
Editorial

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1 Introduction

The papers in this special issue are a selection of those presented at the 15th Uddevalla Symposium Faro, Portugal, 14–16 June with focus on innovative networks and entrepreneurship. It was arranged by University West, Trollhättan, Sweden and hosted by the University of Algarve (CIEO). It was arranged in co-operation with Jönköping International Business School, Sweden and George Mason University, School of Public Policy, USA.¹

The notion of entrepreneurship is loaded with complex meanings, ranging from finding a source of income when no jobs are available to the drive of individuals to create novelties, while the strive for temporary entrepreneurial rent remains the centre of entrepreneurial gravitation. However, many researchers emphasise institutional arrangements (formal and informal) as an explanation of why the frequency as well as quality of entrepreneurship varies between different places, regions, and countries.

Networking is an important business activity for entrepreneurs and there is an association between networking and growth as it allows cost effective access to knowledge and other resources (Lechner and Dowling, 2003). The start of new firms and the introduction of new products (goods and services) to the market are processes, which at the micro level reveals a high frequency of entry and exit. Critical questions concern how entrepreneurs discover new business opportunities, and how they develop and exploit innovative networks for mobilising joint innovation efforts. What is the pre-history of new entrepreneurs, and which networks do they carry with them when they leave employment or unemployment to start a firm (cf., Almeida and Kogut 1999)? The concept of innovation has developed mainly around private business and is too often measured only in terms of the number of patents filed. For Schumpeter (1934), an innovation could be a new product, a new production method, a new technology, the opening of a new market or a new organisation of existing production factors. Thus, an innovation can take many forms. However, the premise was that there were one or more contractors who could push the idea forward. Entrepreneurship is thus a prerequisite for innovation, according to Schumpeter. It is however argued that the term innovation is inherently ambiguous and has been defined differently in different research studies (Potnis, 2010) and the critical role of innovative networks has often been neglected. Which type of competitive strategies is likely to be associated with different networking profiles? Relevant networks comprise links to knowledge, technology, suppliers, capital sources and customer opportunities. Again, new databases will help to illuminate these questions and provide guidelines to innovation network and entrepreneurship policies.

The research questions launched in this special issue associate to many pertinent policy issues. The most apparent concerns conditions conducive for networking and entrepreneurship. They are also related to issues regarding relevant policies as regards innovative networks and entrepreneurship. Entrepreneurial knowledge is spatially sticky, embodied in individuals and thereby tacit in nature. Thus, networks connecting relevant people and organisations are critical for the diffusion and absorption of, in particular, newly created knowledge. This suggests that spatial relocation and establishment of new interaction links are important in the development of sectoral networks locally and inter-regionally. However, what is the role of public policies in this connection? This is one of the questions dealt with in this special issue.

2 The papers in this special issue

The collection of papers in this special issue brings up many important issues with regard to the role of innovative networks for entrepreneurship.

V. Brett, A. O'Neill, and B. O'Gorman in their paper engage in reflective practices on the research experience and relationships that developed between the researchers and the research participants over a three-year period. Their study involved the establishment

and observation of six learning networks of entrepreneurs, which consisted of 105 participants. The longitudinal nature of the study ensured constant interaction with the research participants and their paper explores, through reflection, how the researchers felt their role was constrained by methodological best practice and the growing challenges of familiarity with the research participants throughout the course of the study. The paper reflects how the researchers' methodological beliefs may have limited the collection of richer data, explores how positive influences on the research participants enhanced the data collection. A key finding in this paper is that despite the endeavours of the research team to maintain methodological standards and to limit their influence on the research participants, the participants considered the observers as part of the entrepreneurial learning network and part of the process. The familiarity that developed through repetitive interaction and observation created instances of positive influence on the research process, which led to the collection of richer data and the observation of a more realistic networking environment.

The paper by I. Bernhard and E. Wihlborg aims to elaborate on the meanings of policy entrepreneurs and through the conceptualisation analysing implementation of local municipal contact centres – a Swedish local e-governmental initiative. Their paper builds on qualitative case studies including interviews, observations and document analysis, all analysed through the perspective of policy entrepreneurs. Their findings indicate that local policies are implemented in relation to local cultures, norms and economic structures. The networked governance structure demands entrepreneurial actors to combine resources and interests into a change. Here they identified both theoretically and practical, two types of such entrepreneurial actors. The entrepreneurs focus on the issue as such and on the solution to a single problem. The political entrepreneurs, on the other hand, focus on core values and long term structural changes.

In the third paper, M. Kilkenny and N. Fuller-Love start from the remark that the most common definition of 'network' in the business literature focuses on the ties or relations that one entity has with various other entities, abstracting from the ties among those other entities or with others not directly tied to the business of interest. In contrast, economists use a definition based on graph theory that has proven useful in a wide variety of fields (physics, engineering, sociology, economics, biology, etc.). In that tradition, a network is a set of entities and the relations between all elements of the set. A fraction of the business literature applies the techniques based on the graph-theoretic definition of networks, known as social network analysis. Kilkenny and Fuller-Love in their paper discuss some exemplary business network analyses and explain additional insights that could be obtained by applying graph-theoretic approaches. The conclusions drawn in their paper illustrate how the network structure affects the market power of the members, depending on whether the transacting agent has an alternative or not. The weak links form bridges to other networks and therefore provide alternatives, which can reduce market power. This paper identifies the relevance of social network analysis in the social sciences in order to provide a better understanding of business networks.

M. Cesário and M.T. de Noronha Vaz contribute with an exploratory investigation on the type of competitive strategies that are likely to be associated with different networking profiles. They focus on response strategies related to investments and technological adjustments, and how they vary according to different spatial scales of firms' networks. In the paper, they report the results of the application of a common questionnaire to a sample of 165 SMEs from labour-intensive sectors belonging to

southern Europe. Using cluster analysis, the firms were grouped according to the use of regional, national and international geographic scales for supply, distribution and sales networks. For each group, response strategies were analysed. Their results allow them to observe that there is a relation between the capacity to improve the geographic scale of networking and the capacity to react strategically to changing market conditions. While the related literature confirms the advantages of networking for the competitiveness of firms, they conclude that not all firms have the ability to develop international contacts. The exploitation of backward and forward international linkages depends heavily on the openness towards new opportunities, which, in turn, depends on the knowledge stock of firm and on the empowerment of human resources to pursue it. The resource-base of firms is both an input for, and an output of, networking activity, and that can be either a vicious or a virtuous cycle.

The paper by J. Power, E. Sinnott, B. O’Gorman and N. Fuller-Love is based on a longitudinal study conducted over a three year period established six learning networks consisting of 105 entrepreneurs and SME owner/managers. The principal objective of their study was to uncover the critical elements that ensure networks operate effectively in order to advise and inform on practice for the creation of sustainable self-facilitated learning networks. The methodological approach adopted for their study was primarily direct participant observation. Their findings provide a guide to action for the development of self-facilitated sustainable learning networks. This paper makes a significant contribution to practice providing knowledge on how to create sustainable learning networks thus having implications for entrepreneurs, government, policy-makers and academics interested in understanding how to guide effectively the development of sustainable learning networks for entrepreneurs to solve their own problems. The paper concludes with a discussion of theoretical and applied significance.

The purpose of the paper by S. Lagrosen and L. Lind is to study the role of entrepreneurial learning networks in developing immigrant relationship marketing. The point of departure lies in the fields of relationship marketing and organisational learning. Their paper is conceptual and based on a theoretical analysis of one of the major models of relationship marketing in relation to immigrant entrepreneurship and learning, based on theory and previous research. Some relationships that have important implications for immigrant entrepreneurship are identified. It is found that learning, particularly in the form of networks, play an important role in the development of them.

C. Sousa and M. Fontes investigate the strategic choices made by young science-based firms regarding the selection of knowledge sources. Drawing on two streams of research – on alliances and on social networks – two different dimensions of this strategy is considered: the activation of the entrepreneurs’ social capital versus the intentional inclusion of new knowledge sources and the persistence of ties from start-up to the early growth phase. Data collected on Portuguese biotechnology firms are analysed with a view to answer to two research questions: whether, to what extent and in which conditions science-based entrepreneurs activate their social capital and/or build new knowledge relationships at start-up – i.e., which is the actual relevance of social capital in network formation; whether and to what extent the knowledge relationships established at start-up persist and/or the firm builds relationships with new organisations – i.e., how strong is the ‘imprinting’ effect of start-up network building decisions. Their results confirm the importance attributed to tie persistence by both research streams. However, the results also show that science-based firms need to search for new knowledge sources

from the very early stages. Thus, their start-up behaviour departs from the one often depicted by the entrepreneurship literature, that emphasises the mobilisation of the entrepreneurs' social capital. On the other hand, their results also show that persistence of ties established at start-up is lower than would be expected. In fact, the establishment of new knowledge ties emerges as determinant for most firms, assuming an even greatest importance in the early growth period. This research, although still exploratory, contributes to a better understanding of the relative importance of tie persistence and novelty in the formation of science-based firms' knowledge networks.

J. Nählinder and E. Wihlborg in their paper tell the story of a group of small, creative firms collaborating in a regional network and forming an association that promotes improved growth. This takes place in a triple helix context and the network promotes growth in what is here seen as a peer-incubating process. Their paper is based in an action-research project supporting the development of the association and network named 'Östgöta Textile'. As such, the researchers have been closely involved in the process and supporting the development of the network. The story of the triple helix network is told forming a network and finding public support (both economic and other resources); both the individual firms and the idea of the textile cultural heritage are promoted and marketed. The formalised association is called Östgöta Textile. During its first years, the network has focused on business learning schemes/education, shared marketing and exhibitions, a webpage, etc. The analysis of the Östgöta Textile network shows that the local and low-tech firms have received an important amount of help and support from the academic and governmental networks during the formative process. There has to be flexibility in the interpretations of entrepreneurs, and supportive networks can even function as a form of peer incubation. The general implication is that by supporting a triple helix network, even in other sectors than traditional high tech industries entrepreneurial activities and growth can be lead to growth of small firms.

The main purpose of the paper by P. Neto, A. Santos and M.M. Serrano is to discuss the role, effectiveness and added value of public policies supporting locally based networks for entrepreneurship and innovation in rural areas. The effects and impacts of public policies to support innovation and entrepreneurship in peripheral rural regions are often weak, diffuse and difficult to measure accurately. Therefore, and from the perspective of a case study, based on the LEADER initiative – links between actions of rural development approach in Portugal (the Alentejo region), an attempt is made to assess direct and indirect impacts, the systemic effects of these policies and the effectiveness and added value of their effects. European Commission launched the LEADER initiative in 1991 because of growing concern about the future of rural areas. This approach to the subject of rural development by this instrument of public policy intervenes in the regions, notably, through cooperation between network agents and territories and encouragement of entrepreneurship.

The papers published in this special issue do not give full coverage of all the aspects related to 'innovative networks and entrepreneurship'. However, each of the papers adds substantial evidence to the growing body of theoretical and empirical literature dealing with the role of innovation and other networks for entrepreneurship and small businesses more generally. Fortunately, each of the papers also highlights important issues to be dealt with in future research in the field.

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Notes

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