

Social entrepreneurship and networks

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Outline

- Social networks: A brief introduction
- Social entrepreneurship and social networks: A review
- Entrepreneurship and social networks: A source of inspiration?
- Conclusion

Social network?

the social network



1 precursor: Simmel

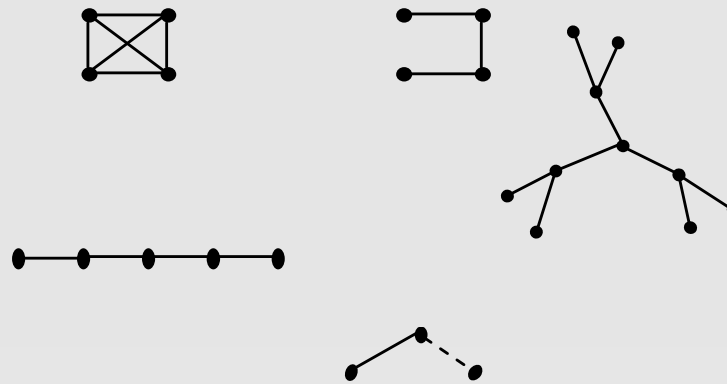
2 major studies, legitimizing and popularizing the social network approach: *The search for an abortionist* (Lee, 1969); *Getting a job* (Granovetter, 1974)

3 fundamental contributions: Social anthropology (Radcliffe-Brown, Levi-Strauss, Barnes,...), Sociometry (Moreno), and Linear algebra (White)



Social network approach

- Studying relationships between actors
- Link between micro and macro-perspectives
- Various theories and concepts
 - Density
 - Centrality
 - Small world
 - Tie strength
 - Etc.



How social networks affect the economy

Granovetter (2005):

- Access to information (flow and quality)
- Source of rewards and punishments
- Trust

- Access to resources and control thereof
- Performance
- Legitimacy

Social entrepreneurship and social networks

Identified as an avenue for research by several scholars (Certo & Miller 2008; Haugh 2007; Gedajlovic et al. 2013; Mair & Marti 2006, Short et al. 2009; Webster & Ruskin 2012):

- Do social entrepreneurs' social network differ from other people / commercial entrepreneurs' social network?
- Do social entrepreneur use their social network in a different way than commercial entrepreneurs do?

- Embeddedness (Polanyi, Granovetter)

"By highlighting the taking into account of socio-political goals in the sales of WISEs, the analysis shows that these purchases reflect not only a reticulated embeddedness of the market but also a socio-political re-embedding of the market." (Gardin 2006: 132)

- Collective entrepreneurship

"There is evidence of many collective, network forms of enterprise in SE, and SE has often been discussed as partnerships and alliances between actors of different sectors and the mobilization of these actors towards a common goal or mission." (Hervieux & Turcotte 2010: 183)

- Aiming at building ties and social capital

“Many social enterprises (...) carry out, to a significant level, networking and lobbying activities, above and beyond those required for purely instrumental economic benefit (...). The **creation of social capital can even be a goal** in itself for the social enterprise.” (Hulgård & Spear 2006: 90)

- Critical skill / activity of SE

"The very essence of social entrepreneurship is the **capability to connect** with social and community values, and through adept networking to realize their potential." (Chell 2007: 17)

➔ Explaining the emergence of social entrepreneurship?

Social networks and entrepreneurship

- Hoang & Antoncic (2003)
 - Effect of networks on entrepreneurship
 - Effect of entrepreneurship on networks
- Smith-Doerr & Powell (2005)
 - Economic performance (e.g. +: access to funding, to information; -: lock-in, competency trap)
 - Resource distribution (e.g. ethnic entrepreneurship arising from exclusion from larger economy)
 - Diffusion of ideas



Social networks at the source of the entrepreneurial process

- Organization formation = network crystallization (Larson & Starr 1993)
- Social network, informations and ideas
 - Network brokers and structural holes (Burt 1992)
 - Network density (Coleman, et al. 1957)
 - Founding team composition (Ruef, et al. 2003)

Conclusion

- Many possible ways to approach social entrepreneurship with a social network lens:
 - During the social entrepreneurship process (access to resources, growth, performance)
 - As a part of the explanation to the emergence of social entrepreneurship (structural holes, diffusion of ideas, distribution of resources)
 - Qualitative research methods (case studies)
 - Quantitative research methods (network analysis)

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