

Expanding the networks of disadvantaged entrepreneurs

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1. INTRODUCTION AND OVERVIEW

Social networks impact profoundly on the early stage entrepreneurial process, from the acquisition of motivation, through opportunity perception, idea validation, the identification of resources, negotiations to get into business, and the subsequent birth and survival of the firm. Table 1 illustrates this argument, demonstrating that, for nascent and potential entrepreneurs, the social network is a paramount context within which entrepreneurship is enacted. Given this, it becomes highly relevant to consider how, if entrepreneurship is to be given serious credence as a policy objective, such networks can be usefully deployed to strengthen the quantity and quality of enterprising action.

Table 1. Social networks throughout entrepreneurial stages

| Stage | Impact of Social Networks | Examples |
|----------------------------------|---|---|
| Acquiring motivation | The nature and intensity of entrepreneurial motivation is strongly shaped by the norms of the local environment, experienced through entrepreneurs' interactions with others. Perceived desirability, and perceived feasibility, of entrepreneurial career paths are both <i>learnt</i> by potential and nascent entrepreneurs, through their social networks | Family influence, especially parental entrepreneurship, shapes motivation strongly. So, too, does a selection of strong local role models. Even specific ethnic and religious traditions of enterprise can be very important network-driven motivators. |
| Opportunity Perception | Personalized information forms the basis of most successful new venture ideas, and this is a function of ties developed through personal, educational and professional experience. | Growing entrepreneurs' ideas for new products emerge through market discussions with strong tie contacts, often customers. |
| Validating the idea | Early testing of the opportunity idea typically takes the form of discussion with potentially important others already known to the entrepreneur. | For serial entrepreneurs, moving from idea to concept involves dialogue with a tight circle of strong ties, with the same ties being utilised for a variety of new ventures over the entrepreneur's career |
| Identifying resources | Searching for resources, and matching them to the needs of the planned new venture, happens through personal interactions between the entrepreneur and their contacts, who may also broker links to resource holders. | For first time entrepreneurs especially, securing start-up resources is very often feasible only through trusted strong tie contacts, including family, friends, and close business colleagues. |
| Negotiating to get into business | Securing resources, customers, employees, suppliers and distributors demands that nascent entrepreneurs build exchange relationships with other individuals, and their organizations. | Evidence shows how important previous professional contacts are to winning early orders for the new venture. |
| Birth and Survival | Launching the venture requires that entrepreneurs move from <i>planning</i> with others, to <i>acting</i> with them. | Survival and growth are dependent on new ideas, new resources, new alliances – and all of these are network-mediated. |

Source: The entrepreneurial stage model presented here is drawn from Gibb and Ritchie (1982), and summarizes arguments made in Drakopoulou Dodd et al (2004).

This report aims to consider how networking might be used to enhance the entrepreneurial success of disadvantaged groups. It begins by setting out the core rationale for this aim, namely, the positive outcomes which have been associated with entrepreneurial networking. The main elements of importance to entrepreneurial networking – structure, context, process – are also explained, before being applied to consideration of a variety of disadvantaged groups. Next, extant policy interventions are presented and analyzed. Each section of the report closes with specific recommendations as to future good practice, which are briefly revisited in the concluding comments.

2. NETWORKING AND ENTREPRENEURSHIP

This section provides definitions, descriptions and analysis of the core concepts used to think about, and work with, entrepreneurial networks. Specifically, it addresses the outcomes, structure, processes and contingencies associated with entrepreneurial networks.

2.1. Outcomes

Why do networks, and networking, so matter to entrepreneurs? What is it about these phenomena that has elevated them in the priorities of entrepreneurship scholars and policy makers? The simple answer is that, since the early days of studying this topic, in the mid 1990s, it rapidly became clear that very many desirable core entrepreneurship outcomes were strongly facilitated by strong networking processes, and network structures. Far from being an isolated (heroic) individual, entrepreneurs gain multiple benefits from warm and trusting interaction with a range of other people. Taken together, these outcomes were found to be highly influential in supporting venture survival¹ and success² (variously measured as revenue growth and employment growth). Table Two summarizes positive outcomes which have been found to emanate from networking processes, and the entrepreneurial benefits thereby accrued, which include expansion of the entrepreneur's latent resource base, the provision of resources on favourable terms, as a source of venture-specific knowledge, as a site for entrepreneurial learning and knowledge-sharing, and a frame for the generation of reputation and legitimacy.

Disadvantaged entrepreneurs typically lack access to some or all of these positive networking outcomes, due to the paucity of resources at their disposal, including financial, social and human capital. It is thus no great surprise that policy makers, at local and national level, have long looked to network development as a mechanism for enhancing the entrepreneurial potential of the disadvantaged. However, networking outcomes are themselves dependent, as has become increasingly clear, on the structure, processes, content and context of (entrepreneurial) networks.

¹ See, for example, Arocena, 1984; Brüderl and Preisendörfer, 1998; Huggins, 2000; Szarka, 1990,

² As demonstrated by Brüderl and Preisendörfer, 1998; Hansen, 1995; Jack and Anderson, 2002; Johannisson, 1986; 1987; Johannisson and Nilsson, 1989; Johannisson and Peterson, 1984; Ostgaard and Birley, 1994.

Table 2. Networking outcomes and entrepreneurial benefits

| Networking Outcome | Entrepreneurial Benefits | Relevant Studies |
|--|---|--|
| Expands the latent resource base of the entrepreneur, which includes “brokering” connections to potentially important others. | <p>Opens up a wider range of opportunities, by facilitating access to a more diverse and extensive pool of “collective” resources.</p> <p>Bridges “structural holes” in the entrepreneur’s own network of direct contacts, by offering access to new and pre-legitimized relationships.</p> | Aldrich and Zimmer, 1986; Birley, 1985; Carsrud and Johnson, 1989; Johannisson et al, 1994; Shaw, 2006; Jack et al, 2010, Burt, 1992, Jack, 2005 |
| Provides resources, including financing, and trustworthy employees, on amicable and rapidly agreed terms. | Smooths and accelerates the trajectory from nascent entrepreneurship to start-up, and subsequently venture growth. Enhances fit between venture and (human) resources | Drakopoulou Dodd, 2012, Ostgaard and Birley, 1994, Uzzi and Gillespie 2002 p613, Shane and Cable, 2002, p 377; Brüderl and Preisendörfer, 1998; Jack, 2005 |
| Acts as a source of, and conduit for, private, specific, timely commercial information | Provides a (well-motivated and focused) early warning system for both threats and opportunities | Burt, 1992, Hills, Lumpkin and Singh, 1997, Uzzi, 1997, de Koning, 1999 |
| Entrepreneurial learning, sharing of knowledge and expertise, clustered knowledge interactions, provision of support and advice | <p>Extends and deepens human capital, both for entrepreneurs, and for the local “eco-system”.</p> <p>Can lead to the generation of meso-level innovation systems, and co-enactment of opportunities.</p> <p>Offsets the “loneliess” and isolation of the entrepreneur</p> | Karatas-Ozkan, 2011; Karatas-Ozkan and Chell, 2010; De Propis, 2000; Uzzi, 1997; Johannisson, 1996, 1997, |
| Networks provide a structure, and processes, through which an entrepreneur can build credibility and trust for themselves and the new venture. | Nascent and early stage entrepreneurs lack market place “clout”, because they are new and small. Network-based trust allows them to punch above their weight, thanks to the credibility which their network contacts award them. | Jack, 2005, Shane and Cable, 2002 |

Networking structure comprises the web of inter-relationships which connect people to each other, and the nature of the ties that bind them together. Networking processes are what people *do*, together, through these ties, which includes sharing information and resources, negotiating agreements and alliances, dialoguing about ideas, visions and plans, co-creating new knowledge, linking people to each other, and building friendships. Network content relates to what is built or exchanged through network processes: information, resources, knowledge, and emotions. Network contexts are the socio-economic settings within which relational matrices are embedded, and which they also enact, and can be considered in a variety of ways, including national comparisons, specific local settings, industrial sectors, and regional clusters.

Therefore, to exploit the potential benefits of networking in the pursuit of inclusive entrepreneurship, it is imperative to take account of the characteristic antecedents of networking outcomes in specific settings, and for distinct groups of people.

2.2. Structural Issues

Arguably the core concept deployed to consider entrepreneurial network structure is the contrast between strong ties and weak ties. Strong ties are those relational contacts with which an entrepreneur interacts at least twice a week, and who are considered (close) friends. Most people tend to have quite small strong tie networks, but these contacts are willing to do a great deal for each other, and their greater knowledge of one another's situation enhances the "fit" and relevance of the information, support, services and resources interchanged. Held together by bonds of loyalty, trust and affection, strong ties are typically very important to nascent entrepreneurs, who may have special difficulties in accessing needed inputs for their venture through market mechanisms. Nevertheless, because of the strong social tendency for homophily – which is the tendency for people to group closely together with those who are very like them – strong tie networks can be rather homogenous, lacking diversity in their reach and resources, and somewhat sterile in their (shared) perceptions.

By contrast, weak tie relational contacts are interacted with less than twice a week, but more than once a year, will probably be considered as acquaintances (rather than friends), and will carry out fewer services for us (and we for them). Although weak tie contacts may lack the insight and commitment to perceive and relay positive network outcomes to their entrepreneurial acquaintances, their greater number, and wider diversity, provides an enhanced "reach" into parts of the socio-economic environment not directly accessible by the entrepreneur. Weak tie contacts may take the form of instrumental commercial relationships, such as those between supplier and client, as well as between competing firms at the same level in a given value chain.

The evidence suggests that imbalanced networks, with too many (over-embedded), or too few (under-embedded) strong ties can each be perilous for the entrepreneur. Nevertheless, the sustained and rich benefits offered by strong ties have become clearer, as ever-more studies of entrepreneurial networks provide new insights. It is important to note, too, that ties have a tendency to strengthen over time, so that entrepreneurs often convert their weak ties into strong ties. This reminds us of the dynamic nature of entrepreneurial networks, changing and developing over time, a topic we shall briefly discuss below. Note that it is hard to distinguish clearly between personal and business networks for the entrepreneur. These often overlap, and separating them is rather artificial. Instead, it makes sense to consider the overall social network of the entrepreneur, and examine the nature of each tie within it.

Other factors used to analyze and evaluate network structure include the balance of *type of tie* - family, friends, and business associates - which has been shown to vary quite dramatically across national boundaries. Network *density* measures the proportion of an entrepreneur's ties, who also know each other. A dense network tends to move information and other resources quickly, but may be homogenous and rather sterile. *Centrality* considers the position of the entrepreneur at the heart of a network, connecting others, and as the main conduit for network exchanges (including information), which can be a considerable source of influence. This is less likely to obtain in dense networks, where other (strong) ties have direct connections to each other. *Reachability* attempts to take account of how many potentially useful people the entrepreneur can "reach" through the network. This is not the same as network size, since even one exceptionally well-placed strong tie can provide very extensive latent reachability (Monsted 1995). *Network size* calculates the number of contacts which the entrepreneur has, compared to those available proportionally, or on average. Entrepreneurs, perhaps surprisingly, seem to have quite small networks, compared to other labour force groups, such as wage and salary workers. This may be because entrepreneurs lack the time to invest in maintaining many relationships (Curran et al 1996), which has led some scholars to advise caution in the perception of networking support as a potential "star" policy initiative.

Of special interest to policy makers is the *degree of formality* exhibited in the structure of entrepreneurial networks. Informal ("soft") network structures comprise the "natural" groupings of family, friends and acquaintances developed by the specific entrepreneur through their path-dependent (and hence somewhat idiosyncratic) life course. Formal ("hard") network structures are those mediated through established institutions and organizations, such as chambers of commerce, trade associations, local policy initiatives, and alumni associations, but also social groups, like sporting, religious or political bodies. Whilst both are likely to be important to the entrepreneur (Birley, 1985), formal structures, although often more professional and focused, frequently appear off-puttingly bureaucratic to the entrepreneur. One type of formal network tie which entrepreneurs and small business owner managers have long been found to shun, avoid, or ignore is that with enterprise and business development agencies. As early as 1991, Birley et al reported this finding for their Northern Ireland sample, and Hanna and Walsh note too that new ties brokered through formal organizations tend to be far more calculative and instrumental than the richer, more trust-based relationships developed more "naturally" (2008). Casson and Della Giusta (2007)'s detailed discussion of entrepreneurial networks also contains an analysis of policy approaches, noting that the altruistic leaders of the non-profit support sector are often not championed by state or media to the same degree as wealth-pursuing celebrity entrepreneurs, indicative of the prioritizing of (short-term) economic over (longer-term) social outcomes. They argue for an "alternative approach to evaluation, in which impact of policy is measured by the increase in the value of social capital attributable to government support" (2007,238). Similarly, Lockett et al (2013, 883) draw our attention to "the paradoxical situation faced by intermediaries in designing formal mechanisms that attract and encourage entrepreneur participation: while the mechanisms need to create short-term opportunities that draw entrepreneurs to the events, at the same time those same mechanisms need to support longer-term opportunities that may emerge from creating a regional networking group".

One of the very few longitudinal studies of a formal policy-driven network similarly finds a disconnect between the practices, objectives, and norms of the founding enterprise agency, compared to the nascent and practicing entrepreneur members of the network (Jack et al, 2010). Perceived even in the cultural artefacts of the support agency, such as name cards and gingham tablecloths, this divide was such that it was only when members fully took control of 'their' network that the group moved

from functional exchanges into multiplex, strong-tie, richly supportive relationships. They conclude that “what seems to make the ‘net’ work is the interactions and these are based on social factors; affinity, shared attitudes and trust ... network process is emotional ... while networks may emerge from a rational instrumental concern to extend resources, the bonding process that characterizes how networks work, is less about reciprocity of resources but more about social exchange and mutuality” (2010, 333). Lockett et al’s study likewise emphasizes the importance of “natural” emergence of networked clusters, and of regional / sectoral culture in shaping the character and objectives of these. They argue that “it may be effective for policymakers to tap into naturally occurring or potential clusters or business groupings, where opportunities for collaboration exist but have not been recognised or realised, and look to develop these beyond the early and embryonic stages” (2013, 871). Indeed, their study showed that an over-abundance of networking initiatives had encouraged many entrepreneurs to pick and choose between them, rather than embedding themselves in a specific formal network over time.

Here, then, is a critical barrier to the establishment and development of “traditional” networking interventions to support entrepreneurship amongst the disadvantaged. Formal networks, which enact the instrumental and economic-outcome fetish of many enterprise development agencies, fail to recognise that it is precisely the social aspect of entrepreneurial networks which provide the context for sustained support and development, as well as thereby fitting themselves dynamically to the changing needs of network members through self-organizing processes. Wincent et al (2012) argue for an increased use of network insiders as Board members for formal, policy-driven entrepreneurial networks, and a larger Board size than is currently typical, based on their study on the performance of 53 Swedish government supported innovation networks³

2.3. Process

The structure of entrepreneurial networks help us make sense of the framework of relationships within which specific beneficial outcomes can, potentially, be achieved. However, we must also consider their changes and developments over time, and the dynamic processes which entrepreneurs engage in through their networking activity. As Jack et al (2008, 128-129, 2014) have argued, the life-cycle, staged model provides a useful metaphor for considering these issues, focusing on three key stages in the new venture’s “life”: pre-start; establishment, and growth. This section returns in more detail to issues raised in the introduction to this report.

Pre-start Phase. Strong ties provide the main foundation for the new venture (Lechner and Dowling, 2003), since they serve to shape opportunity and resource perception (Hite, 2005), secure resources (Larson and Starr, 1993), and provide practical assistance and specialized advice. Whilst there is also some evidence of new, instrumental ties being generated to meet specific start-up needs (Larson and Starr, 2003), nascent entrepreneurs’ existing social networks are crucial, and are especially likely to include family, friends and business contacts from earlier employment (Anderson, Jack and Drakopoulou Dodd series; Larson and Starr 1993, Pages and Garmise, 2003, Ram, 2001). Here, we find an issue of special concern relating to disadvantaged entrepreneurs, since the pool of resources (knowledge, skills, perception of high-growth potential opportunities, finance) available

³ Wincent et al find that overly large, overly independent Boards may also be detrimental to network innovation performance, but that most networks studied were far removed from this extreme, and would benefit from increases in Board size and independence (use of insiders) (2012).

through the family and friends of the disadvantaged is unlikely to be rich. A core challenge for policy makers is how to substitute other sources of cultural, economic and social capital for those not found within the strong-tie network of the disadvantaged, but to do so in such a way that the requisite emotional and personal mutuality of network processes is also enacted.

Establishment Phase. Once the venture is established, the network of the entrepreneur generally is expanded to include a wider pool of (weak tie) contacts, pre-screened both for affinity (and hence the potential to become strong ties), as well as their latent access to diverse benefits for the venture (Jack et al, 2008), and including specialized competitors (Lechter and Dowling, 2003). Relationships already in place tend to become multiplex, no longer easily defined as purely social, or economic, but combining multiple dimensions. This means that weak ties become stronger, and social ties have economic content added to them, and so forth (Larson and Starr, 1993; Johannisson, 1995). Again, this phase is problematic for disadvantaged entrepreneurs, since long-standing research⁴ indicates that those experiencing socio-economic disadvantage are more likely to have networks composed mainly of strong ties, and less likely to have well-developed and extensive weak-tie networks. Typically excluded from resource-rich educational, cultural and workplace contexts, the disadvantaged are not socially positioned so as to develop this important pool of weak tie relationships. Here an opportunity for focused policy networking interventions may indeed be found.

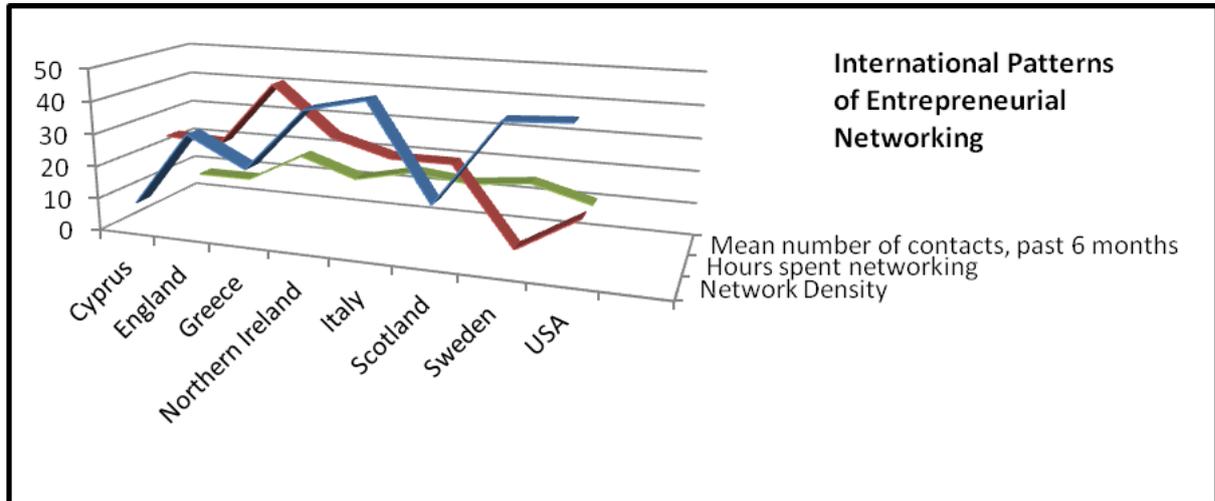
Growth Phase. Ventures progressing to this phase often see the entrepreneur transferring management of many strong ties to others within the business (Larson and Starr, 1993; Jack et al, 2008). This allows entrepreneurs to re-engage with their enlarged pool of latent ties, to search for growth ideas, opportunities, and resources, and, subsequently, to enact them (Greve and Salaff, 2003; Jack et al, 2008, Lechter and Dowling, 2003). As Drakopoulou Dodd et al (2014) point out “to grow further, an entrepreneur must find ways to move beyond what Hite and Hesterley (2001) perceptively call “identity-based strong tie networks”, to avoid being held back by over reliance on family and friends ties (Johannisson and Mønsted, 1997)”. Again, without access to a wider pool of weak-tie prospective relationships, this can be very hard for the disadvantaged entrepreneur to achieve.

2.4. Context and Contingencies

Repeated studies have shown that networking processes and structures are always of importance to the entrepreneur, in delivering the beneficial outcomes presented above. However, they have also shown that the structure and processes of entrepreneurial networks vary, sometimes quite dramatically. Figure One, below, indicates that while broad international patterns can be seen to obtain for mean number of network contacts, hours spent networking per week, and network density (% strangers), nevertheless there are pronounced fluctuations within the pattern (see Drakopoulou Dodd 2012, p81-82 for more detailed discussion of this).

⁴ Granovetter himself, one of the founding fathers of the embedded network approach, noted the reliance on strong-tie networks for the disadvantaged. Granovetter was amongst the first scholars to assert firmly that “economic action is embedded in ongoing networks of personal relationships rather than carried out by autonomous actors” (Gatley, Lessem and Altman, 1996: 78; Granovetter, 1973).

Figure 1. International patterns of entrepreneurial networking



Source: Drakopoulou Dodd 2012

Regionality is also an important contextual factor shaping entrepreneurial networks, and much cognate work has been carried out on the role of what have been variously described as sectoral clusters, industrial districts, and industrial milieux. This has tended to focus on the positive benefits of networked regional business communities, and particularly “the recognition of the importance of collective learning and knowledge creation within networked clusters (Camagni 1991, Pages and Garmise, 2003), mediated through trust-based informal social relationships, and exploiting intangible, un-traded interdependencies (Johannisson and Mønsted, 1997, Storper, 1995, De Propis, 2000)” (Drakopoulou Dodd, 2011). Lockett et al (2013, 868) point out that the creation of thriving clusters may not be directly amenable to policy interventions, since social interaction has been shown to matter as much as economic exchange, individual entrepreneurs may not have consistent goals with the wider network, and the “hard and fast results” economic policy agenda of agencies may not be consistent with the objectives of the clustered community.

Yet, just as there are thriving, innovative, knowledge-driven entrepreneurial “regions”, there are also some contexts characterized by stagnation, over-conformity to traditional rules, and a paucity of resources (Venkataram, 2004; Vanhaverbee, 2001). Regional contexts characterized by multiple modes of deprivation have repeatedly been shown to enact forms of entrepreneurship confined to a very narrow range of low-capital, low-skill, easily imitable service sectors (Mole et al, 2002; Green et al, 2004, 2008), with high failure rates.

In addition to national and regional differences, it seems especially clear that networking is significantly impacted by power relationships. Those who experience by relative socio-economic disadvantage appear to network differently from those in positions of institutional power and privilege. Georghiou et al (2013, p221) argue that “variance in the structure, process and content of entrepreneurial networks have long been associated with power disequilibria”, and list gender, ethnicity, indigeneous minorities, high power-distance cultures, colonialism, and transnationalism (migration) as examples from the literature. To this list could be added the socio-economically marginalized (as with entrepreneurs from the punk rock community, Drakopoulou Dodd, 2014), as well as the geographically peripheral (for example, rural craft beer entrepreneurs, Drakopoulou Dodd et al, 2013). Given their (*de facto*) dislocation from mainstream social (and economic) capital, all these

marginalized entrepreneurs have been forced to engage in creative, novel, hybrid social strategies to achieve success. This often involves a form of cultural bricolage, borrowing some mainstream practices and norms, whilst simultaneously building alternative networks drawing creatively on such resources as can be found beyond the borders of the mainstream entrepreneurial world. For example, rural craft beer entrepreneurs embrace the mainstream trend towards globalization, but they do so by subverting “orthodox” competition norms, engaging in collaborative projects within their own international network of microbreweries.

This is significant for the current report, because it suggests that networking policy initiatives aimed at strengthening entrepreneurial opportunities for those marginalized in a variety of ways may best achieve their aims by embracing, to some degree, that which characterizes such marginality. Entrepreneurs from beyond the mainstream often turn their marginality into a creative social resource, as well as a form of identity. Preserving this characteristic of entrepreneurial networking by, or and for the disadvantaged may thus be an important objective for policy initiatives which are genuinely aiming at inclusivity.

Embeddedness in the social structures and norms of the disadvantaged is an imperative for enterprise support providers wishing to make the most of the cultural creativity found in the margins, and also carries other benefits. These include an ability to build long-term sustained relationships with clients, at the group and individual level, to fully appreciate their specific challenges and opportunities through grass roots involvement, and to adopt a community-focused - not an outcomes focused - approach, flexible enough to respond to a range of complex personal needs (Vickers et al, 2009, 6). This may be much facilitated by enterprise initiatives working closely with other support agencies, community bodies, and local “role models” from the specific disadvantaged context, including successful entrepreneurs.

In terms of the phase at which support is needed, Vickers et al’s 2009 survey of enterprise support providers found clearly that disadvantaged client need was most pronounced at the pre-start-up phase, and included a need for knowledge around core business and start-up skills, information concerning formal legal and fiscal demands, and signposting to other resource providers, such as specialist agencies, and funders. It seems clear that the role such providers are playing is that normally assumed by strong tie network contacts, for entrepreneurs located in more abundant socio-economic contexts. Whilst family, friends and business acquaintances can supply many, if not all, of the requisite resources for nascent entrepreneurs from relatively advantaged backgrounds, this critical networking function appears to be transferable to local support providers in disadvantaged contexts (not least since these may be the only people and organizations holding such cognitive, cultural and social capital).

Having set the context, conceptually, and presented a thorough overview of the structure, process and contingencies of entrepreneurial networks, we will now move on to explore how these concepts can be applied to enhancing the entrepreneurial potential of specific disadvantaged groups. First, though, Table Three summarizes the relevant characteristics of entrepreneurial networks for the development of sound policy initiatives targeting disadvantaged groups.

Table 3. Entrepreneurial networks and policy implications

| Feature | Characteristics | Policy Implications |
|---------------------------|--|--|
| Outcomes | Entrepreneurial networks offer a wide range of very substantive positive outcomes that can support venture start-up, survival, innovation and growth | If policy interventions can be developed which support entrepreneurial networking, the benefits could potentially be very substantial |
| Structure | A balance of strong and weak ties is required to maximize entrepreneurial success | Network interventions may be carefully targeted so as to tackle problems of over or under-embeddedness, facilitating the development of the “missing” tie type |
| | Network performance is enhanced by reachability and diversity | Network interventions can act to widen the social reach of entrepreneurs, and expose them to diverse potential network ties |
| | “Formal” , instrumental network interventions have often been incompatible with the social, mutual and emotional nature of entrepreneurial relationship interactions | A re-focusing of policy-driven network interventions to embrace a less outcome-centred, more socially-embedded approach is strongly indicated, adopting the culture of network members |
| | An over-abundance of networking initiatives can drive out social embeddedness | Quality of formal network provision may be much more important than quantity of such networks |
| | Increased involvement of network members enhances innovation performance and the development of social mutuality | Wherever feasible, control and management of policy-driven networks should be shared with, or transferred to, network members |
| Process | The paucity of strong-tie resources at the pre-start-up phase is a specific barrier for disadvantaged groups | Network support services may provide a mechanism for expanding access to social, human and financial capital for nascent entrepreneurs |
| | Disadvantaged entrepreneurs typically lack large and diverse weak-tie networks | Policy-driven networks can act to expand the weak-tie pool of entrepreneurs from disadvantaged contexts |
| Context and Contingencies | National, regional and local contexts shape network structure and processes | Policy measures should allow for local variations, to address the needs and norms of specific contexts |
| | Even marginal contexts can have very specific and potentially promising social resources | Identifying and working with the creative hybrid social strategies of disadvantaged networks offers a challenging but well-focused priority to policy implementers |

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| | Becoming embedded in local disadvantaged cultures is the key to strong network development | Enterprise development workers could usefully integrate themselves into existing trusted support networks in disadvantaged communities, exchanging knowledge and contacts. |
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3. ENTREPRENEURIAL NETWORKS AND DISADVANTAGED GROUPS

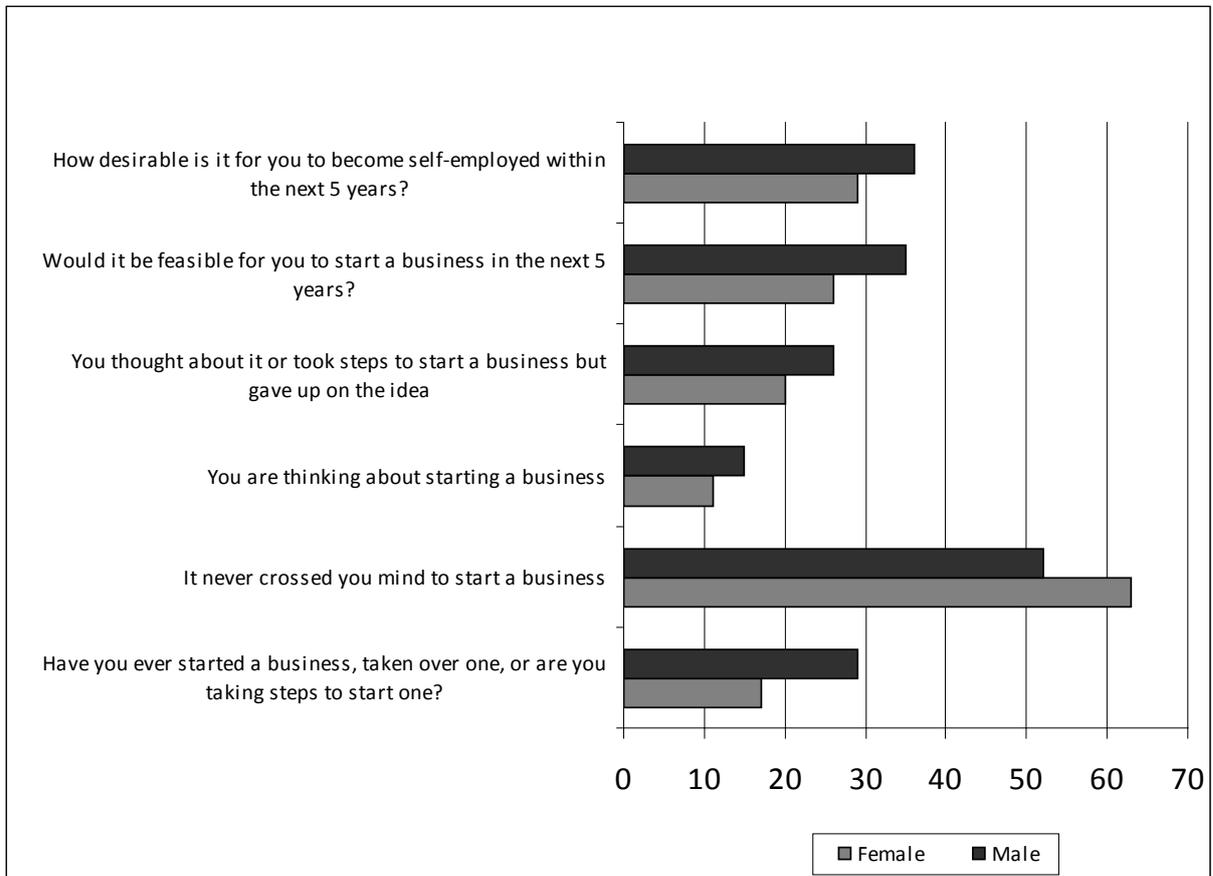
This section draws upon a range of sources to investigate in turn the structure and processes of (entrepreneurial) networks associated with each of the disadvantaged groups under analysis, as well as the specific challenges and benefits of networking related to them, the more general challenges they face in engaging with entrepreneurship, and the potential of networking initiatives to address their needs.

3.1. Women

As Figure Two demonstrates, using data drawn from the 2012 Euro Flashbarometer on Entrepreneurship, in general women view entrepreneurship as a less desirable and feasible option; are less likely to have engaged in entrepreneurial action; and are less likely to have thought about entrepreneurship as a life-path. What do we know about how gender and entrepreneurial networking interact, to inhibit or enhance the prospects of this under-represented group?

Hanson and Blake (2009, 137) argue that “because networks are always about social interaction and the positioning of individuals relative to each other, they are also always about gender”). Indeed, there is long-standing evidence that women entrepreneurs do not participate extensively in the quasi-formal networks that provide such support for their male counterparts, including local business and charitable institutions. Hampton et al summarize the explanations for this avoidance as “a lack of personal self-confidence, anxiety about discrimination, a perceived lack of competence relative to male members and concern about the amount of time and effort required to make progress within such networks” (Hampton et al, 2009, 196). Career-breaks for child-rearing can disrupt work-based network relationships, and in general women entrepreneurs appear more likely to develop informal, affective and strong-tie based social capital, than their more formal, calculative / instrumental, and weak-tie driven male counterparts. This typically results in female entrepreneurial networks which are “limited by size, density, range and network tie strength” (Hampton et al, 2009, 196). In their study of female entrepreneurs in the New Technology Based Firms (NTBF) sector, Hampton et al found that early stage women entrepreneurs tended to rely on women-only networks, although growth-stage female entrepreneurs had developed more gender-balanced networks, including participation in typically “boys’ clubs” industry groupings.

Figure 2. Entrepreneurship and gender



Source: European Commission, 2012.

Indeed, very recent research suggests that female entrepreneurs may be especially likely to engage with networking initiatives established specifically for the purpose of entrepreneurship (Ernst and Young, 2013), such as entrepreneurial workshops and support meetings (55%, compared to 44% of men surveyed), entrepreneurs clubs and associations, as well as informal mentoring and support from other entrepreneurs. This study showed that women who engaged in such networking activities were more likely to find, for example, financing easy to access (27%), compared to women entrepreneurs who were not similarly active (19%). Nonetheless, male entrepreneurs ranked business incubators, mentoring programmes, and entrepreneurs clubs and associations (slightly) as being more valuable to them, than did women entrepreneurs, who instead ranked educators as their top support initiative (Ernst and Young, 2013, 4).

Women returners to the labour market in particular may hold high stocks of experience and expertise, a strong motivation for independence and a desire to combine flexible working with overcoming the “glass ceiling”. The major barrier for such (potential, nascent, or active) female entrepreneurs is typically to do with self-confidence, and may also involve balancing domestic and professional roles. It is important, too, to note that a more cautious view of risk, and a start-up capitalization % that of their male counterparts, can combine to render rapid-growth entrepreneurship less of a priority for women entrepreneurs. This is of relevance to those policy makers whose objective is to stimulate the rapid growth of innovative new ventures, typically the generators of the largest number of new (high quality) jobs.

Lone female parents, and young female unemployed, are much less likely to have stocks of financial human and social capital required to launch successful new ventures (Marlow, 2006), and may face severe childcare problems (Rouse and Kitching, 2006). Providing network support to overcome the complex barriers faced by such multiply-disadvantaged female groups is a more complex and intractable problem. However, home-based self-employment, and the flexibility of working for oneself, may offer sustainable prospects for lone mothers to combine child-raising with meaningful work.

In summary, early stage female entrepreneurs show a tendency to avoid “boys clubs”, to rely on female-only networks, and to have a special need for confidence building. This suggests that helpful policy interventions might include women-only networks for potential and nascent female entrepreneurs, with content tailored to overcoming their confidence deficit. Unlike many of the disadvantaged groups discussed below, women also seem a strong target for such interventions. This is because the evidence shows that they are more likely to engage with entrepreneurship networking initiatives than are men. Female-oriented promotion of these initiatives thus recommends itself as a feasible and promising policy for increasing the quantity and quality of women’s entrepreneurship.

3.2. Ethnic Minorities

Early studies of ethnic minority enterprise tended to emphasize the “ethnic enclave” theory, arguing that tightly-bound social and geographic concentrations of specific ethnic minority groups provided markets, products, support structures and norms expressive of specific forms of enterprise. These were sometimes argued to enact subordination, rather than provide socio-economic advancement. Stimuli for entrepreneurship amongst ethnic minority groups include a strong tradition of enterprise and self-employment in some groups, as well as desire to escape labour market discrimination, and the low wage employment prospects this may result in. This strong entrepreneurial tradition, whilst providing role models, and enhancing often already strong community network structures, can also lead to “over-crowding” in specific business sectors associated with diverse ethnic groups (for example, small-scale retail, or catering, sectors). Equally, evidence shows that entrepreneurial orientation varies across heterogeneous ethnic communities, as well as the way the strategies for deploying social capital to facilitate growth (Wang and Altinay, 2012). Interestingly, a focus on co-ethnic products was found to have a positive effect on entrepreneurial orientation (and thereby on growth), reinforcing the growing view that the idiosyncratic resources of marginality should not be overlooked as drivers of entrepreneurship⁵. Nevertheless, cultural and religious barriers may inhibit entry to potentially promising entrepreneurial opportunity areas, and language barriers may similarly be of concern, as well as a mistrust of government initiatives (Vickers et al, 2009, pp10-15). Increasing educational attainment of second and third ethnic minority generations has been argued to have altered some of this social landscape, as has the reduced geographic concentration of some ethnicities.

The interplay between gender and religion may result in some female (potential) entrepreneurs from Muslim communities being culturally unable to attend one-on-one meetings with men, suggesting special sensitivity in support provision may be required.

⁵ Wang and Altinay find a “positive effect of co-ethnic products on EO and the negative effect of co-ethnic suppliers of utilities and facilities on EO” (2012) .

There is also evidence that ethnic minority businesses have been much less likely to adopt ICT, which suggests that virtual networking may not be an appropriate policy support initiative for such groups. This is ascribed to: “time, lack of knowledge and strategic intent and a lack of awareness of business support opportunities” (Beckinsale et al, 2011, 215). Nevertheless, there are indications that this may be changing, as this late adopter group of IT users begin to close the gap with earlier users of ICT.

Ethnic minority network patterns offer opportunities to policy makers in as much as extensive deployment of co-ethnic social capital is often a core product development strategy. Further support of such practices have been shown to enhance entrepreneurial orientation and venture growth, which in turn facilitates the expansion of such enterprises beyond the ethnic enclave. This approach would therefore bring with it the added benefit of overcoming enclave-related constraints to enterprise growth, albeit paradoxically drawing on those very enclave-specific resources to do so. Working with ethnic minority networks in this way requires special understanding of each diverse context, and partnerships between enterprise agencies and extant community organizations may be required. A special sensitivity to religious and linguistic particularities is also demanded, and focused ICT development support may be especially helpful for this disadvantaged group.

3.3. Migrants

Recent migrants may experience restricted access to needed socio-economic resources, including those typically obtained by networking, due to language difficulties. This extends to the comprehension of written and online material explaining the new regulatory and taxation environment they find themselves in. Indeed, the complexities and rigour of novel regulatory, licensing, accounting and fiscal regimes have also been found to pose specific challenges to recent migrants (Vickers et al, 2009). Often attempting to escape low-wage economies, or those beset by other socially-dislocating experiences, such as war, migrants may bring with them strong skill sets, and a tradition of enterprise and self-employment from their home community. Indeed, arguments have long been made in the entrepreneurship literature that those individuals who self-select the difficult path of emigration have already demonstrated key attributes associated with the entrepreneur, such as resilience, risk-taking, initiative, confidence and (social) innovation. Often initially working long hours in low-wage jobs, migrants may find it hard to avail themselves of support services during “normal” office hours. Where migrants also belong to ethnic minorities, the special conditions describe above also obtain, and many migrants also find themselves subject to labour market discrimination.

Transnational (migrant) entrepreneurs are embedded in both home and host country social fields, and this has been found to be an asset, that enables the perception and enactment of opportunities across borders (Drori et al, 2006; 2009; Patel and Conklin, 2009; Tersejen and Elam, 2009). However, such entrepreneurs require “bifocality” to identify and deploy various capitals effectively across both contexts (Patel and Conklin, 2009, 1050⁶).

⁶ Georgiou et al (2011) similarly argue that variances between entrepreneurs from colonized and colonizing countries “emerge from the need of (relatively) marginalized groups to overcome lack of influence using a range of social strategies”.

The networking-related opportunities which policy initiatives could thus focus on for this group thus include the support of links between migrants, and their home-country (potential) business contacts, to foster international entrepreneurship. Equally, localized multi-agency networks offer a vehicle for providing a human face to the daunting barriers posed by host-country legislative and bureaucratic systems. Informal contact, and the stimulation of personalized relationships in networking events held outside office hours, proffer a very pragmatic and efficient tool for tackling some parts of this problem. The merits of addressing the barriers and opportunities specific to this high-potential group are likely to be substantial, making such initiatives a policy priority.

3.4. Disabled People

There is a general dearth of research on the topic of disability and entrepreneurship, which is especially problematic given the growing proportion of the disabled within the population (currently around 15%, and estimated to increase by 1%). It is also somewhat surprising, since the scant evidence which does exist appears to indicate quite high rates of self-employment, as well as venture survival and success, for the disabled (Boylan and Burchardt, 2002, p5, pp 22-24; for a summary of this literature, see Anderson and Galloway, 2012, pp 97- 98). Self-founded home-based ventures, with flexible hours, potentially allow the disabled economic and social empowerment, whilst taking cognizance of mobility difficulties, and the ongoing unpredictable impact of their condition on their capacities. However, motivation for entering self-employment amongst the disabled is more likely to relate to exclusion from other labour market options, than to “pull”, or positive start-up motives, such as a desire for independence, passion for entrepreneurship, innovative pursuit of opportunities (Boylan and Burchardt, 2002, p5).

This is a particularly heterogenous group, in terms of the nature and severity of disability suffered, as well as the timing of its onset – just 7% of the disabled are born with their condition. Nevertheless, research has indicated some specific barriers to entrepreneurship pertaining to this disadvantaged group, several of which are amenable to networking interventions. Perhaps predominant amongst these is the “benefits trap” feared by the disabled, who are often extensively supported by social welfare provision, including income, housing and health benefits (Vickers et al, 2009). Risking losing this support, by entering into the uncertain world of the entrepreneur, has been found to be a major cause of anxiety which serves as a brake on entrepreneurial action for the disabled (Anderson and Galloway, 2012, 97,), and may even act as a stimulus for entrepreneurial firm closure (Larsson, 2006, 97). If the disabled lack thorough knowledge of flexible support provisions facilitating their entry to entrepreneurship, then it seems clear too that support agencies also lack a great deal of knowledge about the needs and potential of disabled entrepreneurs, sometimes even discouraging them from entering self-employment. (Boylan and Burchardt, 2002, 6). This extends to providers of finance, restricting still further access to funding for the disabled (Vickers et al, 2009, 5). Some services were physically accessible only to the fully able-bodied, or were not communicated in a manner amenable to those with sensory impairments. A further issue is the “hard” outcomes demanded of many training and support providers, so that the slower pace of start-up necessitated by disability was not amenable to the support services own reporting and funding structures.

It is also noteworthy that the disabled experience specific labour market deficiencies, including lower levels of education, and employment rates typically about half that of the able-bodied population (Anderson and Galloway, 2012; Cooney, 2008). These deficiencies are especially important, since so much (entrepreneurial) social capital is accumulated through educational and

workplace interactions. Low levels of educational attainment may also explain the concentration of disabled entrepreneurs in lower-status occupations and their generally precarious financial position impacts too upon funding opportunities, mitigating against strong credit ratings, accumulation of savings, and a positive response from commercial lenders (Boylan and Burchardt, 2002, p6-7).

Table 4. Labour market deficiencies and disability

| | USA ⁷ | UK ⁸ | Ireland ⁹ |
|--|------------------|-----------------|----------------------|
| % disabled population of working age economically active | 30.4% | 47.8% | 37% |
| % non-disabled population of working age economically active | 81.5% | 75.9% | 67% |
| % of disabled population lacking formal / secondary level educational qualifications | 31% | 26% | 50.8% |
| % of non-disabled population lacking formal / secondary level educational qualifications | 17.5% | 12% | |

Network initiatives offer considerable scope for tackling the knowledge, understanding and information gaps which have been found to exist between disabled potential, nascent and practicing entrepreneurs, and support services. These gaps exist on both supply and demand sides, which suggests strongly that such networks could provide a very useful mechanism indeed for support service professionals to address their lack of knowledge as to the needs and nature of disabled entrepreneurs (currently a clear barrier), as well as promoting the policy tools currently available to assist start-up, whilst protecting against loss of benefit. It is very clear that, in this instance, enterprise support workers also have a great deal of learning to do about the very diverse needs of disabled entrepreneurs. Networking initiatives, by providing space and time for bi-lateral interaction facilitate such learning, as do the one-to-one relationships which are so important for the house-bound disabled.

Tackling the structural barriers caused by economic and educational disadvantage is a larger and more complex issue, but compensating for the paucity of relevant social capital within the networks of disabled entrepreneurs is amenable to network approaches, provided these take full cognizance of the special needs involved. For example, Vickers et al (2009) suggest one-to-one mentoring may be an appropriate tool for enhancing the inclusivity of disabled entrepreneurs. Given the relatively idiopathic nature of many conditions, their impact upon capacity and working hours potential, and the frequent difficulty of leaving their home, the establishment of such one-to-one dyadic network relationships may indeed be strongly relevant in this context. However, where one new network tie becomes the focus of all direct social capital development for a (disabled) entrepreneur, it is critically important for them to possess high levels of network centrality and reachability. This would seem to require the design and deployment of specific outreach worker positions, aimed at brokering network ties for the house-bound disabled potential entrepreneur. Once more, an appreciation of the need for less firm outcome objectives, especially in relation to deadlines and timings, is indicated.

3.5. Age-related Disadvantage

Kautonon (2013) and Green (2013) have produced detailed analyses of senior and youth entrepreneurship (respectively) for LEED's series on supporting inclusive entrepreneurship. As Figure

⁷ Cooney, 2008, Blanck et al, 2000

⁸ Papworth Trust, 2012, p3

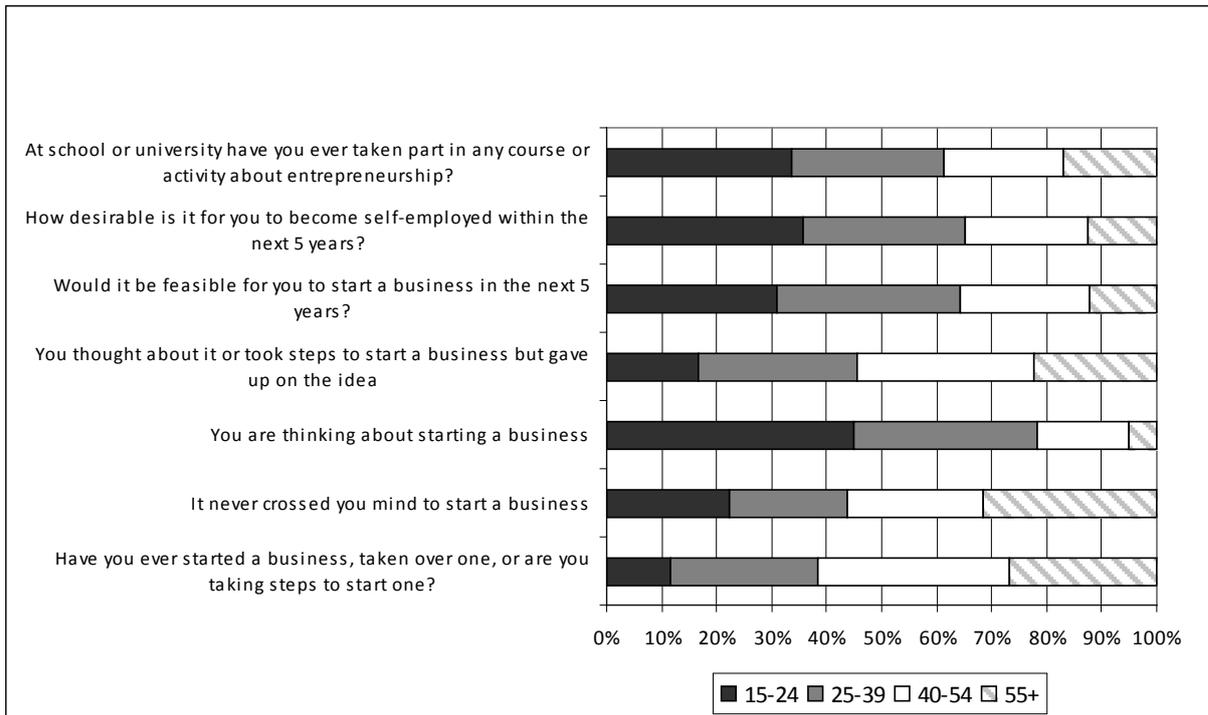
⁹ Cooney, 2008

Three shows, when compared to other age cohorts, younger people report higher levels of entrepreneurial desirability and perceived feasibility, are more likely to be thinking about business start-up, and to have engaged in enterprise education. They are, however, relatively less likely to have yet translated this latent entrepreneurship into (start-up) practice. (Although there is some evidence that younger people are more likely to engage with social enterprise¹⁰). The over-50s present almost completely the opposite perspective, with low levels of entrepreneurial education, (current) consideration, desirability and feasibility, but quite high levels of entrepreneurial action. (Figure Three draws on data from the 2012 Euro FlashBarometer on Entrepreneurship).

Green discusses the barriers to self-employment typically faced by younger people, which include a paucity of assets, including financial, human and social capital, low credit ratings, and a lack of industrial and managerial experience. He notes: “young people may also have limited networks (e.g. business contacts), leading to them having limited social capital. This may have consequences for the setting-up and running of any business because, without adequate levels of social capital, young people may struggle to build ‘legitimacy’ amongst key stakeholders (e.g. financiers, customers, suppliers)” (2012, 11). He notes too that, like many disadvantaged entrepreneurs “pushed” into entrepreneurship or self-employment, new venture starts by the young are typically found in highly competitive low-skill, low-capital service sectors, are transitory in nature, and may serve to displace existing market incumbents, doing little to improve overall employment or small business rates. Thus, while there may be little need to promote entrepreneurship to the young, nor to educate them in basic entrepreneurship skills, the “classic” need of disadvantaged entrepreneurs for a supplement to their resource-poor strong tie network remains. We suggest that further policy support for youth entrepreneurship should focus on addressing gaps in human capital, rather than tackling social capital gaps directly. For without deeper and greater knowledge, skills, and experience, there is very little for the nascent youth entrepreneur to bring to their network in their attempts to garner social capital. Given the failure rates, and low quality, of youth start-ups, networking initiatives do not, in our view, offer the optimum policy tool for this disadvantaged group.

¹⁰ Green, 2013, 8; van Ryzin et al, 2012, Harding, 2006.

Figure 3. Age and entrepreneurship



Generally speaking, potential and nascent entrepreneurs over the age of 50 bring to their start-up an enlarged pool of human, social and financial capital, often bolstered by more than 30 years of education and work experience. Kautonen notes, nevertheless, that older potential entrepreneurs can face network-related barriers also, most particularly if they have become disconnected from their workplace ties (through retirement or a period of unemployment), and also due to often negative opinions from their closest strong ties (family and friends) about the wisdom of late-life business start-up. Conversely, those with supportive strong ties were able to start their ventures more rapidly, and some older entrepreneurs speeded up their move into entrepreneurship by consciously seeking out a more supportive set of social ties (2013, 11). The possibility of older entrepreneurs acting as mentors both to their senior peers, as well as to younger age cohorts, has also been raised repeatedly, if not much researched. Where older people are also experiencing health and disability challenges, the issue of the “benefits trap”, raised above, is once more highly relevant. The lower rates of internet usage amongst older age cohorts may also mitigate against the development of virtual networks.

For older potential and nascent entrepreneurs, it seems highly plausible that networking initiatives may provide a useful mechanism by which they can exploit their human and economic capital, whilst simultaneously building social capital. Crudely put, senior people have much to bring to the entrepreneurial network, and thus can, if well-facilitated, expect to leverage valuable exchanges from it themselves.

3.6. Long-Term Unemployed

Perhaps the core issue for enterprise support for the long term unemployed is related to the tendency for such disadvantaged groups to be clustered in formerly-industrial urban environments,

typically characterized by multiple forms of deprivation, including housing, education, health, work opportunities, and physical infrastructure. (This raises the issue of physical networks, which, although beyond the scope of this paper, also impact significantly upon the opportunity structures for entrepreneurship.) These factors all play a role in the relative failure of start-ups by the unemployed: whilst unemployment may act as a spur to increase start-up rates, these ventures tend to be short-lived, small-scale and in very unpromising sectors. Three decades of policy makers have sought to promote entrepreneurship as a route to liberation from economic and social hardship for the unemployed, especially those located in areas of multiple deprivation, although empirical studies have continued to challenge the wisdom of this approach. As Vickers et al (2009, 3) explain:

“Without sufficient attention being paid to the quality of start-up enterprises, increasing the rate of new enterprise formation in disadvantaged local economies can all too easily result in high rates of displacement as low value-added businesses compete with each other in overcrowded local markets. This also emphasises the need for enterprise promotion in disadvantaged areas to go hand in hand with improvements in human capital (i.e. educational attainment, skills, and work experience) if it is going to improve the quality of enterprises and the life chances of the entrepreneurs themselves.”

This anxiety about the persistent fixation on start-up rates notwithstanding, Vickers et al are not alone in pointing out that enterprise interventions can provide other positive outcomes for disadvantaged groups, including the long-term unemployed. These comprise, *inter alia*, enhancing a range of skills and mindsets so as to render people more employable, increase their sense of self-worth and confidence, and providing a professional frame for considering – and perhaps discounting – self-employment as a viable option. (Again, the vexed issue of what entrepreneurship support policy is *for* raises its head.)

As with the disabled, the “benefits trap” is a special barrier for unemployed potential entrepreneurs, and similar solutions suggest themselves, including the provision of clearer and more accessible information about policies which mitigate this perceived threat. Such provision is also part of a possible solution in moving people from informal to formal self-employment, another issue specifically related to unemployed nascent entrepreneurs, anxious about the “benefits trap”, and suspicious of the state (Vickers et al, 2009, 6).

We argue that *all* policy initiatives targeted at the long-term unemployed need to consider their objectives very carefully, including those which adopt a networking approach. Feasible (and ethically acceptable) objectives which might be carefully developed for such interventions are likely to include enhancing employability and life skills, through enterprise “education”. The role of networking in such environments, and with such objectives, may not be pronounced. Indeed, the general paucity of start-up quality in contexts characterized by high levels of long-term unemployment suggest that networking projects may do little more than reinforce existing cultures of small-scale self-serfdom, in very restricted industrial sectors.

By way of a summary for this section, Table Five presents the distinct characteristics of the various disadvantaged groups discussed, and sets out related policy implications. These serve also as our literature-derived recommendations.

Table 5. Entrepreneurial networks, disadvantaged groups and policy implications

| Target Group | Characteristics | Policy Implications |
|----------------------|--|--|
| Disadvantaged People | Start-ups rooted in strong-tie networks which lack rich resources for opportunity perception and enactment. | Develop network “substitutes” for the requisite munificent strong-tie resource pool. |
| | Strong and specific socio-geographic cultural contexts, often at odds with the professional formalism of policy deliverers | Dedicate serious and sustained policy resources to developing well-grounded appreciation of local culture, norms, aspirations and resources. |
| | Fear of the risks associated with the “Benefits Trap” | Clear information and sign-posting needed to clarify policy solutions to this perceived trap. |
| Women | Early stage reliance on women-only networks, avoidance of “boys clubs”; special need for confidence building | Creation and support of women-only enterprise networks, for nascent and early-stage female entrepreneurs, focusing on confidence building. |
| | More likely to engage with entrepreneurship networking interventions | Greater promotion of existing entrepreneurship networking interventions to nascent and early-stage female entrepreneurs |
| Ethnic Minorities | Co-ethnic products deploy embedded social capital to drive EO and growth | Embedded networks building on the potential of co-ethnic product opportunities as a growth driver. |
| | Less likely to adopt ICT, inhibiting use of online networks | Use of support networks to stimulate, signpost, or deliver ICT training, to facilitate online networks. |
| Migrants | Strong latent set of entrepreneurial resources | Potentially a promising group of target clients for facilitating high start-up rates. |
| | Potential for internationalization, due to home country social capital | Export-import focused network support interventions |
| | Language and regulatory challenges | Network support interventions to stimulate, signpost, or deliver language and regulatory knowledge |
| | Working long hours in low-wage jobs | Network support services to be available outside normal working hours. |
| Disabled | Difficulties accessing current provision and information | Provision of networking services in accessible formats and locations |
| | Challenges in achieving regular pace of work | Adoption of longer, softer outcome targets by network support providers |
| | May be effectively house bound, and with very specific impairments | Offering one-on-one mentoring, at a locus suitable for the mentee, building dyadic ties. |

| | | |
|------------|---|---|
| | Lack of knowledge and understanding of disability by formal and informal network contacts, including funders and support bodies | Networks targeted at the disabled should also include education of support workers by their disabled members, as to their needs, aspirations and capacities |
| Youth | High levels of latent entrepreneurship, and enterprise education | It seems unnecessary to promote entrepreneurship further as a career option to this group |
| Seniors | Low levels of latent entrepreneurship, and enterprise education, and frequent lack of support from their own strong tie network | Networking interventions may offer a viable tool for enhancing perceptions of entrepreneurial feasibility and desirability, and providing a strong social support group |
| | Potentially higher levels of human and social capital than other disadvantaged groups | May offer resources to act as mentors, and contributors of much-needed social capital, to networking interventions aimed at wider groups of disadvantaged nascent entrepreneurs |
| Unemployed | Geographically concentrated in areas of multiple deprivation | Need for development of physical network resources, as a foundation for social networking interventions |
| | Raising start-up rates may actually result in greater poverty and social exclusion | Consider wider benefits of enterprise skills / mindset development as policy outcomes, including enhanced confidence and employability |

4. EU POLICY APPROACHES TO NETWORKING AND SUPPORTING DISADVANTAGED ENTREPRENEURS

4.1. Introduction

In this section, we directly explore EU public policy approaches adopted in the area of networking for disadvantaged entrepreneurs. Again, a range of sources will be utilized, from a variety of stakeholders, so as to ensure a rounded and multi-perspective view. This section will map the local, national and transnational networks providing information, advice, coaching and mentoring to disadvantaged entrepreneurs. Networks are crucial aspects of the success of a new business start-up and for developing business concepts. Various initiatives have been formed to connect the entrepreneurs to each other through real and online networks. The actors of these initiatives and schemes are:

1. The European Commission¹¹ (European Regional Development Fund (ERDF) and European Social Fund (ESF)) in co-operation with the national government of each member state
2. National government scheme and networking programs
3. Charity and private organizations

The existing networks provide crucial information, advice, online seminars, training and workshops, coaching and mentoring services and contribute to the local, national and cross-national collaborations for the mutual benefit of entrepreneurs with diverse age, gender, ethnicity, professional background. By engaging entrepreneurs from cross-sectors in real and online networks, they contribute to collaborations and widening opportunities for disadvantaged entrepreneurs. These networks target different social groups. Here are some of the successful schemes and networks:

4.2. Cross national and national schemes and networks for the generation 50+

4.2.1. Cross national schemes and networks for the generation 50+

The population is ageing in the European Union and different studies show that the number of people over age 55 will reach 37% by 2030. Therefore The European Commission has developed specific approaches in different member states to raise awareness about entrepreneurship and encourage the generation 50+ to participate in economic activities. The commission has announced the European Year of Active Ageing and Solidarity between Generations in 2012. One of these schemes is the cross-national initiative of the Year of Active Ageing and Solidarity between Generations is the **Best Agers Programme**¹². This project is co-financed by the INTERREG IV B Baltic Seas Region (European Regional Development Fund) and supported by the Federal Transnational Cooperation Programme of German Federal Ministry for Transport, Building and Urban Development. The project maps the position of older workers in 8 countries (Denmark, Estonia, Germany, Great Britain, Latvia, Lithuania, Poland and Sweden) with the Academy of Economics Schleswig-Holstein in Germany as the lead partner. It focuses on “inclusion of older people [the 55+] in the area of business and skills development in the Baltic Sea Region”¹³. It looks at the cross-national differences and the way in which the integration of the generation 55+ could be improved into the labour market and entrepreneurial activities. The project also conducts research on good practice examples and examines successful approaches on “best agers” with the aim of inclusion of generation 55+ into economic life. The Best Agers Project has also a transnational virtual network, called Biiugi¹⁴, which matches cross-national platforms through cross-national virtual networks to bring together especially generation 50+ who have business experience and expertise and reluctant to retire and search for new ownership. Biiugi helps experienced and less experienced generation 50+ to exchange ideas, receive online seminars, expert advice on knowhow, starting up new businesses after their retirement, developing and managing their businesses. Biiugi contributes to expanding their networks, developing their professional relationships and cross-national collaborations (Poland, Denmark, Germany and

¹¹ http://ec.europa.eu/enterprise/policies/sme/business-environment/smooth-transfer/index_en.htm

¹² <http://www.best-agers-project.eu/BestAgers/Definition/tabid/1109/Default.aspx>

¹³ http://www.best-agers-project.eu/Portals/18/Containers/BestAgers/Flyers/ba_flyer_en.pdf

¹⁴ More information available online <http://www.biiugi.eu>

other European states) for mutual benefit. Bijugi provides a space for profile of their members and online communication opportunities. The project is partly financed by the European Regional Development Fund and managed in Germany. There are no specific entry requirements. Since 2012, the EU-wide online matching platform and virtual incubator connects different business platforms and entrepreneurs from different age (especially generation 50+), professional backgrounds and countries through virtual business network.

Going through the final reports¹⁵ of the project, it is difficult to find any output of the project except some events, seminars and reports which address the issues of the demographic challenge in the EU, the perception of industry and public about the generation 50+, stereotyping of elderly people in the labour market and provide some relevant policy recommendation in each country (Denmark, Estonia, Germany, Great Britain, Latvia, Lithuania, Poland, Sweden) to include elderly people into the labour market and promote entrepreneurial activities of elderly people.

The final report states that the project developed “three types of mentor training programmes for company mentors” and tested them in close cooperation between Green Network, the Jobcenter of Vejle Municipality and the educational institution Campus Vejle in Denmark¹⁶. However we were unable to find any qualitative and/or quantitative data on the impact of the Best Agers project.

The European Commission’s initiative **Grundtvig** also promotes lifelong learning and delivering adult education and provides funding for various projects across Europe. The initiative works in partnership with three entrepreneurship aid organizations- Nersant (Portugal), BIC (Slovakia) and Union des Couveuses (France) formed a partnership to share knowledge and experience. The Nersant Entrepreneurs’ Association in Portugal focuses specifically on promoting and supporting, generation 50+ entrepreneurship in the Santarém region, Portugal. It provides training, premises and financial support to older people¹⁷. European Social Fund (ESF) Programme promotes the integration of disadvantaged people into the labour market in Hungary and offers training as well as financial support to the older generation for business start –up.

The European Commission sponsored “**Senior Enterprise**” scheme brings another useful dimension to promoting entrepreneurship among older people. The scheme aims to mobilize older people to use their expertise and experience to become mentors and coaches to train, advise and help people who want to start a business. This scheme is supported by the EU through INTERREG IVB NEW and leads by the Mid-East Regional Authority in Ireland and other partners are The Prince’s Initiative for Mature Enterprise in UK charity, a private company (Inno TSD) in Brittany, France. According to the report¹⁸, many individuals aged 50+ have participated in workshops, courses and programmes to start up a business. However again, there is not any evidence that the generation 50+ has made the use of these workshops, courses and programmes except PRIME which provides some data in relation to the impact of the project (see below).

¹⁵ <http://www.best-agers-project.eu/Reports/tabid/1127/Default.aspx>

¹⁶ http://www.best-agers-project.eu/Portals/18/Report_Training%20programmes%20for%20company%20mentors.pdf

¹⁷ <http://www.nersant.pt/>

¹⁸ [file:///D:/WORK/DOCS/Downloads/EUEMP12A1201_Brochure_Entrepreneurial_Activities_EN_v7.0_accessible%20\(3\).pdf](file:///D:/WORK/DOCS/Downloads/EUEMP12A1201_Brochure_Entrepreneurial_Activities_EN_v7.0_accessible%20(3).pdf)

4.2.2. National Schemes and networks for the generation 50+

East European countries have also started similar schemes. A good example is the **Mature Entrepreneur project**¹⁹ in Poland, which supports entrepreneurship among those over the age of 50 and unemployed and inactive workers, including pensioners to re-enter the labour market through self-employment and starting up their own business. The project, funded by European Social Fund, offers a variety of courses including computer training, psychology, first steps in business, legal issues, insurance, accountancy and finance, marketing and promotion, business planning. In addition to this, some relevant training project have been developed by this initiative in the Province of Mazovia where the employees over 45 years old receive training courses in different sectors e.g. Energy sector to gain and bring their skills up to date.

Compared to young entrepreneurs, the generation 50+ entrepreneurs may have fewer barriers to have access to finance for start-up and develop their businesses (European Commission, 2009). However, some European countries have developed grant and loan schemes for the purpose of supporting the generation 50+ entrepreneurs. For example the UK government offers two different schemes to start up financing for the generation 50+ entrepreneurs. These are:

1. The New Deal 50+ introduced in 2000 to encourage unemployed generation 50+ to get back into the labour market. The scheme provided advice on training, helping with job applications. In addition to this, the scheme encouraged people into self-employment and provided a subsidy to start their own business. However the New Deal 50+ was brought to an end as part of government public sector “austerity measures” in 2010. The government has recently extended its “Start-Up Loans scheme” to people of all ages including British Citizens and UK legal resident living in England.
2. The Prince’s Initiative for Mature Enterprise (PRIME): PRIME²⁰ remains the only UK national organization which targets those who are over the age of 50 and experience long-term unemployment or face redundancy. Its aims consist of two principal activities:
 - a. Campaigning and lobbying on behalf of the “forgotten generation”²¹
 - b. Encouraging the generation 50+ to be self-employed and offering free training courses, mentoring support, networking events and online resources.

Online resources²² provide relevant information on starting business, e-learning about finance, marketing, online support including social media support and legal issues of starting a small business. According to the information on PRIME website, the organization has been helping more than 25,000 to “explore self-employment” and turn their ideas, energy and experience into starting up sustainable businesses since 1999. PRIME works closely with more than 100 local partner organizations around the UK. In some countries, private organizations provide service, advice, training and start-up

¹⁹ www.pup.gda.pl.

²⁰ More information available online <http://www.prime.org.uk/category/about/>

²¹ <http://www.prime.org.uk/>

²² <http://www.prime.org.uk/business-resources/>

financing to older people. The Business and Innovation Centre in Slovakia in co-operation with Enterprise Europe Network is one of them.²³ The PRIME has also lobbied successfully to persuade the UK Government to extend its “Start-Up Loans scheme” to people of all ages.

Overall these initiatives provide valuable policy recommendations, information, training, expert advice on knowhow, e-learning about finance, marketing, online support to generation 50+, offer free training courses, mentoring support, networking events and online resources and might encourage them to start up a business and promote their entrepreneurial activities. However it is very difficult to find out the economic impact of these initiatives and how these programmes, schemes and network make a little change in the life of the generation 50+. Surely some programmes such as Biiugi which matches cross-national entrepreneurial activities of generation 50+ through cross-national virtual networks might work very well to bring together ideas, knowledge and people for cross-national entrepreneurial corporations. Such projects may be beneficiary for those who relevant linguistic, digital skills. However the question remains to answer how to overcome the barriers such as language, digital divide that people with low education background may confront. In such cases, the national approaches may be very relevant to encourage the generation 50+ into economic activities. A good example is the UK based PRIME project and network which help people from low education and income background to establish their small businesses.²⁴

²³ <http://www.enterprise-europe-network.sk/?en>

²⁴ <http://www.prime.org.uk/category/case-studies/>

Table 6. Cross-national and national schemes and networks for the generation 50+

| Programme | Funded by | Countries | Aims |
|---|---|--|---|
| Best Agers Programme ²⁵ | European Regional Development Fund and the Federal Transnational Cooperation Programme of German Federal Ministry for Transport, Building and Urban Development | Denmark, Estonia, Germany, Great Britain, Latvia, Lithuania, Poland and Sweden | Inclusion of older people [the 55+] in the area of business and skills development in the Baltic Sea Region ²⁶ . |
| Grundtvig | European Commission | Belgium, Denmark, Ireland, Italy, The Netherlands, Spain and the United Kingdom. | lifelong learning and delivering adult education |
| “Senior Enterprise” | European Commission | The UK, Ireland, France | promoting entrepreneurship among older people |
| Mature Entrepreneur project | European Social Fund | Poland | re-entering older people the labour market through self-employment and starting up their own business |
| The Prince’s Initiative for Mature Enterprise | PRIMA | The UK | Campaigning and lobbying on behalf of the “forgotten generation” ²⁷ . Encouraging the generation 50+ to be self-employed and offering free training courses, mentoring support, networking events and online resources |
| The Business and Innovation Centre in co-operation of Enterprise Europe Network | Private organization | Slovakia | Private organization provides service, advice, training and start-up financing to older people. |
| biiugi ²⁸ | European Regional Development Fund and the Federal Transnational Cooperation Programme of German Federal Ministry for Transport, Building and Urban Development | Poland, Denmark, Germany and other European states | Online networking for and about older people |

4.3. Networking women entrepreneurs

4.3.1. Cross national networking for women entrepreneurs

The main characteristic aim of women network groups is to combat the gender discrimination in the business and societal levels. Therefore fe:male, The European Network to Promote Women's Entrepreneurship (WES), The European Network of Female Entrepreneurship Ambassadors (ENFEA) and other transnational, national/local women organizations emphasize the relevance of tackling with the structural obstacles such as gender inequality including contextual obstacles such as stereotypes about women, traditional expectations and views that push women to study non-business related disciplines as well as economic obstacles that considers women less credible financially than men. In addition to this, the lack of business perspectives, trainings, the question of digital divide are some obstacles among other that women networks attempt to address through their work across the EU. Therefore the women networks have double functions: doing gender politics and promoting women entrepreneurship.

Some projects have been developed to specifically target women entrepreneurs across Europe. One of these is **fe:male** which aims to support women entrepreneurs from BAME background, over 50, lone parents and long-term unemployed. fe:male as a networking platform provides training, mentoring to women entrepreneurs in the UK, Malta, the Netherlands and Cyprus and considers its position as a 'network of up and coming female entrepreneurs across Europe'²⁹. It is networked through its partners such as Inova Consultancy (UK), Intercollege (Cyprus), VHTO (Netherlands), VITECO (Italy) and the Foundation for Women Entrepreneurs (Malta).

The European Network to Promote Women's Entrepreneurship (WES), a network run by the European Commission DG Enterprise and Industry, aims to make the existing women entrepreneurs visible and increase the number of women entrepreneurs across EU, promote women's entrepreneurship through research, exchange of best practices, networking. WES is well connected with women business associations and networks in the EU, EEA and candidate countries to promote female entrepreneurship. For example WES provides Special Training for Female-led Micro Businesses without Employees in Austria such as preparing business plans, marketing strategies, sales, cooperation/networking and work-life-balance. In addition to this, working with "Frau in der Wirtschaft-Women in Business" which represents the interest of female entrepreneurs in national and local organisation in Austria. "Women in Business", as a service centre and network supports the improvement of the general framework for female entrepreneurs³⁰. "Frau in der Wirtschaft-Women in Business" in Austria and National Agency for Women Start-ups Activities provides news about the entrepreneurship activities of women and gives useful information and advices to women entrepreneurs through female entrepreneur's focused website. WES is also active in Eastern Europe

²⁵ <http://www.best-agers-project.eu/BestAgers/Definition/tabid/1109/Default.aspx>

²⁶ http://www.best-agers-project.eu/Portals/18/Containers/BestAgers/Flyers/ba_flyer_en.pdf

²⁷ <http://www.prime.org.uk/>

²⁸ More information available online <http://www.biiugi.eu>

²⁹ <http://www.femaleproject.eu/>

³⁰ https://www.wko.at/Content.Node/FIW/Wir--ber-uns/Information-in-English/Information_in_English.html

and works with national women organisations including Bulgarian Association of Women Entrepreneurs (Selena)³¹ which offers training, management and enterprise strategy, information on access to European financing to female entrepreneurs.

The Women's Organisation³² (WO), established in 1996 in the UK, and provides entrepreneurship, innovation and sustainable business growth for women on an international level. Knowledge transformation, influencing policies and supporting women to set up their own business. It aims to provide Personal development, education, training, business support, transforming knowledge, changing traditional perceptions and influencing policies in favour of women in local, national and international levels. According to the information provided on WO's website, the organisation has "helped over 50,000 women, assisted in the creation of thousands of new businesses and jobs and enabled women from the disadvantaged communities to start their journey to improved personal economic and social wellbeing". The organisation works "with a range of public, private and third sector partners across Europe, Africa, USA, Canada, New Zealand, and China"³³.

Female Europeans of Medium and Small Enterprises (FEM), established in 1990, is a European umbrella organisation for national and regional associations of women in Small and Medium-sized enterprises. It has 15 member organisations in 10 European countries. It aims to improve the equal opportunities, social, cultural and social position of female entrepreneurs in small and medium-sized businesses and craft.

Association of Organisation of Mediterranean Businesswomen (AFAEMME) is a European and Mediterranean women platform. It has about 37 businesswomen organisations from Albania, Algeria, Croatia, Cyprus, Egypt, France, Greece, Italy, Jordan, Lebanon, Malta, Montenegro, Morocco, Palestine, the Principality of Monaco, Slovenia, Syria, Spain, Tunisia and Turkey. It aims to promote gender equality in the labour market and the access of women to decision-making positions in the economy.

Balkan Women Coalition for Professional Qualification and Training in the field of Business and Economic Science (B-WCo)³⁴ is based in Greece and promotes equal opportunities, new educational levels and post educational qualifications. It provides some relevant events for women entrepreneurs. The aim is the creation of a stable and multinational network of institutions and organizations from the region of the Balkans in order to develop qualifications and organize seminars to help the women in the business field.

4.3.2. National Women's Entrepreneurs' networks and organizations

In addition to European-wide women entrepreneur organizations, there are numerous national and local women organizations including Frau in der Wirtschaft (Women in Business) (Austria); Artemis, Femmes Chefs d'Entreprises - Vereniging Vrouwelijke Bedrijfsleiders (FCE-VVB), Association of Women Entrepreneurs (Belgium); BPW Finland, The Central Association of Women Entrepreneurs

³¹ <http://www.selena-bg-it.eu/ENG/aboutselena.html>

³² <http://www.thewomensorganisation.org.uk/about-us/our-history>

³³ <http://www.thewomensorganisation.org.uk/about-us/our-history>

³⁴ <http://www.balkancoalition.com/>

(Finland); the Greek Association of Women Entrepreneurs (S.E.G.E.); CNA Impresa Donna Emilia Romagna(Committee of Enterprising Women) (Italy), Confartigianato Donne Impresa, Confartigianato Donne Impresa - Associazione Artigiani della Provincia di Vicenza, Commissione Dirigenti Cooperatrici Confcooperative, "Terziario Donna CONFCOMMERCIO" (Italy); Fédération Pionnières, FCEM (Femmes Chefs d'Entreprises Mondiales - World Women Entrepreneurs) (France), Diversitelles(Diverseladies) (France / The Netherlands); Verband deutscher Unternehmerinnen e.V. (VdU)(Association of German Women Entrepreneurs); LIDERE (LEADER) (Latvia); FYRO Macedonian women entrepreneurs; Federatie Zakenvrouwen (Federation of Women Entrepreneurs) (Netherlands); Women's Enterprise Scotland; Association of Women in Business (Slovakia); Organización de mujeres empresarias y gerencia activa (OMEGA) (Spain); Association of Business Women in Serbia; Enterprising Women, Go-Woman! Limited, WEETU (Women's Employment Enterprise and Training Unit) (United Kingdom).

These national and local women entrepreneur organisations are member of the EU-Wide women entrepreneur organisations and promote the politics of Gender Equality encourage women to participate in business activities, provide advice, information, business support and working to increase the numbers, sustainability and success of women entrepreneurs, training, networking events, mentoring and loan found.

4.3.3. Projects Promoting women entrepreneurs and female entrepreneurship

The member states and/or women organisations have developed different schemes in collaboration with EU commission to promote the female entrepreneurship in their country. For example:

1. The European Regional Development Fund and The Republic of Cyprus co-finance “Sustainable Development and Competitiveness” Structural Funds - Scheme for the enhancement of Female Entrepreneurship aims to encourage and support the entrepreneurship of women between the ages of 18-55 to establish an enterprise. The scheme also provides significant grants to those who wish to start up a business³⁵.
2. The Operational Programme Enterprise and Innovation (OPEI), co-funded by the Czech State budget and the EU Structural Funds, provides the access to capital in the form of loans at reduced interest rates and grants. Different women associations such as Association of Women Entrepreneurs and Managers of the Czech Republic, Moravian Association of Women Entrepreneurs and Managers, South Bohemia Association of Women Entrepreneurs and Managers and Central Bohemia Association of Women Entrepreneurs and Managers attempt to support and increase women entrepreneurs in Czech Republic. These associations are important networks which provide training, educations, advice and organise events where female entrepreneurs can exchange experience, ideas and develop new business opportunities³⁶

³⁵http://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/eval2007/job_creation/cy_task1_2013_job_creation.pdf

³⁶ <http://www.podnikatelky.eu/>

3. The project, entitled “Women entrepreneurship development in Sofia and Vratsa” has provide training to 100 women from Sofia and Vratsa in business planning, marketing plans, financial planning. The business ideas of 12 women have been funded partially. In addition to this, a Centre for Women Entrepreneurship was established as part of the project.
4. The National Programme for Substantive Gender Equality 2010-2013 of the General secretariat for Gender Equality (GSGE) in Greece has developed a programme to eliminate multiple discriminations that women face in the Greek society, support of women entrepreneurship and remove the barriers that female entrepreneurs confront including access to loan for their business. The Greek government introduced “Development of Female Employment and Entrepreneurship” scheme between 2010 and 2013 to encourage and financially support women to start a business.³⁷ Over 1227 women In North Aegean Region and In West Macedonia Region have benefited from this project³⁸.
5. The National Plans for Equality on equality between women and men promotes female entrepreneurship through training, consultancy and support for the constitution of business association networks and supports female entrepreneurship through the establishment of protocols that facilitate access to credit, namely to microcredit. The programme co-financed by the European Social Fund through two Programs of the National Strategic Reference Framework and the human potential and the competitiveness. Several associations of women Entrepreneurs are working to increase the visibility of women entrepreneurs in Portugal.
6. There are other schemes which are sponsored by national foundations such as ETNA Estonia (ETNA) and the Rural Development Rural Development Credit Cooperative (MEHLÜ) program, sponsored by The Open Estonia Foundation, aims to encourage women to start a business and provides training, advice, mentoring and business loan for women in particular in rural areas where unemployment high and poverty more visible.

4.4. The European Network on Ethnic Minority Business

The number of non-European citizens living in the EU is increasing and especially in Europe's cities, many residents have a migration background. The European Commission has developed diverse policies to raise awareness of the relevance of ethnic minority and migrant Entrepreneurs' contribution to the European economy. Following an EU organized conference on Ethnic Minority Entrepreneurs in 2003, the Network "Ethnic Minority Businesses" was established by the European Commission and Member States³⁹ to deal with the difficulties that migrant and ethnic minorities face during starting a business including difficulties to have access to finance, lack of information, training and difficulties in understanding the laws and the bureaucratic system.

³⁷ http://ec.europa.eu/enterprise/policies/sme/files/support_measures/women/documents/wes-activities-report-2011_en.pdf

³⁸ http://ec.europa.eu/enterprise/policies/sme/files/support_measures/women/documents/wes-activities-report-2011_en.pdf

³⁹ [file:///D:/WORK/DOCS/Downloads/netethnicminbus_en_3323%20\(1\).pdf](file:///D:/WORK/DOCS/Downloads/netethnicminbus_en_3323%20(1).pdf)

The Network "Ethnic Minority Businesses" consists of representatives from business organizations and researchers and aims to provide information to the member states to improve the situation of ethnic entrepreneurs and remove political and economic barriers. The network organizes regular conferences and public reports on the situation of ethnic minority and migrant entrepreneur activities and policies affecting their entrepreneurial activities. Different studies show that the EU commission has introduced various schemes in the Northwestern European countries⁴⁰. Most of the schemes were funded by the EU commission but also national and local initiatives have developed their own schemes to target asylum seekers, unemployed migrants and ethnic minority members to raise awareness among immigrants, provide and improve relevant skills for business, remove bureaucratic barriers. Some of these schemes: Rainbow economy project (Belgium 2005 - 2007), EnterpriseHelsinki (Finland)⁴¹, Cre'Action (France 2002-2005), Unternehmer ohne Grenze – Entrepreneurs without borders (Germany)⁴², Szechenyi Entrepreneurial Programme (Hungary), CNA World-Dedalo project (Italy)⁴³, Kansenzones -Enterprise Zone(Netherlands), Ethnic minority Business Service (United Kingdom)⁴⁴, East London Small Business Centre (United Kingdom)⁴⁵, Immigrant Entrepreneurship Project (Portugal).⁴⁶

4.5. Networking young entrepreneurs

There are numerous EU programs and networks that promote youth Entrepreneurship and provide resources and opportunities. European Confederation of Junior Enterprises (JADE)⁴⁷ and European Confederation of Young Entrepreneurs⁴⁸ are two main organizations which aims to talk on behalf of young people and encourage them to involve in economic and political life.

There are some programs, schemes and network activities funded by The European Social Fund (ESF), European Regional Development Fund (ERDF) either directly to young entrepreneurs or to Regional organizations working toward promoting youth entrepreneurship and support-self employment. Numerous programs and networks are funded by ESF and ERDF across Europe including ESF program "Youth on the Move"⁴⁹, launched in 2010 as part of the Europe 2020 strategy to reduce youth unemployment through improving young people's education and employability. The working method of this program is to coordinate policy to identify and take action at EU and national level to create a cross-national mobility among young people to study, learn, to be trained and find a job in Europe. For this purpose, a specific action, titled "Your first EURES job" was designed which

⁴⁰ file:///D:/WORK/DOCS/Downloads/eme_study_en_3315%20(1).pdf

⁴¹ file:///D:/WORK/DOCS/Downloads/eme_ws3_p1_3302.pdf

⁴² <http://www.unternehmer-ohne-grenzen.de/>

⁴³ <http://www.cna.to.it/CNA/servizi/Cat10/Ass1/>

⁴⁴ <http://embs.org.uk/>

⁴⁵ <http://smallbusinesscentre.org.uk/>

⁴⁶ http://www.oi.acidi.gov.pt/docs/Revista_3_EN/Migr3_Sec3_Art5_EN.pdf

⁴⁷ <http://www.jadenet.org/>

⁴⁸ <http://www.yes.be/>

⁴⁹ http://ec.europa.eu/youthonthemove/index_en.htm

support young entrepreneurs via the European progress microfinance facility⁵⁰. Erasmus for Young Entrepreneurs⁵¹ targets more specifically young people with the skills to start and/or run a small business in Europe. It aims to transfer knowledge and business ideas to the new entrepreneurs through the work of experienced entrepreneurs. New entrepreneurs stay, work and collaborate with experienced entrepreneur for a period of 1 to 6 months. The stay is partly financed by the European Commission. Youth Entrepreneurship Strategies (YES) aims to promote the entrepreneurial activities of young people in order to accelerate regional economic growth. STARTENT⁵² is another project co-funded by the European Commission, DG Enterprise and Industry under the call “Entrepreneurial culture of young people and entrepreneurship education”. Other program targets the students to move in business life such as European Student Startups Competition⁵³. Some programmes offer their service via the internet. For example Youth@Work⁵⁴ which provides online service to link young people seeking a study, training, scholarship, traineeship job in other country. Similarly to “Youth on the Move” program, Youth@Work also aims to contribute to the transnational mobility and exchange of information among young people. The aims of these organizations, networks and programs are to create networks of knowledge and learning around Europe, exchange of information, experience and best practices between young entrepreneurs, foster cooperation, conduct research on youth entrepreneurship, cross-border exchange program, reviews regional policies concerning youth entrepreneurship in transnational, national and local levels. There are also a number of organisations and initiatives working to support students and graduates to integrate them into the labour market and entrepreneurial activities⁵⁵ such as EntEx which is led by young entrepreneurs (18-30 year old students) throughout Europe.

4.6. Networking people with disabilities

The European Award for Social Entrepreneurship and Disability: Promoting Social Investment was launched by Fundación ONCE within the framework of the European Network for Corporate Social Responsibility and Disability (CSR+D) on 4 October 2013. The aim of the award was to promote social investment in the context of promoting social cohesion, human capital and social entrepreneurship⁵⁶. Some countries such as the Netherlands have designed a program called Start –up Credit for Partially Occupationally Disabled Person in Netherlands to provide loans for those who are partly occupational disabled however are able to participate in some capacity in the labour market and wish to start a business (Borghouts-van de Pas, I and Wilthagen). In the UK ICAN Experience, a home-based business gives opportunities to people with disabilities to be active economically in the labour market⁵⁷. The UK based Association of Disabled Professionals (ADP) has established The

⁵⁰ <http://ec.europa.eu/social/main.jsp?langId=en&catId=836>

⁵¹ <http://www.erasmus-entrepreneurs.eu/page.php?cid=2#.U2v0FIFdVYU>

⁵² <http://www.startent.eu/about-the-programme>

⁵³ <http://www.europeanstudentstartups.com/about.php>

⁵⁴ http://www.youthatwork.net/?page_id=2

⁵⁵ <http://www.ent-ex.eu/#!partners/c224u>

⁵⁶ <http://www.csr-d.eu/social-entrepreneurship-and-disability-award/es/>

⁵⁷ <http://www.theguardian.com/small-business-network/2013/sep/16/home-business-freedom-entrepreneurs-disability>

Disabled Entrepreneurs Network (DEN) to provide support to disabled people in professional and managerial positions and provide networking and information for and to disabled people for self-employment⁵⁸. However the result of our desk research shows that there are not much network groups for the entrepreneurs with disabilities.

4.7. Networking the otherized entrepreneurs and the question of digital divide

The concepts of social network and social capital may be described as ‘a collective asset made up of social networks based on shared norms and trust and mutuality’ (Gilchrist 2004: 4). These networks constitute resources which can help individuals and groups to improve their livelihood and participate in economic life and develop their civic engagement (Granovetter 1973, Coleman 1988, Bourdieu 1996, Portes 1998, Putnam 2007). Access to and use of resources embedded in social networks (Keles, forthcoming), in particular virtual networks which connect diverse entrepreneurs from different economic and geographical spaces and create virtual conversation which may lead to the emergence of virtual economic networks (virtual economic public spaces) for disadvantaged entrepreneurs such as German based Biiugi⁵⁹ project which is matching different entrepreneur platforms through cross-national virtual networks (see below). In this sense Information and Communication Technologies (ICTs) becomes global drivers of the entrepreneurs and contributes to the exchange of resources and information along with participation in economic activities. In particular the internet has changed the form of business relationships, compresses time and space as it removes the distance between there and here. These new public spaces are described as ‘virtual communities’. The circulation and sharing of information plays a central role in creating virtual communities and “network capital” (Larsen and Urry 2008) which could be described as the capacity to give rise to and sustain economic relations with individuals who are not necessarily proximate, which generates financial and practical benefit. Virtual communities create a degree of trust, mutual reciprocity (e.g. requesting or accepting membership, co-operations etc) especially on the basis of shared mutual business interest and experiences. This could be considered as “bonding capital” (Putnam 2000) within entrepreneur online networks, such as having access to internet and receiving information from multiple sources. Thus, these virtual entrepreneurial networks can be a positive force to reduce the digital divide amongst disadvantaged entrepreneurs. However it is important to mention that social media – as opposed to the internet more widely - is used mainly by computer literate and young entrepreneurs. It is relevant to mention that information and services offered by European Commission, governments or charity organizations’ websites and virtual communities are mainly consumed by those who are computer literate. It is claimed that the computer illiterate people become increasingly “information-poor” (Greco and Floridi 2004: 75) and are therefore confronted with exclusion and inequality (Hongladarom 2004). The differences in skills for utilizing the internet are due to age, gender, ethnicity, poverty etc. This phenomenon is defined as “digital divide” (Norris 2001) between “those in possession of the information globe and those that are not” (Greco and Floridi 2004: 75). The digital divide is related to poverty because “they don’t have, they can’t know and they can’t do” (Tapscott 1997: 255). Not having access to digital information may reinforce unequal power relations between individuals in the society. This is in particular relevant in the context of disadvantaged entrepreneurs, in particular those who are computer illiterate and/or lack relevant language knowledge have problems accessing the Internet and using certain software

⁵⁸ <http://www.mencap.org.uk/organisations/association-disabled-professionals>

⁵⁹ More information available online <http://www.biiugi.eu>

programmes to use for their businesses and create content. They have difficulty in accessing information and digitalized governmental and non-governmental services and economic resources, e.g. they may be unable to deal with digital forms for services or they may be unable to fill in legal and financial applications etc. In this sense, the EU social fund supported Mature Entrepreneur project in Poland provides the generation 50+ relevant computer training (see below). Similarly the multi-national Grundtvig project has developed a project, entitled “European digital older learners”, to help the older generation to develop their computing skill and stay in employment. The project consists of nine partner organizations in seven European countries: Belgium, Denmark, Ireland, Italy, The Netherlands, Spain and the United Kingdom.

However going through different reports and schemes, we felt that most of these real and online networks and schemes are mainly used by those who have linguistic, financial, organizational, cultural and social capital. It is unclear to what extent these networks and schemes mobilize certain disadvantaged people to start a business and develop their entrepreneurial skills. For example in the context of “female entrepreneurship”, immigrant women have been seen as “immigrants”. The gender dimension and the problem of being women and immigrants in the economic structure of the majority society have not received attention. Compared to male immigrants, migrants women are facing the “double minority challenge” (Robinson et al., 2007, Essers and Benschop, 2007) and are confronted with “racism and sexism in the marketplace” (Robinson et al., 2007). Similarly entrepreneurs with disabilities are also not much connected in comparison with other “otherized” entrepreneurs in real and online networks. The question of inclusion and exclusion of most disadvantaged groups into the existing networks, schemes and labour market needs to be addressed through empirical studies.

4.8. Good Practices

Table 7. European Network to Promote Women’s Entrepreneurship (WES)

| | |
|-----------------------------------|--|
| <i>Target group</i> | <i>WES aims to promote women’s entrepreneurship, increase the number of women entrepreneurs and the size of existing women-led businesses. The organization work with the EU commission and many women organizations across the EU, EEA and candidate countries to identify problems, barriers and policies and raise the visibility of existing women entrepreneurs.</i> |
| <i>Country</i> | <i>Multi-national</i> |
| <i>Description of the project</i> | <i>WES, established in 2000, is a network run by the European Commission DG Enterprise and Industry and consists of the national government representatives and institutions with the responsibility to promote women entrepreneurship in their countries. The organization supports its policy oriented activities through research, collection of information, exchange of knowledge and good practices, visibility of women entrepreneurs through the female ambassador’s network</i> |
| <i>Partners</i> | <i>It has members from 31 European countries (EU, Croatia, Iceland, Norway and Turkey).</i> |
| <i>Results achieved</i> | <i>According to WES report (2011), the network is considered as “the only European platform to exchange national policy information on women entrepreneurs as well as a valuable contact for cross-border visits and cooperation”⁶⁰</i> |

⁶⁰ http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/women/wes-network/index_en.htm

Table 8. The bundesweite gründerinnenagentur (BGA) (in English: National Agency for Women Start-ups Activities and Services)

| | |
|----------------------------|--|
| Target group | Women entrepreneurs |
| Country | Germany |
| Description of the project | <p>The German bundesweite gründerinnenagentur (BGA) project is sponsored by the German Federal Ministry for Education and Research, the Federal Ministry for Family, Senior Citizens, Women and Youth and the Federal Ministry of Economy and Technology. BGA works closely with relevant ministries, federal states 's authorities, local governments and departments, employers, investment promotion agency and consultancy firms in 1.700 regional Partners and has 470 advice centres in 16 federal states (Bundesländern) to link women stakeholders, experts and other actors⁶¹. As a think tank platform provides information, education, advice, exchange of information, ideas, experts' databank, networks and research to the political, business, academic and public sectors about women entrepreneurship and to women. The project has also over 445 listed advisory bodies which specialise in the provision of advisory services to women who either own a business or have intention to start a business. The project has an effective online service where the women entrepreneurs can receive specific support via the BGA's website (online advice) from experts and advisory bodies. The website also offers use friendly and efficient opportunities of virtual networks⁶². In addition to this, the hotline service is also available for those you seek more detailed information and are unable to use computer and internet. BGA has also organised several campaign such as the 'Nachfolge ist weiblich' (Succession is female) and 'Power für Gründerinnen' (Power to Women Starters) campaigns and projects.</p> |
| Partners | 1.700 regional Partners in 16 federal states (Bundesländern) |
| Results achieved | <p>The BGA has provided over 5 000 advice sessions and conducted over 1 500 events. The project becomes very successful in encouraging women to start up a business, promoting relevant advice and network. The BGA was praised by the EU as a European model of success, operates nationally and at the level of the individual Bundesländer and in the regions"⁶³.</p> |

⁶¹ http://www.esf.de/portal/generator/13954/property=data/forum1__gleiche__chancen.pdf

⁶² http://www.existenzgruenderinnen.de/sid_45041CA918F28A87FACD612F3FE14E31/DE/Home/home_node.html

⁶³ http://ec.europa.eu/enterprise/policies/sme/files/support_measures/women/documents/wes-activities-report-2011_en.pdf

5. CONCLUDING REMARKS

Table Three sets out in some detail the policy implications from scholarship in entrepreneurial networking, highlighting that successful interventions require genuine collaboration with the entrepreneurial community, and are unlikely to enjoy success if they are overly driven by support agencies. Similarly, entrepreneurs dislike of formality, and of public agency cultures, mitigates too against agency-driven networks. An overabundance of competing networks is unlikely to achieve substantive results.

Table Five summarizes the heterogenous needs which diverse disadvantaged groups have, in relation to possible support for entrepreneurs through networks. There is clear evidence that a “one size fits all” approach is particularly likely to prove unhelpful. Networking initiatives aiming to support and enhance entrepreneurship amongst disadvantaged groups must tailor their objectives, structure, content and processes to the needs of the specific group targeted, in partnership with them.

Section Four presents a range of policy initiatives, at national and cross national level, which indicates the variety of work being carried out in this area. Nevertheless, we were unable to identify evaluations of such programmes, considered as a group, or individually. This suggests that further research is required to measure the outcomes of projects in the field, and that appropriate evaluation measures should be built into policy-driven entrepreneurial network initiatives.

Given the overall importance of entrepreneurial networks for entrepreneurs, this mechanism is surely a core policy tool which offers scope for increasing and enhancing the inclusivity of entrepreneurship within the European Union.

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APPENDIX. METHODOLOGY AND SOURCES

This appendix provides an overview of the route we have taken in tackling the brief established for us. As shown in the figure below, we drew on multiple sources of insight and expertise, pulling these diverse perspectives together to develop a holistic and balanced view. We combined both secondary and primary research, in an attempt to overcome the paucity of macro-level data (especially statistical data), and to ensure all relevant stakeholders are represented in the background paper. Specifically, we firmly grounded our work in both the theoretical and empirical findings of scholarship in the fields of entrepreneurial networking, and inclusive entrepreneurship. We used desk research, supplemented where necessary by further primary investigations, to engage with policy initiatives in developing networks to support inclusive entrepreneurship, within the EU. Primary research included consultations with academic colleagues from a variety of EU settings who have been involved in outreach work, in partnership with policy making bodies, in the development and deployment of networks targeted at disadvantaged entrepreneurs. (Colleagues from Ireland, Denmark, and the UK have generously supported us in this endeavour.) We aim to cover all 4 points of the EU compass in this element of our research.

