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SOCIAL ENTREPRENEURS AND RESOURCE MOBILIZATION: THE ROLE OF SOCIAL CAPITAL

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ABSTRACT

The purpose of this study is to examine the effects of social capital on the social entrepreneurial process, dealing with the case of "Takurojo", or alternative elderly care facilities in Japan. Although a large number of studies have been made on effect of social capital on commercial entrepreneurship, little is known about its effect on social entrepreneurship.

The eight cases interviewed in this research showed the nature and role of social capital that helps social entrepreneur's success. Social capital plays an important role in social entrepreneurship, as well as or better than in commercial entrepreneurship owing to the lack of infrastructure providing access to resources during the venture's start-up stage. Our findings suggest that social entrepreneurs need to mobilize social capital effectively by using the weaker ties with sharing their mission and vision.

INTRODUCTION

Social entrepreneurship is seen in various countries as having a positive impact on the social sector, including welfare, sustainable development, poverty, employment and so on. However, definitions of social entrepreneurship are wide-ranging, involving commonly stressed concepts across several contexts. First, social entrepreneurship is recognized as the production of goods and provision of services not only for financial purposes, but also for providing the solution to social problems with market-based mechanisms (Austin et al., 2006; Perrini & Vurro, 2006; McLeod, 1997; Martin & Osberg, 2007; Dees, 2000). Ventures created by social entrepreneurs can certainly generate income, but they also engage in resolving negative externalities, such as dealing in fair-trade goods against the existing trade system that discriminates among producers. Social entrepreneurship may be an approach to systemic change that resolves social market failures (Nicholls, 2005). Thus, as Nicholls commented, a social venture would need to focus less on its overall level of sales growth or profitability and more on its social impact (Nicholls, 2005: 10). Although some social ventures are established as for-profit, many are established as non-profit organizations with charitable status that prevents them from distributing any surplus to those with a controlling interest in the ventures (Haugh, 2007; Martin & Osberg, 2007).

In addition, social entrepreneurship creates social value, and is characterized by innovation (Austin et al., 2006; Dees, 2003; Perrini & Vurro, 2006; Prabhu, 1999). Schumpeter defined an entrepreneur as someone who "revolutionizes the pattern of production by exploiting an invention or, more generally, an untried technological possibility for production or, more generally, an untried technological possibility for producing a new commodity or producing an old one in a new way" (Schumpeter, 1952: 72). Therefore, social entrepreneurs may be recognized as people who engage in "creative destruction" and play the role of agents of change in the social sector (Dart, 2004). They have shown us new paths and solutions, basing their designs on local needs rather than on the centralized assumptions of large institutions about what needs to be done (Seelos & Mair, 2005). Furthermore, innovation led by social entrepreneurs contributes solutions to social problems; this is termed as social innovation. They are mission-driven opportunity seekers who are constantly searching for innovative solutions to social problems and risk-takers who add social value on behalf of a range of stakeholders (Nicholls, 2005). Alvord et al. (2004) depict hypothesized identification of the characteristics of social entrepreneurial innovation. They classified the characteristics of social innovation into three major types.

When social entrepreneurs start their new business, mobilizing different types of resources (e.g. human and financial resources) is critical for fulfilling its mission (Alvord et al., 2004; Nicholls, 2005; Robinson, 2006). Nonetheless, it is more difficult for the social entrepreneur to mobilize entrepreneurial resources compared to the commercial entrepreneur. One of the reasons is that the ventures created by social entrepreneurs pursue not only economic gain but also social benefits. The social entrepreneur neither anticipates nor attempts to create substantial financial profit for his or her investors (Martin & Osberg, 2007). Investors disregard the achievement of social goals since they cannot expect to gain a financial return. As Perrini & Vurro (2006) mentioned, the most quoted source of financing is a particular kind of patient capital: social venture capital or venture philanthropy, yet these are not widespread in Japan. Therefore, social entrepreneurs face a difficulty when they attempt to raise funds through the financial and capital markets.

The second barrier to mobilizing entrepreneurial resources is a lack of trust on their business. Service customers and community residents find it difficult to determine whether the products

or services provided by social ventures will achieve benefits for them or not. In other words, this is the lack of legitimacy. Suchman (1995) defines legitimacy as "a generalized perception or assumption that the actions of an entity are socially desirable, proper or appropriate within some socially constructed system of norms, value, beliefs and definitions" (Suchman, 1995: 574). Zimmerman & Zeitz argue that (1) legitimacy is an important resource for gaining other resources, (2) such resources are crucial for new venture growth and (3) legitimacy can be enhanced by the strategic actions of new ventures. We review the impact of legitimacy on new ventures and sources of legitimacy for new ventures, and present strategies for new ventures to acquire legitimacy. We also explore the process of building legitimacy in new ventures and examine the concept of legitimacy threshold.

If social entrepreneurs cannot assure adequate legitimacy to the stakeholders, they may fail to mobilize valuable resources for launching the social venture. Thus, in this study, we are interested in exploring how to mobilize entrepreneurial resources and gain legitimacy in social entrepreneurship. First, we consider some general issues about social capital and approaches for analyzing the relationship with entrepreneurship. These considerations govern research objectives and methods. The data, which were gathered qualitatively, then lead to our conclusions.

1. SOCIAL CAPITAL AND ENTREPRENEURSHIP

Although current perspectives on social capital are still fragmented, two major research traditions have emerged. One focuses on the utility of social capital for collective actors –this is the macro-level analysis of social capital. In this approach, there is a wide agreement that social capital is defined as "networks, norms, and trust that enable participants to act together more effectively to pursue shared objectives" (Putnam, 1995: 664–665). This definition identifies social capital at national, community or group level, which enhances good performance of various aspects of society: governance, economy, education, public health, community development and so on (Putnam, 1995, 2000; Woolcock, 1998; Coleman, 1990). The view of social capital's collective aspect assumes or expects the power of strong ties; in other words, closure or density in social relations and social networks is required for the utility of social capital. Coleman (1990) focused mainly on network closure distinctively advantageous in social capital. Because network closure maintains and enhances trust, norms, authority and sanctions, he considered that these solidifying forces might ensure that network resources can be mobilized. A closed or dense network may be the source of "bonding social capital" (Putnam, 2000).

On the other hand, concerning the utility of social capital for individual action and interaction, it should be recognized that individuals access and mobilize resources embedded in social networks for personal goals, such as status attainment (Burt, 1992; Lin, 2001). We describe this approach as the micro-level analysis of social capital. In this view, social capital's sources lie in the social structure within which the actor is located. Adler & Kwon distinguish three conceptually different types of social structure: (1) market relations, in which products and services are exchanged for money or bartered; (2) hierarchical relations, in which obedience to authority is exchanged for material and spiritual security and (3) social relations, in which favors and gifts are exchanged (Adler & Kwon, 2002: 18). They conclude that this third type of relationship constitutes the dimension of social structure underlying social capital. Lin (2001) proposes two major types of individual social capital outcomes: (1) returns on instrumental action and (2) returns on expressive action. Instrumental action is taken to obtain resources not possessed by the actor, whereas expressive action is taken to maintain resources already possessed by the actor.

This study examines the action of the individual who creates a social venture; therefore, here we adopt a micro-level approach. We use the term social capital to mean the "resources embedded in a social structure that are accessed and/or mobilized in purposive actions" (Lin, 2001). It is critical for the present research that we should consider whether there is a dense and strong network or an open and weak one. The important thing is, as Lin (2001) said, to conceptualize for what outcomes and under what conditions a denser or sparser network might generate a better return. Thus, as argued later, we consider what kind of social entrepreneurship relationships can mobilize embedded resources to help social venture creation.

The roles of social capital for commercial ventures have received much research attention in the past. Dubini & Aldrich (1991) found that effective entrepreneurs develop pragmatic mixtures of instrumental and emotional ties (Dubini & Aldrich, 1991: 274). According to Alistair & Claire's (2003) research, an entrepreneur's human and social capital resource assets can affect his/her ability to recognize and pursue opportunities in the business environment. They conclude that the nature and extent of an entrepreneur's human and social capital assets strongly influence the nature of a new business and its potential for profitability and growth. However, Liao & Welsch (2005) examined the Panel Study of Entrepreneurial Dynamics data set, and they suggest that there are no significant differences in the amount of social capital in various dimensions between nascent entrepreneurs and the general public (control group). They found that nascent entrepreneurs, as compared with non-entrepreneurs, make greater use of their social ties and interaction to develop trust and trustfulness to gain various actors' support. Thus, instead of considering the amount of social capital that nascent entrepreneurs have, we should consider how they use social capital to access and mobilize valued resources.

The weaker ties the more likely ego will have access to heterogeneous resources (Granovetter, 1973, 1974; Lin, 2001). Burt, using the concept of structural hole, also explains that the relationship of non-redundancy between two contacts benefits the actor. Entrepreneurs' weak ties may lead to bridging social capital (Adler & Kwon, 2002). Nevertheless, much ambiguity has resulted regarding the strength-of-ties proposition. In fact, it has been empirically demonstrated. Jenssen & Greve (2002), using data on 100 entrepreneurs in Norway, have investigated how social network redundancy influences business. The results of their study show that the success of entrepreneurs depends on their ability to access information and financial resources using both weak and strong ties. In other words, their study suggests that bridging redundancy of social networks, or bonding social capital, is also important for the entrepreneur to mobilize information and financial resources. Alistair & Claire (2003) also showed the evidence from their data that entrepreneurs from higher socio-economic class had access to highly effective business support from their familial socio-economic background.

Some social entrepreneurship studies have considered the effect of social capital. Sharir & Lerner (2006) focused on identifying the factors affecting the success of social ventures operating in social settings in Israel. They demonstrate eight variables that contribute to the success of social ventures. The entrepreneur's social network is the one of the important variables. Austin et al. (2006) mention that to expand organizational capacity with limited resources, the social entrepreneur is apt to build a helpful network for access and mobilization of resources. Spear (2006) suggests that the importance of social capital involved a wider circle of support to the social entrepreneur. Therefore, it may be critical for the social entrepreneur to mobilize "social capital" to overcome resource deficiencies. Although these studies suggest the importance of social capital for social venture success, the specific mechanism that leads to gaining entrepreneurial resources has not been identified.

2. RESEARCH OBJECTIVE AND METHOD

Although many studies have been conducted on the effect of social capital on commercial entrepreneurship, little is known about its effect on social entrepreneurship. So far, no research has focused on which type of social capital incorporated in a social entrepreneur's own social network is useful for attaining entrepreneurial resources. Thus, the research objective of this study is the identification and verification of mechanisms leading the social entrepreneur to access and mobilize helpful resources using social capital. We have assumed that social entrepreneurs might have effective and different social networks that can be used to obtain funding and other type resources, because they have difficulty in gaining resources through the market. In addition, we explored which type of tie (weak or strong) is advantageous for mobilizing different kinds of resources. We used a qualitative approach to data collection and analysis.

This study examines the case of "*Takurojo*" -innovative and alternative care facilities for the elderly in Japan. *Takurojos* have only recently spread in Japan¹. Compared to the normal elderly-care facilities, *Takurojos* are smaller and more home-like buildings. Occupancy of a *Takurojo* is about 9 to 15, less than 20 users per day. They are often private residences with some modification. The elderly people feel at home in the comfortable atmosphere, and they can maintain their physical ability to live their daily life, even if they are demented. In addition, although the normal elderly-care facilities tend to have only mono-function, *Takurojos* are multifunctional. They combine several kinds of facility, such as day services, short-stay services and home-help services. Furthermore, some *Takurojos* have come to be used in different ways according to the community's demands; for instance, residential place for disabled people, day nursery and daytime place for junior high school students.

Nowadays, the elderly care market in Japan includes markets for goods and services in which for-profit, non-profit and government providers coexist as "mixed-form" markets (Marwell & McInerney, 2003)². There are both for-profit and non-profit entities among *Takurojo* providers. In most cases, it is not an existing provider but a newcomer that opens a *Takurojo*. There is no doubt that *Takurojos* have a considerable impact on care of the elderly and civic life in Japan; thus, we can call individuals who have established *Takurojo* as social entrepreneurs.

This study is based on a semi-structured interview study involving eight *Takurojo* administrators in Japan. The preliminary interviews were conducted in 2006 to determine the form of the interview questions. All of the interview research was completed in September 2007. The interviews varied in duration from one hour to several hours. Open-ended questions were employed to explore the cause and effect of social capital on the entrepreneurial process. Although social entrepreneurs who wish to open *Takurojo* need different types of entrepreneurial resources, they face difficulty in obtaining them. To gain an understanding of the role of social capital in mobilizing resources for each respondent, these interviews are focused on how to access and mobilize different types of resources.

First, starting a *Takurojo* business requires financial resources such as renovation costs and relief funds³. It may be too difficult to get a loan from formal financial institutions as mentioned above. Although human resources are also important for *Takurojos*, as for all kinds

¹ *Takurojo* in Japanese means "the house where elderly people live". The name does not refer to the care function (i.e. day-care center or short-stay service), but is based on an image of an ideal care style reflected on the concept of "Normalization".

² The advantages of mixed-form markets are responsiveness, flexibility, quality control via competition and consumer choice, and efficiency (Campbell & Ikegami, 2003).

³ Although these costs include the expense of installing kitchens, bathrooms and other facilities, *Takurojos* usually do not require high renovation costs. A *Takurojo* is characterized by its home-like building.

of ventures, they are difficult to mobilize. The availability of human resources is constrained by the lower reputation of the entrepreneur and lower wages for the work. Even so, the staff involved in the start-up of a social business requires appropriate skills and knowledge. Fernandez & Weinberg (1997) have investigated the theoretical mechanisms by which pre-existing social ties affect the hiring process, and they have demonstrated that referrals lead to better-qualified candidate recruitment and reduce costs in the screening process. Furthermore, *Takurojo* administrators, who attract sympathy with their social vision may also tend to recruit new staff from their social network. The starting location for a *Takurojo* is another factor. *Takurojo* administrators experience difficulties when they look for an adequate site, not only from the owner of the building and the community that does not trust the entrepreneur, but also because they do not welcome the use of the house as a nursing care institution for the elderly, owing to a lack of understanding about dementia. Information about potential clients is one of the important resources for a *Takurojo* venture. The entrepreneur might need to work to attract clients in various ways.

In order to examine the effects of social capital on the social entrepreneurial process, the respondents of this study were asked how they would access and mobilize these different resources: money, labor, place and information about potential clients. As can be seen in Table 1, seven social ventures had non-profit corporate status (specified non-profit corporation) and one social venture had a for-profit corporate status. All respondents who established *Takurojo* had the experience of working in the medical or welfare sector. Their work experience affected their motivation to start a firm. Subject A told the story of when she worked in a large-scale nursing home before establishing the *Takurojo*. She felt that there are limitations in meeting her client's needs and wants in the big nursing-home situation. Thus, she wanted to set up the ideal nursing care and planned launching this new social business. Subject F was a housewife, but in her last position had worked in a nursing home. Social entrepreneurs' motivation is quite diverse, but included ideological orientations (Spear, 2006). We can understand that the *Takurojo* establishers motivated to start new business by their professional experience. In our sample, there is little gender diversity among our sample that consisted of six females and two males. This gender bias reflected the labor market conditions of the welfare sector in Japan. In fact, the result of research done by Care Work Foundation showed that the gender percentage of care workers in Japan is 78.4% female and 17.1% male (4.5% unknown)⁴.

Table 1 - List of respondents

	Profit or Non-profit	Year established	Entrepreneur Sex	Previous Job and Background
A	Non-profit	2004	Female	Manager of nursing home
B	Non-profit	2001	Female	Visiting nurse, licensed nurse
C	Profit	2006	Female	Manager of nursing home
D	Non-profit	2000	Female	Employed by nursing home staff
E	Non-profit	2000	Male	Employed by a nurse of mental hospital
F	Non-profit	2004	Female	Housewife, having prior work experience in a nursing home
G	Non-profit	2001	Male	Care manager
H	Non-profit	2003	Female	Worked in the welfare sector

⁴ As quoted in "The survey on the care work condition in 2006", Care Work Foundation (only Japanese). The survey made a random selection from all care institutions. Valid response rate: 29,124 (26.7%).

3. FINDINGS

Respondents were asked how they raised the renovation costs and relief funds when they started their *Takurojo* business (Table 2). All sampled social entrepreneurs relied on their own money that they have saved up. At one level, it means that social entrepreneurs have some capital accumulation; on another level, it suggests that it is difficult for social entrepreneurs to obtain a loan from financial organizations. In fact, only two respondents were able to get a loan from financial organizations. *Takurojo* administrators received some financial help from family or business partners in getting the business off the ground if they could gather a part of the funds (Subject F, G and H).

Table 2 - Way of obtaining financial resources

A	Entrepreneur's own money, bank financing and public financing
B	Entrepreneur's own money, public financing and grant
C	Entrepreneur's own money
D	Entrepreneur's own money and grant
E	Entrepreneur's own money
F	Entrepreneur's own money and grant
G	Entrepreneur's own money, other staff's money and bank financing
H	Entrepreneur's own money, other staff's money and grant

We asked *Takurojo* administrators how they recruited the staff when they started the business (see Table 3). Most respondents used their connections established in their life up to that point to recruit the staff at the start-up period. Most of the *Takurojo* administrators used their connections from a former job (six out of eight), and only one respondent relied solely on recruiting advertisements (Subject F). These results show the correctness of our presumption that social entrepreneurs prefer to use social capital for recruiting a trustworthy person who can consolidate the foundations of the business and provide helpful skills. Furthermore, new *Takurojo* staffs may be required the sympathy for administrator's social vision; therefore, *Takurojo* entrepreneurs may also tend to recruit new staff from social networks. In fact, Subject C said that it was important for the new staff to share the social venture vision. However, Subject F recruited using only advertisements: He preferred that the staff has no care work experience, because he wanted staff with fresh ideas for elderly care and ability to accept his venture vision.

In addition, Subject B not only depended on the network to which she belonged, but proactively created a new network. She participated in a seminar about *Takurojos* and asked to work with the seminar participants. Although she was a nurse in her previous job, her networking might have been important in recruiting the "right" staff as she did not have many networks to mobilize them.

Table 3 Way of recruiting human resources

A	Colleagues and subordinates in former jobs, relatives and residents
B	Participated in a seminar studying <i>Takurojo</i> and asked to work with the seminar participants
C	Colleagues and subordinates in former jobs and recruiting advertisement
D	Colleagues and subordinates in former jobs and referral from others
E	Colleagues and subordinates in former jobs
F	Recruiting advertisement
G	Colleagues and subordinates in former jobs and recruiting advertisement
H	Colleagues and subordinates in former jobs

Respondents were asked how they accessed information about new customers when they started the social venture (Table 4). The majority of the social entrepreneurs in the sample (six out of eight) accessed and mobilized potential customers through the connections and network built up from their experiences. In contrast, respondents who did not use their personal contacts faced difficulty in attracting customers (Subjects E and F). These results suggested that they worked to attract customers by developing a personal rapport with welfare sector practitioners and officers over time. Because the quality of *Takurojo* service is not apparent to potential customers, it may be difficult to attract customers if the care quality is not endorsed by medical or caring professionals such as care managers, nurses and local government officers. In particular, it should be noted that their customers were often approached through care managers. Although seniors with certified caring needs can use services from providers of their choice, the care managers usually design care plans and introduce providers for individual seniors under the public long-term care insurance in Japan. Thus, it is critical for the elderly care providers (i.e. *Takurojo*) that the service has a good reputation among care managers.

Table 4 Way of getting information about potential clients

A	Through care managers
B	Through care managers
C	Through care managers
D	Through a local government officer, who introduced care managers and wrote an article in a public newspaper
E	Limited social capital (i.e. no contacts with care managers, neighborhoods and local government officers) when the <i>Takurojo</i> opened. Therefore, it took a while before attracting adequate number of users.
F	Limited social capital (i.e. no contacts with care managers, neighborhoods and local government officers) when the <i>Takurojo</i> opened. Therefore, it took a while before attracting adequate number of users.
G	Through the network at the former job, word-of-mouth publicity
H	Through care managers

Respondents were asked how they found the place for starting the *Takurojo* (see Table 5). The majority of social entrepreneurs in our sample could not access the property owners via real

estate agents. Three entrepreneurs were introduced to the property owners by their informal connections (Subject B, G and H). Another three entrepreneurs tried to search for a vacant dwelling through estate agencies first (Subject C, D and E), but only one of them could obtain a suitable building, and two entrepreneurs eventually negotiated directly with the property owner. Finally, The other two entrepreneurs started their *Takurojo* business at their homes, and one of them used the car park from the neighborhood for no fee. In conclusion, it is clear that informal network plays a critical role in the search for a building, as with the other resources.

Table 5 Way of finding the site for Takurojo

A	Own property, except for the car park that was lent from the neighborhood free of charge.
B	Through contact with a local government officer, direct negotiation with the building owner
C	First tried searching through an estate agent; when unsuccessful, negotiated directly with the building owner
D	First tried searching through an estate agent; when unsuccessful, negotiated directly with the building owner
E	Through estate agent
F	Own home
G	Through a contact at a former job
H	Through a social contact

4. DISCUSSIONS AND CONCLUSION

This study has demonstrated the importance of a social entrepreneur’s social capital to access and mobilize valued resources in their start-up process. It is more difficult for the social entrepreneur to mobilize entrepreneurial resources compared to the commercial entrepreneur. The reason is that the social ventures pursue not only economic gain but also social benefits. Investors disregard social goals since they do not expect to gain a financial return. Therefore, social entrepreneurs face a difficulty when they attempt to raise funds through the financial and capital markets. Research in the area of social capital effects on entrepreneurship has also been extensive. However, the existing social entrepreneurship literature does not identify the specific mechanisms that lead to obtaining entrepreneurial resources.

We explored the effects of social capital on the social entrepreneurial process, dealing specifically with the case of *Takurojo*, or innovative and alternative care services for the elderly in Japan. The eight social entrepreneurs interviewed in this research showed the nature and role of social capital that helps the successful business launching. As we had predicted, the majority in our sample failed to gain cooperation from a financial institution, therefore, they relied on their own money that they had saved up or borrowed from their family. Family connection is recognized as a strong tie in social capital literature (Lin, 2001; Coleman, 1990). Social entrepreneurs gained financial resources through the strength of this tie if they could not borrow from financial institutions and had no savings. In the case of recruiting new staff, the majority of respondents used social capital to recruit the staff at the start of the business. Hiring trustworthy and skilful people, they recruit the staff through occupational and social connections without relying on the market. The majority of respondents utilized social and occupational connections when they attracted new customers. In the case of acquiring business sites, most respondents could not access the property owners through the market, as

expected. Therefore, informal networks played a critical role in searching for a building, as with other resources.

In summary, from the result of this study, we can conclude that using social networks may increase the likelihood of mobilizing embedded resources (i.e. social capital) in successfully launching the social venture. The findings indicate that social capital plays an important role in social entrepreneurship, as well as or better than in commercial entrepreneurship owing to the lack of infrastructure providing access to resources during the venture's start-up stage.

In addition, considering the nature of social ties evoked in accessing social capital, the research revealed that different types of social ties lead to different access to social capital. The analysis showed that social entrepreneurs could access and mobilize some resources using kin and neighborhood network. *Takurojo* administrators tend to obtain material goods such as funds and business location using these ties. On the other hand, social entrepreneurs also use another type of ties linked to their social and occupational connections to gain some type of resources, as shown in our subjects. *Takurojo* administrators acquired staff and information about potential clients during the venture's start-up stage through the network of welfare professionals such as care managers, nurses and local government officers, related to their experience or occupation. Family and neighborhood ties represent relatively the stronger ties in the Japanese context⁵, and these ties are linked to the respondents' socio-economic background. Our analysis has shown that the social entrepreneurs from higher socio-economic background may have an advantage in accessing and mobilizing the stronger ties with better resources (Lin, 2001; Anderson & Miller, 2003).

In contrast, the connection within the welfare professional network is tenuous, and the network is not closely related to one's socio-economic background. Thus, the network of welfare professionals seems to represent weaker ties. It may be more acceptable to welfare professionals to see how *Takurojo* will affect social impact, because it might be easier for them to evaluate the social achievement of the social venture than the others. In addition, there are rich resources and information embedded in the existing networks for starting *Takurojo* business. Therefore, if professional networks represent the weaker ties, as Granovetter proposed in the strength-of-weak-tie theory, the weaker ties are able to promote access to different and new information and resources for social entrepreneurs. In other words, social entrepreneurs, when they start their social business, may be provided with a certification of their mission and vision from weaker ties. It is said that they can obtain a sort of "legitimacy" through weaker ties. It is suspected that receptivity to social achievement is a key for a social entrepreneur to access weaker ties and mobilize resources. We conclude that weaker ties are more advantageous in accessing social capital.

One respondent extended her network in a seminar, since she had limited social capital assets. This evidence may support Sharir & Lerner (2006), who observe that social entrepreneurs not only depend on the networks to which they belong, but proactively create networks. As Lin (2001) mentioned, for the disadvantaged to gain a better status, strategic behaviors are required to access resources beyond their usual social circles. This study presents that the *Takurojo* administrators are social entrepreneurs who not only utilize existing networks to mobilize resources for launching a social venture, but also create their own networks and use them.

Our findings can serve to empirically investigate the difficulty in starting successful social entrepreneurship. Although both stronger and weaker ties interrelate for mobilizing start-up

⁵ This does not argue that only family and neighborhood ties are strong in Japan. This represented a relatively conservative estimate of tie strength.

resources and legitimacy as social capital, each network was recognized to have a specific role in successful social venture launching. The stronger ties linked to one's socio-economic conditions may have an advantage in gaining social capital for starting new social ventures; Nevertheless, the disadvantage due to socio-economic status deficit may be overcome by utilizing the weaker ties. In addition, our findings suggest that social entrepreneurs need to mobilize social capital effectively by using the weaker ties with sharing their mission and vision.

One of the limitations of this study is that our sample data were only from Japanese elderly care entrepreneurs, which might limit the extent to which our results can be generalized. Social entrepreneurship is embedded within a complex of different political, social, economic and cultural contexts occurring at the global, national and local levels (Johnson, 2000). Future researchers should examine the nature of the relationship between social entrepreneurship and social capital in more detail.

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