that fail to validate the positive framing of entrepreneurs' identities.

In moments when structural emancipation or cognitive emancipation is undermined, emotional emancipation is also threatened. Our theorizing suggests that emotional emancipation is the most fragile form of emancipation because the development of pride hinges on structural emancipation, and the prevention of shame relies on cognitive emancipation. As such, when structural or cognitive emancipation are undermined, so too is emotional emancipation. For example, when confronted with ongoing structural constraints, entrepreneurs in our study experienced a deflated sense of pride. The independent dominatrix whose uninsured sex shop was burglarized found the police to be unresponsive, deflating the pride she felt in her business:

It really gets me down. It makes me sad. I've wanted to close a couple times. The first [break in] was so bad. It hit me really hard and I was sad for about three days ... The fact that the police really didn't do anything was just even worse ... This time it took me a couple months to really pull out of it. I thought about really not having the store anymore. It was very, very sad. (E7)

Similarly, interactions with others that threaten cognitive emancipation can trigger shame. For example, when the positive value that an independent escort and burlesque producer had infused into her identity was undermined by a border guard, she felt unable to deflect their shaming attempts and thus felt shame:

"How long have you been escorting?" ... was the first thing he asked me when he brought me into secondary, and I was like, "I don't know, like seven years? What's the problem?" ... I was just like dumbfounded the whole time. I just, I couldn't believe that being a "known prostitute," which is of course what he called me is uh, illegal. Like I'm an illegal person ... unfortunately, you know feeling that sort of like stigma, like the shame that people have put on that work you know, being put on me, it, it permeates ... It was depressing. So that was the only time that I really felt the stigma in my life ... So yeah, that stigma was like, it was pretty awful during that year. (E25)

We therefore consider emotional emancipation to be more fragile than the other two forms of emancipation that enable its emergence. Like a house of cards, threats to the other forms of emancipation may shake the foundation of emotional emancipation.

Structural, cognitive, and emotional emancipatory outcomes associated with entrepreneurship could be undermined during personal interactions with family, friends, and new acquaintances, or during business interactions with those outside the industry. Accordingly, we suggest that entrepreneurship enables a context-specific emancipation from the constraints of stigma, since it is realized within, but not beyond, the bounds of the stigmatized industry.

DISCUSSION

In this study, we set out to explore the negative and positive impacts of stigma on entrepreneurs, and the potential for entrepreneurship to provide emancipation from the negative impacts. We examined entrepreneurship in a core stigmatized industry through a qualitative study of entrepreneurs in the sex industry in Canada. We found that, indeed, entrepreneurs face many constraints because of stigma, but also that these constraints lead to particular opportunities. Actualizing these stigma-based opportunities enables entrepreneurs to loosen the constraints, and thereby experience structural, cognitive, and emotional emancipation within the industry. We detail the key features of each of these forms of emancipation in Table 4.

We found that the emancipation experienced by the entrepreneurs is confined to the context and thus frequently threatened by interactions with those outside the industry. In describing these findings, we make important contributions to the stigma, entrepreneurship, and dirty work literatures.

Contributions to Research on Stigma: The Negative and Positive Impacts of Stigma on Entrepreneurs

There has been an abundance of research on stigma and its negative impacts on workers, organizations,

and industries (e.g., Clair, Beatty, & MacLean, 2005; Devers et al., 2009; Hudson, 2008; Hudson & Okhuysen, 2009; Lashley & Pollock, 2019; Slade Shantz, Fischer, Liu, & Lévesque, 2019; Zhang et al., 2021). This research has made important strides by elaborating multiple negative impacts of stigma and potential responses that allow individuals to cope or facilitate change (e.g., Hampel & Tracey, 2017; Hudson & Okhuysen, 2009; Piazza & Perretti, 2015; Vergne, 2012). We build on this work in the context of entrepreneurship, and in doing so are able to provide a more complex characterization of the impacts of stigma. Specifically, we articulate how stigma leads to particular industry dynamics that create constraints on entrepreneurs and their ventures; we also show how the constraints of stigma create particular opportunities for entrepreneurs. Stigma is thus a double-edged sword that not only has negative impacts on entrepreneurs, but positive impacts as well.

While most research at the industry and organization levels has focused on the negative impacts of explicit social disapproval and public contestation (e.g., Durand & Vergne, 2015; Hampel & Tracey, 2017; Helms & Patterson, 2014; Lashley & Pollock, 2019; Piazza & Perretti, 2015; Vergne, 2012), our research reveals the negative impacts when stigma drives an industry underground: a stigma-based constraint of undesirable market exchanges. Because stigma forces sex workers to operate in the shadows (Hudson & Okhuysen, 2009; Scott, 2013), market exchanges tend to be governed by structures of domination, rather than by rules and regulations. As a result, marginalized entrepreneurs have little power to negotiate business transactions, which are controlled primarily by those who contract, manage, or purchase services. Exploitation based on the system

TABLE 4
Forms of Emancipation

| | Structural emancipation | Cognitive emancipation | Emotional emancipation |
|-------------------------|---|---|---|
| Constraints | System-based (industry or societal) | Identity-based | Affect-based |
| Emancipation definition | Removing or loosening system-based constraints imposed by an industry or society more broadly | Removing or loosening identity-based constraints derived from existing social and cultural environments | Removing or loosening affect-based constraints that result in negative emotions |
| Emancipatory outcomes | Creating new structural arrangements, reducing undesirable market exchanges | Infusing positive value into identities, negating identity devaluation | Generating pride, deflecting shaming to prevent negative affect |
| Related literature | Al-Dajani et al., 2015; Montessori, 2016; Tobias et al., 2013 | Chandra, 2017; Essers & Benschop, 2007; Scott et al., 2012 | |

of domination continues unabated because many avenues for dealing with exploitation, such as police and collection agencies, are not available to entrepreneurs in stigmatized industries. Entrepreneurs must choose between accepting undesirable exchange conditions to grow their businesses and turning down opportunities to avoid exploitation. Interestingly, while this constraint for entrepreneurs is caused by stigma, it also reinforces the stigma of the industry and enhances the moral taint associated with sex work. That is, once stigma drives an industry into the shadows, conditions become favorable for corruption, exploitation, and power imbalances that strengthen the stigma plaguing the industry.

We also identified two additional stigma-based constraints that negatively impact entrepreneurs: identity devaluation and shaming. Our findings confirm those of previous studies documenting the constraints facing individuals who work in stigmatized industries (e.g., Crocker et al., 1998; Goffman, 1963; Link & Phelan, 2001), and extend them to entrepreneurs. We have shown how these constraints negatively impact entrepreneurs by hindering their abilities to use identity as a resource (Lounsbury & Glynn, 2001), access supportive social bonds, and avoid the emotional drain of shame (Creed et al., 2014). Most significantly, however, we have discovered that these three constraints lead to important opportunities.

Whereas the majority of the stigma literature has characterized stigma as a detrimental burden, recent research has revealed that stigma may not be entirely negative (Helms et al., 2019; Roulet, 2020). Two recent studies have shown that organizations can manipulate meanings associated with stigma to build supportive ties and social acceptance (Helms & Patterson, 2014; Tracey & Phillips, 2016). Similarly, our findings show that entrepreneurs can manipulate meanings associated with stigma, but for different purposes. Specifically, identity devaluation and shaming create opportunities for entrepreneurs to redefine themselves outside social norms, thereby enabling them to embrace their transgressiveness, and reframe themselves as authentic and significant. Stigma, in this sense, enables alterity. Outside societal norms, there is freedom to develop one's identity on one's own terms. Thus, stigma can provide an environment in which individuals can craft new meanings around their passions and personalities. For entrepreneurs, this can mean letting go of limitations that stifle entrepreneurship and focusing on innovation and social transformation beyond social norms and societal boundaries.

Our study also reveals how entrepreneurs find opportunities in the structural constraints caused by stigma (i.e., undesirable market exchanges) by engaging in humanizing and ethical pioneering practices. Although depersonalized services (Ashforth & Kreiner, 1999; Grandy, 2008) and unethical practices (e.g., Lashley & Pollock, 2019) that may proliferate in stigmatized industries are indeed negative, we have discovered that these constraints create opportunities for entrepreneurs to benefit by offering personalized services and operating ethically. Our findings thus reveal how stigma has more material positive impacts than past research has indicated. Specifically, whereas previous research highlighted the symbolic cognitive benefits that emerge from stigma when actors alter meanings to build social acceptance (e.g., Helms & Patterson, 2014; Tracey & Phillips, 2016), our findings suggest that stigma can also provide material and structural opportunities for entrepreneurial success. That is, stigma provides opportunities for entrepreneurs to alter the nature of market exchanges and the products and services offered.

Our findings also reveal the benefits of multilevel research. Research has typically focused on effects of stigma at a single level (i.e., industry, organization, or individual) (Zhang et al., 2021), but our findings reveal how stigma-driven constraints and opportunities have multilevel impacts. For example, undesirable market exchanges that operate at the industry level also impact entrepreneurial ventures at the organization level, and entrepreneurs themselves at the individual level. Having no recourse when customers are violent or fail to pay has obvious organizational impacts as well as very personal impacts for entrepreneurs. Similarly, identity devaluation affects both work-related and personal identities, thereby limiting the development of a critical organizational resource and a positive sense of self. Opportunities enabled by the constraints of stigma are similarly multilevel. Satisfying unmet demand, for example, creates niches for entrepreneurial ventures to build their organizations while improving individual-level interactions with clients and other workers. Accordingly, we argue that by studying stigma and its impacts at one level, scholars may miss more complex and holistic impacts—both positive and negative—of stigma on industries, organizations, and individuals. We encourage scholars to broaden their focus when studying stigma to truly capture its consequences.

In future studies, scholars should attend to the complex and contradictory ways in which stigma operates and impacts individuals, organizations, and industries. Doing so will ensure we remain sensitive to the

negative impacts of stigma, while also attending to how stigma provides opportunities to redefine identities, shift meaning, garner social support, and alter the very structure of market exchanges and product offerings.

Contributions to Research on Entrepreneurship: The Multifaceted, Context-Specific Nature of Emancipation

Our findings extend current understandings of the emancipatory potential of entrepreneurship. In the existing literature, scholars have elaborated how entrepreneurship can allow people to break free from the status quo and experience liberation from social constraints (Rindova et al., 2009). However, within this rich literature there is a lack of consensus about what emancipation is and where its impacts are felt. Some studies have focused on the enactment of new practices and processes that provide greater freedom (Al-Dajani et al., 2015; Montessori, 2016), and others have focused on empowerment (Datta & Gailey, 2012; Scott et al., 2012) and the reduction of ideological constraints (Chandra, 2017). We bring nuance and clarity to the conceptualization of emancipation by outlining three distinct forms: structural, cognitive, and emotional. These distinct forms of emancipation bring a sense of liberation to different dimensions of entrepreneurs' work and personal lives by loosening different types of constraints. Identifying these unique forms of emancipation enables a better understanding of the role entrepreneurship can play in generating emancipatory outcomes.

Structural emancipation involves loosening the limitations on fair and equal participation in society and work. Our findings show how entrepreneurs achieved structural emancipation by using humanizing and ethical pioneering practices in a stigmatized industry to reach preferred customers and develop new ethical products and services that allowed them to loosen the exploitative market exchanges of the stigmatized industry. Some entrepreneurs focused on loosening structural constraints for themselves, and some focused on loosening the constraints for others in the industry. We see these findings as aligned with much of the entrepreneurship-as-emancipation literature. For example, Tobias et al. (2013) demonstrated how entrepreneurship loosened the constraints of poverty and ethnic conflict by increasing incomes, and others have shown that entrepreneurship can challenge patriarchal limitations by creating new collaborative networks (Al-Dajani et al., 2015). We see these types of emancipatory outcomes as

structural in nature, and suggest that defining them as such can help us better understand their impacts and relevance for entrepreneurs.

We also conceptualize the notion of cognitive emancipation. Cognitive emancipation involves loosening of the limitations on the development and maintenance of positive personal and work identities. Our findings show how cognitive emancipation occurred when workers in a stigmatized industry reframed their identities. In the sex industry, reframing as authentic and significant infused value that directly negated the exploitative, victim, and whore stigmas that result in identity devaluation. In the entrepreneurship literature, Chandra (2017), Essers and Benschop (2007), and Jennings and colleagues (2014) have hinted at this form of emancipation, demonstrating how entrepreneurship can help people let go of constraining ideologies and construct a new sense of self. Accordingly, we suggest that some of the emancipation enabled by entrepreneurship is cognitive in nature, and just as important for entrepreneurs' success as structural emancipation.

In addition to conceptualizing these two forms of emancipation, we have uncovered a third form that has not been identified in the existing entrepreneurship literature. Our findings show that entrepreneurs are able to experience emotional emancipation from the burden of shame associated with stigmatized work. Implementing humanizing and ethical pioneering practices to reduce undesirable market exchanges enables entrepreneurs to develop pride in their work; in addition, using reframing practices to negate identity devaluation enabled them to deflect shaming attempts and prevent potential feelings of shame. Accordingly, entrepreneurs experience a reduction in negative constraining emotions and an increase in positive ones. Such emotional emancipation is likely to be particularly relevant and important in contexts where stigma generates feelings of shame and significantly diminishes agency (Creed et al., 2014; Tangney, Stuewig, & Mashek, 2007).

Scholars who have studied dynamics at the intersection of emotions and entrepreneurship have tended to focus on the motivating role of positive emotions (Cardon, Post, & Forster, 2016; Goss et al., 2011; Zietsma, Voronov, Toubiana, & Roberts, 2019). Our findings reveal that entrepreneurship can also be used as a means to overcome negative emotions. Many entrepreneurs are personally stigmatized based on characteristics such as gender, race, or ethnicity (e.g., Al-Dajani et al., 2015; Essers & Tedmanson, 2014; Scott et al., 2012); increasingly, entrepreneurship is being suggested as a way for these groups to

overcome stigma. We expect that emotional emancipation may be a relevant outcome for such individuals who attempt to overcome shame and other debilitating emotions on a regular basis. In our case, emotional emancipation was generated as a product of structural and cognitive emancipation. However, it is possible that a combination of cognitive strategies (beyond just reframing) may be able to generate emotional emancipation as well. Additional research is required to determine the potential drivers of emotional emancipation in stigmatized and nonstigmatized industries.

Our more nuanced conceptualization of emancipation enables us to address conflicting findings in the entrepreneurship-as-emancipation literature. Whereas some research has shown entrepreneurship to be emancipatory (e.g., Montessori, 2016; Rindova et al., 2009; Scott et al., 2012), other research has shown that this is not the case (e.g., Goss et al., 2011; Jennings et al., 2014; McAdam & Marlow, 2013). Our findings shed light on this debate, as we reveal that entrepreneurship can simultaneously be emancipatory and not.

First, some types of entrepreneurial activity may provide some forms of emancipation and not others. The entrepreneurs in our study experienced structural, cognitive, and emotional emancipation, but this may not always be the case. For example, Karki and Xheneti (2018) found that entrepreneurship improves confidence and life aspirations, but does not address issues of poverty and gender relations. We interpret this as evidence of cognitive, but not structural, emancipation. We expect that cognitive emancipation is likely the most easily accessible form of emancipation through entrepreneurship, because structural emancipation requires loosening the material constraints imposed by others, whereas emotional emancipation emerges as a product of the cognitive and structural forms. We encourage researchers to examine which types of entrepreneurship and contexts may be more likely to generate certain forms of emancipation, and the conditions that may enable the emancipation trifecta to be achieved.

Second, we discovered that emancipation can be context-specific. Our study of a stigmatized industry reveals that although emancipation may be realized within the work context, it may not spill over to social bonds in other domains. We see this as being true in other research settings as well. For example, in Scott and colleagues' (2012) study of Avon ladies, entrepreneurs developed strong positive work identities and increased their social status in work interactions, yet continued to be constrained by gender and race in their

familial and societal relationships. Interactions with those outside the industry can undermine the benefits that entrepreneurship provides. The context-specific nature of emancipation may explain why some scholars have questioned whether entrepreneurship is emancipatory. Foucault (1997) explained that emancipation does not necessarily require the complete eradication of constraints, but can manifest as practices of freedom within existing structures. Accordingly, we see this context-specific emancipation as important and valuable. Our evidence demonstrates how context-specific emancipation significantly improves an entrepreneur's sense of self, fulfillment, and safety. While not complete, such confined and interaction-specific emancipation offered by entrepreneurship is valuable, and indeed may sow the seeds for more radical transformation in the future. For example, by infusing ethics into market exchanges, entrepreneurs may eventually decrease stigma in the industry. Although we have showcased limitations to emancipation, the value of entrepreneurship for those working in stigmatized domains remains evident.

Contributions to Research on Dirty Work: Reframing Practices and Entrepreneurs

In the dirty work (Hughes, 1958) literature, scholars have detailed how identity work or normalization strategies such as reframing, refocusing, and recalibrating enable workers to construct positive identities despite stigma (Ashforth et al., 2007; Mavin & Grandy, 2013). For example, private security guards (Johnston & Hodge, 2014), street cleaners and refuse collectors (Slutskaya et al., 2016) all reframe their stigmatized identities by infusing them with positive masculine traits. We similarly found that reframing is important for entrepreneurs, as it enables them to view their activities as expressions of their true selves and to feel significant and valued for their work despite stigma. However, we also found that reframing is relevant to more than just a sense of self, thus extending the cognitive focus of the existing dirty work literature (as per calls by Dick, 2005). Specifically, we contribute to the literature by outlining how cognitive reframing can contribute to emotional outcomes, showing how reframing works in concert with structural responses to stigma to produce emancipatory outcomes for entrepreneurs, and identifying the limitations of reframing as a response to stigma.

Reframing enables entrepreneurs to infuse value into their devalued identities and thus helps them foster a better sense of self (Ashforth & Kreiner, 1999), but

it *also* helps them deflect shaming and prevent feelings of shame. Our evidence shows how this cognitive, identity-based response can have important emotional implications for stigmatized individuals. In doing so, we have addressed a criticism that the dirty work literature privileges cognition at the expense of other dynamics (Dick, 2005), and answered calls to attend to emotions in identity-based theorizing (Conroy & O'Leary-Kelly, 2014; Rivera, 2015).

Additionally, unlike past work our findings show that reframing practices are used in concert with structural, edifying practices to loosen the constraints of stigma. Entrepreneurs use reframing practices to infuse positive value into their identities and deflect shaming, and also deploy humanizing and ethical pioneering practices to improve market exchanges and develop a sense of pride. Accordingly, by broadening our lens beyond the individual and devalued identities, we have shown how identity-based reframing works in concert with the actualization of structural, market-based opportunities. Efforts to alter the industry also impact the individual (through the development of pride), and efforts to cognitively alter perceptions of the self also impact emotions (through the deflection of shaming). Together, these multilevel practices impact the experience of stigma. Our multilevel focus on stigma is useful for generating a more complete picture of dirty work and its impacts on entrepreneurs and workers.

Finally, our study reveals a potential limitation to reframing efforts in that such efforts are context-specific (i.e., localized within a stigmatized industry). Whereas reframing helps entrepreneurs infuse positive value into their identities when working and interacting with others in the industry (Mavin & Grandy, 2013), we find that such reframing can be undermined outside the industry. In the future, researchers could more closely examine the durability of different reframing responses, how and when they break down in interactions, and with what effects. We suspect that the durability of reframing is related to the strength of social bonds with others in particular contexts who either validate the reframing or do not. More work could fruitfully explore when and how reframing is threatened and the role of varying social bonds in these outcomes.

CONCLUSION

Existing entrepreneurship research has tended to focus on entrepreneurs in socially accepted and valued domains, ignoring the many entrepreneurs who work in stigmatized industries. By studying

entrepreneurs in a stigmatized industry, we shed light on the positive and negative implications of stigma. Where stigmatized industries are often viewed as non-opportunity spaces due to the presence of extensive constraints, we have identified how constraints also create opportunities that can be actualized by entrepreneurs. Our efforts enabled us to outline a model of entrepreneurial emancipation in stigmatized industries.

While our study focuses on an extreme case of entrepreneurship in a highly stigmatized industry, we expect our findings to be relevant beyond our unique context. We expect that all stigmatized industries will have opportunities within them, not just constraints. Many physically, socially, or morally stigmatized industries face similar obstacles, and the edifying and reframing practices we have identified may contribute to context-specific emancipatory outcomes. In our case, extreme stigma drove the industry underground, leading to undesirable market exchanges that impeded entrepreneurs. Industries that have been driven underground by stigma will likely have similar structural constraints. Consider, for example, the emerging nonmedical cannabis industry (Hsu, Koçak, & Kovács, 2018). The underground sale of cannabis has long had a reputation for undesirable market exchanges in the industry. This constraint likely creates opportunities to satisfy unmet demand and create ethical standards, as it has in the sex industry. As the cannabis industry begins to operate more openly there may be different constraints that lead to unique entrepreneurial opportunities. Anteby's (2010) study of the cadaver industry also points to the relevance of our findings beyond the sex industry. He focused on those working in medical hospitals and schools, yet we imagine that more underground cadaver brokers could engage in ethical pioneering to develop a new ethical market, allowing them to avoid undesirable market exchanges.

Many workers in dirty work occupations face devalued identities because of physical, social, or moral stigma (Ashforth & Kreiner, 2014), which will constrain entrepreneurs. The particular type of stigma facing an industry will likely dictate what types of opportunities exist for redefining oneself, and thus for negating identity devaluation. For example, used car salespeople and psychics are morally stigmatized due to assumptions about their "dubious virtue" (Ashforth & Kreiner, 2014: 83). These workers may also have opportunities to redefine themselves similar to the entrepreneurs in our study. For example, psychics could negate the charlatan label by using skills (i.e., providing numerology and spiritual guidance,

instead of reading a mystical crystal ball) to access customers that see the workers' value, thereby allowing workers to reframe themselves as authentic. Thus, our study helps us rethink the way stigmatized industries operate, and opens up new avenues for future research.

Although we examined a unique and highly stigmatized industry, we predict our theorizing to hold across a number of stigmatized domains, and we encourage researchers to examine the potential for emancipation in future studies. Much more research is required to further explore interactions between the stigmatized context and entrepreneurial practices in these controversial—and, often, hidden—spaces. As our findings suggest, researchers should consider the context-specific, multilevel, and emotional elements of surviving and thriving in such a challenging context.

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APPENDIX A

TABLE 1
Entrepreneurs and Their Ventures

| Entrepreneur | Type of work and years of experience | Type of venture and activity |
|--------------|---|---|
| E1 | Street-based sex work, erotic domination: Many years Entrepreneur: ~3 years; retired | <i>Small business:</i> Owned a house of erotica; retired |
| E2 | Erotic domination: 6 years Entrepreneur: 3 years | <i>Small business:</i> Owns a BDSM dungeon |
| E3 | Erotic domination: ~25 years Entrepreneur: ~20 years; relaunching after illness | <i>Small business:</i> Owns a BDSM dungeon |
| E4 | Phone sex, stripping, porn, webcam, erotic domination: >10 years Entrepreneur: ~10 years | <i>Small business:</i> Owns a BDSM dungeon and produces porn |
| E5 | Brothel, escort agency, erotic domination: >3 years Entrepreneur: ~3 years | <i>Small business:</i> Owns a BDSM dungeon and manages an independent escort business |
| E6 | Erotic domination, porn: a few years Entrepreneur: a few years | <i>Small business:</i> Owns a BDSM dungeon and produces fetish porn |
| E7 | Erotic domination, sex shop: ~13 years Entrepreneur: ~13 years | <i>Small business:</i> Owns a sex shop and manages an independent BDSM business |
| E8 | Sex education, sex shop: >20 years Entrepreneur: 20 years | <i>Small business:</i> Owns a sex shop and runs a sex education program |
| E9 | Stripping, porn, sex shop: ~20 years Entrepreneur: ~15 years | <i>Small business:</i> Coproduces porn and webcam videos, and owns a sex shop |
| E10 | Erotic photography, porn: 8 years Entrepreneur: 8 years | <i>Small business:</i> Produces porn and erotica |
| E11 | Porn: 1.5 years Entrepreneur: 1.5 years | <i>Small business:</i> Produces porn |
| E12 | Porn, sex education: 4 years Entrepreneur: 4 years | <i>Small business:</i> Produces porn and runs a therapeutic sex education program |
| E13 | Webcam, porn: 2 years Entrepreneur: 2 years | <i>Small business:</i> Produces webcam videos and porn |
| E14 | Porn, motivational speaking: ~15 years Entrepreneur: ~12 years | <i>Small business:</i> Produces porn and is a motivational speaker |
| E15 | Porn: <1 year Entrepreneur: about to launch | <i>Small business:</i> Produces virtual reality porn |
| E16 | Porn: <1 year Entrepreneur: about to launch | <i>Small business:</i> Produces virtual reality porn |
| E17 | Porn: several years Entrepreneur: several years | <i>Small business:</i> Coproduces porn |
| E18 | Webcam, porn: 8 years Entrepreneur: 8 years | <i>Independent:</i> Produces webcam videos and porn |
| E19 | Webcam: ~1 year Entrepreneur: 1 year | <i>Independent:</i> Produces webcam videos and porn |
| E20 | Escorting: 7 years Entrepreneur: 7 years independent, 6 months running the collective | <i>Collective:</i> Cofounded an escort collective and manages independent escort business |
| E21 | Escorting: >12 years Entrepreneur: >12 years | <i>Collective:</i> Founded an escort collective |
| E22 | Escorting: 10 years Entrepreneur: 9 years independent, just launched collective | <i>Collective:</i> Founded an escort collective and manages independent escort business |
| E23 | Escorting: many years Entrepreneur: 6 months | <i>Collective:</i> Cofounded an escort collective |
| E24 | Escorting, massage: >2 years Entrepreneur: >1 year | <i>Independent:</i> Manages independent escort business |
| E25 | Stripping, escorting, burlesque: 20 years Entrepreneur: 20 years | <i>Independent and small business:</i> Manages independent escort business, cofounded burlesque company |

TABLE 1
(Continued)

| Entrepreneur | Type of work and years of experience | Type of venture and activity |
|---------------------|---|--|
| E26 | Escorting: >1 year Entrepreneur: ~1 year | <i>Independent, contracts space to others:</i> Manages an independent escort business |
| E27 | Escorting: a few years Entrepreneur: >1 year | <i>Independent:</i> Manages an independent escort business |
| E28 | Escorting: >10 years Entrepreneur: 8 years | <i>Independent:</i> Manages an independent escort business |
| E29 | Street-based sex work, escorting, massage: 2 years Entrepreneur: <1 year | <i>Independent:</i> Manages an independent escort business and massage business |
| E30 | Massage: 1 year Entrepreneur: 1 year | <i>Independent:</i> Manages an independent massage business |
| E31 | Street-based sex work, support work: 22 years Entrepreneur: 7 years | <i>Nonprofit:</i> Founded a sex-trade support organization |
| E32 | Stripping, street-based sex work, support work: many years Entrepreneur: 2 years | <i>Nonprofit:</i> Founded a sex-trade support organization |
| E33 | Support work: many years Entrepreneur: 3 years | <i>Nonprofit:</i> Founded a sex-trade support organization |
| E34 | Street-based sex work, support work: 17 years Entrepreneur: 2 years | <i>Nonprofit:</i> Founded a sex-trade support organization |
| E35 | Support work: 7 years Entrepreneur: 7 years | <i>Nonprofit:</i> Founded a sex-trade support organization |
| E36 | Escorting, rights work: many years Entrepreneur: >1 year | <i>Nonprofit:</i> Founded a sex workers' rights organization |
| E37 | Burlesque: 9 years Entrepreneur: 8 years | <i>Nonprofit:</i> Cofounded a burlesque company |
| E38 | Stripping, burlesque: 7 years Entrepreneur: 5 years | <i>Nonprofit:</i> Cofounded a burlesque company and festival |
| E39 | Stripping, escorting, burlesque: 25 years Entrepreneur: 17 years | <i>Small business:</i> Cofounded burlesque company |

Note: Timing recorded as indicated by participants.