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Collective Efficacy of a Regional Network: Extending the Social Embeddedness Perspective of Entrepreneurship

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ABSTRACT

Through participatory observation and in-depth interviews with members of the Memon community, in Pakistan, this paper probes into how the collective efforts of a regional network can facilitate entrepreneurship, social enterprises and regional development. The setting is a developing country that is lacking a large-scale entrepreneurial culture. Despite caste differences, Memons throughout the Karachi region meet and share experiences with other Memon members of their network – including Memons from unlike castes. Within this regional network Memons help one another. They give preferential treatment to other Memons of their regional network and sometimes also to co-ethnics from other regional networks. Entrepreneurship is encouraged by a collective effort without suppressing individual goals; this extends the social embeddedness perspective of entrepreneurship allowing for a collective efficacy along a regional network, facilitating entrepreneurship among individuals.

Keywords: collective efficacy, community, entrepreneurship, Memon, Pakistan, participatory observation, regional network

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1. Introduction

Entrepreneurship has long been explained from many perspectives, including anthropology, economics, and sociology. Research has attempted to focus on various angles of entrepreneurship including personality traits (Aldrich and Wiedenmayer 1993, Cunningham and Lischeron 1991, Shane 2003, Zhao, Seibert, and Lumpkin 2010), context and circumstances of entrepreneurship (Dana 1995a, Kearney, Hisrich, and Roche 2008), motivations behind entrepreneurial behaviour (Barba-Sánchez and Atienza-Sahuquillo 2012, Young 1983), the decision-making processes of entrepreneurs (Dew et al. 2009, Lyon, Lumpkin, and Dess 2000), and the role of entrepreneurship in economic theory (Baumol 2002a, 2002b, Kirzner 1997). Entrepreneurship has been associated with risk taking, innovation, decision making, leadership, management, organization and coordination of economic resources, ownership of an enterprise, arbitrage, or allocation of resources among alternative uses (Hébert and Link 2006). The scope and frequency of entrepreneurship vary across different people (Dana 1995a, Minniti, Bygrave, and Autio 2005). In Pakistan, the Memon community – constituting less than 1 per cent of Pakistan’s population – demonstrates an unexplained high level of entrepreneurial pursuit and business ownership among its members. More than 50% of Memons are self-employed, and they are well-known for their business intuition (Levin 1974; Papanek 1972). *How* is their context different than others, and what facilitates entrepreneurship among this ethnic group?

Different forms of capital have gained much attention in entrepreneurship literature. The concepts of social capital (Adler and Kwon 2000, Halpern, 2005, Mckeever, Anderson, and Jack 2014), cultural capital (Bourdieu 1979, Light and Dana 2013), financial capital (Blanchflower, Levine, and Zimmerman 2003, Blanchflower and Oswald 1998; Cooper, Gimeno-Gascon, and Woo 1994, Dunn and Holtz-Eakin 2000) and human capital (Blanchflower 2000, Blanchflower and Shadforth 2007) are used to explain a broad range of economic and social phenomena that encourages people on different scale to come up with new business ventures or self-employment.

The social embeddedness perspective (Aldrich and Cliff 2003, Aldrich and Zimmer 1986, Cramton 1993, Jack and Anderson 2002, Larson and Starr 1993) provides a stance that individuals are not the only decision-makers in vacuum, but their every decision is influenced by network of relationships (Dodd, Jack, and Anderson 2013). Researchers emphasize the importance of social capital in the start-up process (Adler and Kwon 2002, Li, Wang, Huang, and Bai 2013; McKeever, Anderson and Jack 2014; Yli-Renko, Autio, and Sapienza 2001), and how ventures are embedded in large social and professional networks with other agents in the economy (Gordon and McCann 2000, Naudé 2009). This framework of social structure provides an explanation for the creation of new firms and flow of entrepreneurship in communities and regional networks. Although there is a rich literature about community entrepreneurship, there is not much on the role of communities in creating an ideal entrepreneurial environment facilitating cultural, financial, human, and social capital for individualistic entrepreneurship. Two important gaps remain in comprehending the role of the regional network or community structures in their collective efficacy in business development for their members. The first is that the function of collective along a regional network is still relatively under-represented in entrepreneurship research. Secondly, understanding the formations of regional networks and communities based on specific structures is lacking. Iyer and Shapiro (1999) highlights the significant contribution of ethnic enterprises in contributing to local and international economics while bridging small business, globalization and the nation-state in some interesting ways. Given that entrepreneurship is linked to growth (Wennekers and Thurik 1999) and considering the rise of the entrepreneurial economy (Audretsch and Thurik 2001, 2004) entrepreneurship can be seen as a potential tool to break away from poverty and inequality in developing countries where only large state-owned enterprises and multinationals have been considered as mediums of development. It would be useful to understand *how* entrepreneurship could be fostered in developing countries such as Pakistan. To answer a *how* question, qualitative methodology shall be required.

Defining an entrepreneur as the founder, owner, and manager of a small business and as a person who is in effective control of his/her business, we attempt to contribute to increased

understanding of entrepreneurship from various angles in a structured community. To the extent that higher levels of entrepreneurship and business ownership cannot be solely explained by examining the entrepreneurs or owners of businesses, we consider social and cultural structures (Korsgaard and Anderson 2011) of communities in which these owners reside. This paper tries to extend the social embeddedness theory of entrepreneurship by explaining *how* a regional network based in Karachi is facilitating development and entrepreneurship among its members.

Our study is inspired by the observation that the members of a small, but structurally-organized community, have higher rates of business formation and ownership than others living elsewhere; the former benefit from taking part in a regional network of co-ethnics. We employ ideas and insights from anthropology to highlight collaboration and connections (Anderson and Starnawska 2008) between entrepreneurial activities as an engine of collective action, within a structured community enabling an integrated approach to local development.

The paper explores factors that can enable the collective efforts of a regional network to foster private entrepreneurship and self-employment. It contributes to the literature by developing the concept of collective efficacy in enabling entrepreneurship. It further elaborates the notion that social capital without the supportive cultural capital does not encourage entrepreneurship, as Light and Dana (2013) found in Old Harbor, Alaska, mainly populated by Alutiiq people. Regional network connections, allow individuals from structured communities to recognize new opportunities for entrepreneurship, to acquire financial and human capital, and to secure legitimacy and trust from others in the market.

2. Social Capital: Construct of Entrepreneurship

Significant differences in rates of self-employment are found when comparing ethnic groups (Shapiro and Sokol 1982). Dana (1991) reported a self-employment rate of 150 per 1,000 Jewish workers in Canada and 124 per 1,000 Greeks in Canada, compared to 18 per 1,000 Filipino workers in Canada. In the UK, groups with higher rates of self-employment are Bangladeshi,

Indian, and Pakistani (Storey 1994). In the United States, self-employment is high among the Asian and Jewish communities (Butler and Greene 1997). Some attribute such differences to access to resources (Blanchflower and Shadforth 2007, Cetin, Fernandez-Zubieta, and Mulatero 2013), or to cultural or social capital (Bhagavatula, Elfring, Tilburg, and van de Bunt 2010, Peredo and Chrisman 2006).

Contacts are just as important as ever; Cetin, Fernández-Zubieta, and Mulatero (2013) analyse the effect of different forms of capital – financial, human and social – finding that social capital, in both its formal and informal aspects, plays an integral role in affecting entrepreneurship. Social capital is widely used to explain a broad range of business development and social phenomena (Adler and Kwon 2000, Halpern 2005, Jackman and Miller 1998, Mckeever, Anderson and Jack 2014).

Bourdieu (1986) discusses the resources that an agent can derive by being in a durable network of relationships of mutual acquaintance. Coleman (1990) elaborates how social capital can facilitate social action. Fukuyama (1995, 2001) and Putnam (1994, 1995) focus on how social capital helps to create mutual trust among members, which eventually helps foster effective development. Other important contributions to the field include Burt (1997, 2001) and Lin, Cook, and Burt (2001).

Social capital or the resources embedded in networks (Anderson, Park, and Jack 2007) are crucial for the success of ventures; a network can enable business owners to obtain financial and human capital through their social capital (see Castellaneta 2013). Arguing that networks can promote entrepreneurship, Marsden and Smith (2005) and Van der Ploeg (2003) emphasize the importance of not only examining the networks themselves, but their substance and social ecologies as well. Literature also stresses the significance of interaction among communities, families, and individual entrepreneurs (Cornwall 1998, Maula, Autio, and Arenius 2005, Onyx and Bullen 2000; Thomas et al. 2012, Wong, Ho, and Autio 2005). Iyer (2004) demonstrates that how ethnic business families can

mobilize resources for business and economic development through their own networks in developing countries, where business development and growth is very low because of lack of capital availability.

Some communities have been found to have little entrepreneurship despite much social capital (Anderson, Dana, and Dana 2006, Peredo, Anderson, Galbraith, Honig, and Dana 2004). Light and Dana (2013) found that high social capital among Alutiiq people in Old Harbor, Alaska does not promote entrepreneurship and concluded that social capital only promotes entrepreneurship when coupled with supportive cultural capital.

Researchers have also studied the specific network properties that constitute social capital. Some have focused on strength relationships in networks (Anderson and Jack 2002, Iyer 1997, McEvily and Zaheer 1999), resources held by the networks (Batjargal 2003, 2010), or on the structure/strategies of networks (Martinez and Aldrich 2011, Stam 2010). However, disagreement still exists about the value of cohesive network structures (Batjargal 2010). Consensus is lacking as to what sort of network structures can best enable social capital to foster entrepreneurship development.

3. The Memon Ethnic Community

Defining a community as a social group of co-religionists who share a commonality by virtue of reinforcement through interaction, learning from each other and being distinct from its host society, our focus was the Memon community, irrespective of any particular group of professionals. We were not concerned with industrial sector, as we focused simply on self-employment at large. To investigate empirically the theoretical discussion thus far, we immersed ourselves among entrepreneurs of Memon ethnicity, to compare them with others in Pakistan. Why Memons?

A conventional location or large data set can help us to confirm what we know about building theory regarding social embedded perspective of entrepreneurship or the role of families or communities. However, the boundaries of why some communities, such as Memons, are more prone

towards self-employment become more evident when isolated from a conventional context (Light and Dana, 2013). In contrast to the Kalash indigenous people in Pakistan, who are not welcoming to business (Khan 2014), the literature identifies members of the Memon ethnic community – mostly descendants of immigrants from India who converted from Hinduism to the Sunni sect of Islam (and follow the Hanafi Islamic legal system (*Fiqh*)) – as being well known for their business intuition (Levin 1974, Papanek 1972).

Most Memon families came from India after the 1947 division of British India, and now 80 % of them reside among the total population of around 23.5 million of Karachi. According to available data as per *jamaat khanas*, there are about 1.6 to 1.8 million Memons in Pakistan about 1 to 1.5 million Memons outside Pakistan. There are about 700,000 in India, about 13,000 in USA and about 25,000 in England, and few thousands in Bangladesh, Sri Lanka, UAE, South Africa and Burma and other countries.

The Memon community has its own unique organization, which makes it obligatory for each member through communal efforts to support other individuals of the community. We believe this has led to the social and economic development of Memon enterprise. Wherever, Memons have settled in the past they have built the mosques and schools; and if in huge numbers, they have also established Jamaat. For instance, some famous Mosques by Memons have become the remarkable architectural landmarks, such as Zakari Masjid of Calcutta, Minara Masjid of Bombay, New Memon Masjid of Karachi and Bitul Muqarram Masjid of Dacca, and Jama Masjid of Durban (largest mosque in the Souther Hemisphere).

The ancestors of most Memons come from specific Hindu castes, including Banais, Khattris, Kutchis and Lohanas, all of which are still famous in India as commercial castes. Upon enquiry, we come across two unsubstantiated theories from Memons that explain the origin of Memons. First, in the early 15th century near Thatta in Samma dynasty (1351-1521), numerous Hindu families accepted Islam from the well-respected Sufi, Pir Yusufuddin Qadri, a disciple of Pir Abdul Qadir Gilani of Baghdad, who gave them a name Mu'amin or Momin, and overtime it became Memon. It is from

there that Kutchi Memons migrated to Kathiawar and Gujarat. Surat in Gujarat was an important trading center from 1580 to 1680 and Memons made their bounty there. Later, the Memons reached Bombay. Most of the Memon community has originated from Sindh, Gujarat and Kathiawar in Indian sub-continent. However, according to second theory, it all started when certain soldiers of Arab tribe, Banu Tamim of Qatif, near Ta'af, came to Sindh with Muhammad Bin Qasim in 8th Century, and they were known as Maymenah, right wingers in the army, and later this word changed to Memon.

Memons have migrated to different areas around the world. Soon after converting to Islam in 15th century, some Memons began to migrate toward the south west of Sindh approaching Coastal region of Arabian Sea into neighboring regions such as Kutch and Kathiawar for security and/or business reasons because of persecution at the hands of Hindus. In other places, the history books have often described Memons as the "sailor businessmen of India" who had spread out from native Sindh and Gujarat setting up their residences and their businesses in various Indian cities and faraway such as Asian and African continents. In the early 19th century, many Memons started settling throughout India, and a few decades later they also emigrated beyond its borders, to the countries of the Indian Ocean basin. And during the end of the 19th century, rich communities of Memons established in the ports of the Red Sea and the Persian Gulf, in Ceylon, Burma and East South Africa. By the end of 19th century, a large Memon community was settled in East Asia.

Memons can be divided into three main groups: Kutchi Memon, Kathiawadi Memon (or Halai Memon or simply Memon) and Sindhi Memon. Memons who have originated from Kutch region in Gujrat are identified as Kutchi Memon and they speak Kutchi dialect. Kathiawadi Memons traced their ancestry to Kathiawar, India, and they speak Memoni language. While those Memon, who remained in Sindh and never migrated to any other areas are identified as Sindhi Memon and speak Sindhi language. Kathiawadi Memons are further divided into various sub-groups, such as Kutiyana Memons (from Kutiyana in Junagadh, India). Halai Memon is the largest Jamaat in Pakistan, which includes these sub-groups: Bantva Memons, Jutpur Memons, Dhoraji Memons, Rajkot Memons and

18 other Memon groups. The most developed of these are the Bantvas, financially at the top, then Kutyanas; others are Dhoraji, Halais, Kuthcis, Okhai, and Varsavar, among others.

Currently, Memons are well respected Muslim Entrepreneurs, Philanthropists and Humanitarians in the Indian subcontinent and elsewhere. They are famous for their business intuition along with a reputation for their honesty and hard work that have contributed significantly to their entrepreneurship and business success in Pakistan and outside. Furthermore, according to our observations, almost two thirds of Memons are self-employed, despite the fact that they constitute less than one percent of Pakistan's population. Finally, to understand the influence of a small community on entrepreneurship, we feel it useful to venture outside a conventional setting of observation. Memons provide us with a context to interview people outside the mainstream. Although Pakistan has an agri-based economy, we found no Memon entrepreneurs operating in the agricultural sector. Memons are prominent business players in manufacturing, retailing, textile/clothing, food and also the financial sector.

Memons are the most active people in Pakistani Stock market, which literally resonates with the names of Memons. According to different Memon participants in our study, almost every single Memon in their community they know invest in equities directly or indirectly. Akeel Kareem Deddy, also known as AKD, the most prominent stockbroker and real estate magnate of Pakistan, is of Kutiyana origin.

By 1971, Memons were among the prominent capitalists in Pakistan and were holding major industries in Pakistan (Levin 1974). After partition of Bangladesh from Pakistan in 1971, Memons set up various central industrial units in East Pakistan, such as Bawa Jute Mills, Adamji Jute Mills, Adamji Tea Gardens, Karnafuli Paper Mills, Karnafuli Jute Mills, Dawood Rayon Mills and Chemical Factories. And some big industrial names in Pakistan are Adamji, Pakola, Dawood, Fecto, Al-Noor, Dada, Hussain, Dadabhoy, Abdullah, Jaffer, Bawany, Machiara, Tabani, and many more.

Currently, other influential Memon business groups in Pakistan are Adamjee, Gul Ahmed, and the Dawood Group of Companies. Abdual Sattar Eidhi, world-renowned social worker and the

founder of Edhi Foundation, is a Bantva Memon. The Edhi Foundation has the world's largest ambulance system.

Entrepreneurship is a complex phenomenon that involves many factors and stakeholders from the generation of an initial idea to execution and making a sustainable business. Entrepreneurship challenges the potential of individuals while simultaneously impacting an entire community. Hence, entrepreneurs face various problems throughout their journey between their individual, team and community's desires. However, this process can be smoothed if somehow individuals and communities can unite their relationship for goals. Cultural capital is associated with endorsing the values of a network, in other words with expressing solidarity with these values (Coleman 2003, 151). Memons demonstrate higher level of endorsement for their cultural values and norms within and outside their community.

Pakistan has a literacy rate of around 58% (Haq 2015), while Karachi, the largest city of Pakistan, boasts a literacy rate of around 81% (Pakistan Today 2015) but still ranked 40th among cities in Pakistan in terms of overall education score (Alif Ailaan 2014). On average, among the interviewed entrepreneurs, non-entrepreneurs and their families; Memons were less educated in terms of years of education as compared to their counterparts. Memon entrepreneurs and male adults in their families reported around 10.70 years of schooling on average, whereas their counterparts on control group reported 16.35 years of education on average. Many of the Memons prefer to start working from the very early age in their own businesses or other people's businesses. Hence, here we cannot associate high level of entrepreneurship among Memons to high level of education.

Hence, we decided to compare the Memon community with other residents of Karachi on aspects of culture, ethnic association, living style, mental attitude or upbringing that might contribute to higher rates of self-employment and entrepreneurial mind-set among Memons. We hence organised to empirically explore the Memon community with a focus on the importance of their specialized regional network that creates a collectively effective platform for the development of entrepreneurship among its members. Interested in the factors associated with regional network

creation and maintenance for various domains of life in a community, we opted to examine *how* the Memon community outlines awareness and generates a competitive motivation among its members to try to achieve mutually beneficial goals. We concluded that the Memons might provide a fertile context in which to study the process and framework of structure of a community, whose regional network can enable entrepreneurship on a larger scale among its members.

4. Methodology

Seeking answers to “how” questions, we rely on qualitative methodology, and case studies seem viable. While a single case study may richly describe the existence of phenomena (Siggelkow 2007), we agree with Yin (1994), that multiple-case studies typically provide a stronger base; Eisenhardt (1991) and Eisenhardt and Graebner (2007) reinforce this.

Our approach centred on ethnographic research methods to learn through participating in and observing activities and behaviour in daily life. In addition, we decided to select 40 families for in-depth interviews to help build a case study of each. An open-ended interview guide was created, covering a wide range of topics related to business, start-ups, investment, family life, aspirations and other familial and cultural values.

Given the need for to interview in Urdu, we strove for robustness. Since the 1970s, backward translation (Brislin 1970) was considered to be more appropriate than forward translation. More recently, Byrne pointed out disadvantages of backward translation, “Let us further postulate that this instrument is subsequently translated for use in Pakistan... (2015, 177).” She explained advantages of adaptation:

This method of instrument transformation represents the most comprehensive approach to transforming an instrument from its use in one cultural context to its use in another... Taken together, an appropriate translation should represent a balanced treatment of substantive, linguistic, and cultural considerations. Consistent with this caveat, the ITC Guidelines to Adapting Tests focus on a three-step process:

- a. the instrument is translated from the source to the target language
- b. the translated instrument is then translated back into the original language (back translation)

- c. using a committee approach comprising independent teams of ‘qualified’ translators, the three translated versions (i.e., original, target, back translated) of the instrument (Byrne 2015, 181).

She elaborated:

- a. the issues of both construct and linguistic equivalence are addressed
- b. use of a committee approach enables groups of specialists to work both separately, as well as together in determining the extent to which concepts, words, and expressions are culturally, substantively, and linguistically equivalent in the target language
- c. use of linguistic experts who are fully bilingual in both the source and target languages, as well as being native citizens of either the target or source country serves substantially to reduce the interfering presence of test bias (Byrne 2015, 182).

We therefore followed her advice, using a committee approach.

A drawback was that we did personally do not know any Memon family. We inquired for personal referrals and relied on snowballing (Goodman 1961). As explained by Eisenhardt and Graebner (2007), cases must represent polar examples of the phenomenon being studied and cannot be random. Our sampling is based on polar types as explained by Eisenhardt and Graebner: “a researcher samples extreme (e.g., very high and very low performing) cases in order to more easily observe contrasting patterns in the data. Although such an approach can surprise reviewers because the resulting theory is so consistently supported by the empirical evidence, this sampling leads to very clear pattern recognition of the central constructs, relationships, and logic of the focal phenomenon (2007, 27).”

Data were collected from in-depth face-to-face interviews over the period of 10 months in Karachi, the trading centre of Pakistan. To have 40 usable interviews required talking to many more. To collect eclectic data from different angles, we met participants at various locations including their homes, work places, shops and restaurants. Interviews were completed with 20 Memon families, based on the criteria that someone should have been an entrepreneur or own a business. To control for some factors and for comparison purposes, we studied another 20 completed interviews with 20 non-Memons also from Karachi, based on the criteria that they do not own a business or never want to own one, and the major head of the family is employed.

We interviewed family members who were aged between 14 and 70 years. Interviews were audio-recorded, and in addition detailed notes were taken, with regards to items such as eye contact and facial expressions. We employed inductive interviewing techniques, asking open-ended questions to elicit detailed discussions and stories from participants, relevant to business directly or indirectly. Then, we employed hermeneutics for analysis and interpretation (Belk, Wallendorf, and Sherry 1989, Thompson, Pollio, and Locander 1994) to interpret data.

We attempted to find recurring themes in individual stories and family accounts to develop better understanding of our dataset. Comparison between Memon families and others sought broad conceptual themes, which facilitate entrepreneurship, business development or ownership among one group and not in other. On basis of these themes, we were able to foster our themes further into disparate structures and dissimilar themes across contexts, individuals, and families.

5. The Impact of the Collective on Individual Entrepreneurship

Sen (1970) demonstrates the importance of the collective. Granovetter (1973) argues that strength of personal ties can lead to varied macro phenomena, such as diffusion, political organization, social mobility, and social cohesion in general. Aldrich and Waldinger (1990) discuss how – among other explanatory variables for ethnic minority entrepreneurship – characteristics of a group are important. Indeed, people have long been learning from others in their group, through a collective process of sharing their knowledge. Wasko and Faraj (2000) describe three kinds of knowledge: (i) knowledge as an object; (ii) knowledge embedded within individuals; (iii) knowledge embedded in a community. Hence, the circulation and the process of creation of knowledge within a community can carry importance for individual members.

Lave and Wenger's (1991) address communities of practice, resulting in a fundamental work that not only focuses on theory of learning but also on field of management of knowledge within community. They discuss the work of butchers, midwives, quartermasters and tailors, revealing that

the acquisition of knowledge is a socio-cultural practice of community, where legitimate peripheral participation mingles experienced people with newcomers.

Mizruchi (1992) provides a constructive analysis of the shared normative sentiments and objective characteristics of the social structure in definitions of cohesion; analytically, Doreian and Fararo (1998) further provide a partitioned analysis of collectivity in a group or community; they propose that an *ideational* component refers to members' identification with collectivity, while a *relational* component refers to connections among members of the collectivity. Bonaventura and Caserta's (2012) theoretical work suggests that existing relations and social norms in entrepreneurial regions can positively impact occupational success and preference for entrepreneurship among its members. Iyer (1999) highlights the multifaceted interplay of religion, reputation and repeated transactions among trade and dominant business communities of Indian intermediary markets. His analysis supports the notion of the importance of identity, family and kinship relationships in the success of business. Hence, for a community to work collectively and efficiently, members must have a true a sense of identification, connection and shared collective efforts with other members of the community for the welfare of the whole community. Even verbal support from family and friends can mobilize great efforts (Litt 1988, Schunk 1995). Jerusalem and Mittag (1995) suggest that migrants with a higher sense of efficacy treat new societal demands as challenge rather than as a threat.

Zito (2001) investigates epistemic communities, finding that one successfully influenced EU policy; he suggests that agents seeking change can achieve their desired results by pursuing collective entrepreneurship – but that these communities can only operate in very defined circumstances. Hence, communities cannot act collectively efficiently unless they are given some strong institutional environment in their favour. For instance, Lu and Tao (2010) found, by studying the life-histories survey data of 2854 respondents from twenty cities in China, that a strong institutional environment – including protection of private properties and contract enforcement – is a major factor in determining individual's propensity for taking up entrepreneurship.

Before establishing a business, entrepreneurs have at least informal – if not formal – collective discussions with family members, friends or other entrepreneurs (see Anderson 2000, Jack and Anderson 2002). This process of collective creation can increase confidence in ideas and help enable their pursuit. Shah and Tripsas (2007) show that even “accidental” entrepreneurs are often involved in collective creative activity before the formation of their businesses.

Business clusters facilitate networking and critical success for entrepreneurs (Goodman, Bamford, and Saynor 1989, Pyke, Beccattini, and Sengenberger 1990, Sengenberger, Loveman, and Piore 1990, UNCTAD 1994). Some clusters emerge spontaneously due to the social and historical surroundings of SMEs (Beccattini 1990, Best 1990, Brusco 1982, Piore and Sabel 1984). Spontaneous networking is also observed in some developing countries (Nadvi 1995). Collective processes along networks are indeed significant in the process of idea generation and business development. However, in some cases clusters have not been able to promote collective efficiency. In India, Bangalore’s IT cluster has witnessed huge consistent growth over the last few years. However, the cluster owes most of its success to the individual efforts of firms rather than collective action among these firms. And these individual efforts have been further facilitated by individual entrepreneurial dynamism and “state action” related to higher education and infrastructure (Lema 2005). Furthermore, Block, Hoogerheide, and Thurik (2012) using bayesian methods on panel data of 2,280 individuals from German Socio-Economic Panel Study (SOEP) finds that returns to education for entrepreneurs are highly positive; and the relationship between education and entrepreneurial income is endogenous.

Much research has emerged on communities of practice in different forms, such as bonding based on religion (Wuthnow 2002), virtual communities (Dubé, Bourhis, and Jacob 2006), internal organizational communities (McDermott and Archibald, 2010), and mobile technology (Kietzmann, et al. 2013). Our focus is a community of co-ethnics, with a similar religious experience, having converted from Hinduism to Islam.

Having reviewed the literature, we reach the conclusion that social capital without the supportive cultural capital does not encourage entrepreneurship (Light and Dana 2013); however, social capital can provide rules and the framework for interactions (Jack and Anderson 2002) among members in a community. A well-structured community, based on social values and norms, could be a supporting cushion to entrepreneurs. Social capital is a prerequisite for the efficiency of collective process in enabling a community to directly or indirectly propel its members to take up entrepreneurship as a business vocation. We believe that a general historical trend of entrepreneurship in a community further enables the efficient collective efforts of these communities.

6. Findings & Discussions

6.1 Bridging at All Levels

We observed Memons coming together for almost every aspect of life including social, economic and personal issues; we watched how members of a regional network affect individualistic entrepreneurship. Our observations suggest that the enhanced flow and creation of knowledge among members – whether in formal meetings or informal discussions – increases the creative process of development within the regional network of Memons. This appears to reduce the chances of failures for newcomers, as they can learn much from experienced and sincere members of the community (see also: Mckeever, Anderson, and Jack 2014) and thus avoid some mistakes. We observed that the Memons are more inclined towards sharing their experiences and knowledge and connecting with the newcomers in business or welfare projects, than was the case with our comparison group. Moreover, in Pakistan where only less than 12% of population (World Bank 2013) has an access to Internet; almost every other Memon group has its own website for Pakistan and outside Pakistan unlike other groups who are hardly present on internet. Their presence and connection is also very strong digitally. For instance, one Memon told us: *'You know we also have*

websites, and you can search a lot of information about our origins and achievements on internet too...we have put it there so that generations to come and world can know about us...'

A *jamaat khana* is a community centre where co-religionists meet. Agha Khanis (people adhering to that sect of Islam) pray at a *jamaat khana*. In contrast, for Memons a *jamaat khana* – owned by their community – is a place for secular meetings. Here, they meet frequently to discuss social issues, and for informal discussions with other members of their community, often about topics related to entrepreneurship. During our interactions with Memons, we learned that these people provide more sincere assistance to members of their regional network, than to outsiders. It was explained to us that this is because they believe that individual success leads members to do good for their community, and their less privileged would get benefits from those blessed by God. However, on another instance, one non-Memon businessman told us:

'Unfortunately, we are not blessed like Agha Khanis, Memons or Bohris; they help each other, they provide low-cost tuitions to poor children within their respective community, they help their unemployed to get jobs, they try to find good spouses for young girls, and they work for the welfare of their entire community through their jamaat khana and places of worship – but unfortunately, we others like Sindhis, Pathans, Balochs, and many others in Pakistan, are not that mature, and we are just ruining each other. We cannot even see the progress of our own brother. This is bitter, but it is the truth. Memons are lucky to have such a sort of strength in their community.'

Meeting at a *Jamaat Khana* allows Memons to focus collective efforts for the welfare of their regional network. Here, the less privileged are often discussed and the established members of the regional network try to help them. Not only they help their community members by providing money for education, or finding a spouse for young girl, to helping individuals to set up their own businesses, but also help others by establishing hospitals, maternity homes, orphanages, industrial homes and other welfare activities, whose benefits are not limited to anyone based on cases, color or creed. Such networking – enabled collective efforts – appears to be central to the encouragement of, and the facilitation of, sole proprietorship and self-employment.

6.1.1 *Collective Trust among Members of the Regional Network*

Our findings support the literature; even in individual entrepreneurship, teams are important (Bird 1989, Kamm and Nurick 1993, Kamm, Shuman, Seeger, and Nurick 1990) and given the preference to form partnerships among people they know, entrepreneurs are more likely to work with someone who lives nearby (Reuf, Aldrich, and Carter 2003). Indeed, entrepreneurs have trust and confidentiality issues (Anton and Yao 2004, Ueda 2004).

We discovered that – in contrast to other ethnic communities dispersed across Pakistan – the Memons are concentrated in the Karachi region. This can facilitate enterprise, by enabling teams; for instance, one Memon entrepreneur told us:

'I am lucky that all my brothers live in Karachi; this allowed me to expand my clothing business, and now I have shops in four different areas of Karachi, all operated by my brothers. We are seven brothers, and ... have big general stores by the Grace of Allah [Allah is Arabic name for God]. I can trust them. You can't trust outsiders, as they can cheat in amazing ways such that you would not even notice that they are cheating you.'

Considering that Francis and Sandberg (2000) observed friendships could be a major factor for entrepreneurship, holding teams together in hard times, we were interested in the role of friendship. Here are excerpts of an interview with a 28-year-old non-Memon banker in Karachi:

'When I was in college, I always wanted to be an entrepreneur. When I went to university, I launched many small businesses with two of my friends; this included a T-shirt enterprise and a website development business. When I graduated, each of us got involved in our own lives, and my dreams were shattered... because I could find no friend with whom to partner.'

Interviewer: Can't you get partner from outside or from your family?

Banker: I could, but they are not trustworthy. It is really hard to find trustworthy people in Karachi. My family is not at all interested in the idea of business; we are the people with the thoughts of always having a good job, rather than owning a good business. This is what differentiates us from rich people.'

On another occasion, a Memon entrepreneur with a printing business told us:

'You cannot cheat within the Memon network, because a bad word about you makes it hard for you to survive; nobody is going to trust you, lend to you or help you ever. A bad word about you prevents you from ever finding a bride – it is like a curse. Hence, we interact accordingly with members of our network. We are a very small community; almost everyone knows each other, or at least of or about each other...'

The fear of getting caught – coupled with the fear of being ostracized – appears to reduce cheating. Meanwhile, a high level of trust among members in the Memon community allows members to trust each other with new business ideas, human capital and finance, which in turn pace up the collective process of business or development. Otherwise, finding a right partner and sufficient capital – which directly affects the entrepreneur’s confidence and chances of survival – could take up much time during early stages of business. This mutual trust among Memons appears to facilitate this crucial phase of business development, in which closure rates of businesses might otherwise be very high.

6.1.2 Cultural, Familial and Religious Cohesion

We observed that during meetings at a *jamaat khana*, Memon entrepreneurs and established business leaders received considerable attention from co-religionists; this is consistent with Li (1999), who found out that ethnic entrepreneurs can act as self-appointed leaders of their communities. We observed young Memons listening to advice from established businesspersons in their community.

The early 21st century recorded gigantic leaps and signs of positive efficiency for the Pakistani stock market (Akber and Muhammad 2014) and we learned that Memons are the most active people in Pakistan’s stock market. A mother of one young Memon stock investor told us:

‘I always push my son to always take advice from seniors; this practice is encouraged by our religion too. On many occasions, several senior Memons have told him about good stocks, which have helped him to earn good returns...Errors can be costly. Why not socialize, take advice and learn from others and avoid the mistakes that they have made? The making of mistakes is a very heavy investment, which many young people do not realize.’

We witnessed numerous occasions during which cohesion among Memons allowed new businessmen to receive advice from elders. Evidently, many established Memons are a source of financial, human and social capital for new entrepreneurs. We learned that such networking is rare among other communities in Pakistan, except among *Agha Khanis* and *Bohris*. Other people do not have a community *jamaat khana* to frequently connect among each other. Our observation of

networking among Memons appears to be in harmony with existing literature focusing on the usefulness of social networks, which can enable new businesses and can help them to sustain (Anderson, Sarah Drakopoulou, and Jack 2010, Birley 1985, Dodd, Jack, and Anderson 2006, Larson and Starr 1993, Lee and Tsang 2001, Zhou, Greve, and Salaff 2003; Zhou, Wu, and Luo 2007).

We also noticed that in most Memon families, brothers tend to work together or under the supervision of the father or elder brother in family, a practice quite absent in other groups in the Karachi region. How does this finding compare with other studies? Aldrich and Langton (1998) found that approximately a quarter of new ventures employed family members at the time of start-up. Heck and Trent (1999) emphasized the importance of family members as a human resource; they found out that in their sample, about 73% of the businesses employed at least two household members, 23% employed one, and 27% employed relatives.

We learned that Memon families have higher chances of living together for a longer period of time, than do non-Memons. Among other educated groups in Pakistan, marriage allows a son to split away from the nuclear family of his parents – as is the case in the West. Young Memons, even when married, cannot simply move out. This may explain a higher level of social and familial cohesion in the Memon community, given that the young are not permitted to live away from parents until given permission by the elders of the community. In contrast, Aldrich and Cliff (2003) found out that in North America families are growing smaller and this has impacted businesses in many ways in terms of business opportunities, opportunity recognition, and resource mobilization. A young Memon entrepreneur told us:

'I married a girl from a non-Memon family. My parents were very much against this wedding, but somehow I was able to convince them. After some years, my wife and my mother started fighting and so my wife requested that we move out of my parents' home and live in separate house. I responded that this was not possible until my father would let me do it, and I knew that my dad would kill me if I brought up the subject. So, we all continue to live together. My wife learned to make compromises. Family togetherness is an asset. Our business and bonding will fall apart if we separate from our family.'

Religion has also been shown to affect the development of entrepreneurship (Adas 2006, 2008, Carswell and Rolland 2004, 2007, Dana 1995b 2009), and we observed religious cohesion bringing together Memon entrepreneurs and future entrepreneurs. Being Sunni Muslims, Memons have relatively more freedom and independent decision-making power, when compared to other small Islamic communities such as Bohras and Khojas in Pakistan, who follow the *Firmans* (orders) of their religious respective leaders/priests. A review of the *Quran* (the Holy book of Islam, followed by all sects of Muslims) and *Hadith* (tradition based on reports of the saying and activities of Prophet Muhammad (PBUH) and his companions) show that Islam not only allows rational capitalism, but also encourages it; this is coherent with earlier findings that Islam encourages entrepreneurship while Hinduism inhibits it (Audretsch, Boente, and Tamvada 2007).

Memons share the value of generating and doing business. On one occasion, when we inquired one Memon about the value of doing own business and doing job, he told us:

'Trade has been one of the best professions of our own Prophet (PBUH). One of his hadith goes like this: When the Prophet Muhammad (PBUH) was asked what type of earning is best, he replied: "A man's work with his hands and every business transaction." So you can now understand the value of doing business in Islam. I believe that we Muslims can grow strong if we develop more businesses and then help the poor and needy around us. These days money is needed for all things ranging from religion to science to developing good mosques. Then why not earn it through hard work?'

One non-Memon financial analyst told us:

'A job is the safest option. The economy is too dynamic these days, and especially Pakistan's condition is not that stable, so it is very unlikely that you can succeed with a new business idea unless you have an excessive amount of money to begin with; hence, a job is an excellent option to earn money to pay your bills and support a family, and this is something easy as compared to running business. In a city like Karachi, you have to watch for your life if you run a business. I know a few people who got killed because they refused to give commissions to gangsters. I do not want to die for money.'

Indeed, gangsters in Karachi often demand money from entrepreneurs for letting them to do business or live. After much hesitation, one Memon agreed to tell us:

'You know, I give some money to these gangsters too. I had no other choice than to get in agreement with them; otherwise they would have killed me long ago. My father had taught me that

when doing business I would come across some unpleasant people. I would be fool, if I complained to the police about this, as I know that police is in on their scheme. So I strategically pay this Baloch [inhabitants of the Balochistan province of Pakistan] group, and in return for commission, they provide me with security and my life.'

We observed a higher tendency of risk-taking among Memons than among non-Memons; this is perhaps related to the fact that they attach a high cultural and personal preference to business creation and owning businesses. Furthermore, Memons exhibited more intuition towards business development and dealing with people – ranging from employees to tax officers and gangsters. We concluded that a high level of familial cohesion – coupled with cultural and social cohesion at the community level, as well as religious cohesion – allows Memons to get an abundant flow of social, human and financial capital based on a very high level of mutual trust enabled through these different elements of cohesion.

6.2 Shared Repertoire for the Development of their Regional Network

In Pakistan, Memons have earned respect in business by gaining the trust of their investors and through their sense of doing business and being profitable. Despite the fact that most Memon businessmen have no tertiary degree in business, we observed among Memons a high sense of prediction for new market trends. The Memon owner of a retail clothing shop told us:

'You will find the newest styles with me. My son, who is in college, helps me get new designs through the Internet. He searches what is available in different markets, and then we order the latest trends from various suppliers. So I sell the latest merchandise reflecting the new fashions. Since I carry top quality fashion items, many of my customers are from Defence, PECHS, and other posh areas of Karachi.'

We observed that Memons prefer to do business with other members of their own community, rather than with outsiders. This corresponds to themes in the literature: (i) group polarization and preference for one's own group, as described by Alesina and Rodrick (1994); and (ii) association within one's own community for making teams for businesses, a concept discussed by Reuf, Aldrich, and Carter (2003).

We were repeatedly told that most Memon businessmen support Abdul Sattar Edhi's Edhi Foundation; a Memon, Edhi is running Pakistan's largest social welfare network – including the

world's largest ambulance system. The Edhi Foundation helps not only Memons, but people from all over Pakistan.

While the Edhi Foundation is said not to discriminate against non-Memons, marriage is another issue. Memons prefer to marry a co-ethnic. It is rare to see a Memon man or woman getting married outside the community. Almost all of them prefer to getting married within their community. One young Memon entrepreneur enlightened us:

'If I will get married with a Memon girl, there are higher chances that she can understand my traditions, my family and me. As Memons prefer to help other Memons, my marriage to a Memon girl increases my chances of developing a big business. If ever I would be short of cash, I could easily ask her father or brothers for some support, and they would not turn me down.'

Interviewer: Apart from her family, how a Memon woman would help you in developing business?

'Memon women know how to do business; exposed to business since childhood, they learn from the family. Memon women save more and spend less. They teach this frugality to their children along with the Memon values of doing business. When my kids would be sufficiently grown up to participate in my enterprise, they would know that what I am expecting from them, as their mother would have already taught them.'

On another occasion, the wife of a non-Memon banker told us:

'I am quite happy with his (her husband's) job at a multinational bank. All is good, including the work environment and the extra fringe benefits that are amazing. Then why should he strive to be an entrepreneur? No educated girl would want her husband roaming the streets in a shalwar kameez [Pakistan's traditional outfit] looking after the supplies of his business. Come on, a multinational is a great place for lifetime employment. I would never let my children open a shop. Multinationals are the path for career development. Then, sometime in the future we can move to Dubai or Canada, where they prefer multinational's work experience.'

6.2.1 Shared Entrepreneurial Grooming and Value for Saving

While most parents in a developing country, like Pakistan, might dream of their children becoming doctors or engineers, we found that most Memons would prefer for their children to become entrepreneurs addressing social and economic issues. We believe that such cultural capital – since childhood – can shape the thoughts of individuals to become future entrepreneurs. This is in line with Lavoie and Chamlee-Wright (2000) and Harper (2003) who found that culture and enterprising activity interplay with each other; Harper (2003) found that peculiar cultural characteristics can

influence entrepreneurial and behavioural choices of individuals. In the Memon community, it is preferred that children should be involved in family business beginning at an early age. We observed that many young Memon school children sit regularly in family shops for at least an hour a day while their fathers or uncles teach them where they can find the best quality supplies at lowest rates and how to calculate profits or deal with customers. This is in addition to the school curriculum; it reminded us of Lazear (2005), who found that students with a more varied curriculum are more likely to become entrepreneurs and create businesses during their careers.

Among other groups we never saw this particular interaction of elders with children described above. A non-Memon businessman explained:

'You know, I would not want for my son to suffer like me. He is too young to handle the stress of entrepreneurship. I want him to enjoy life. He has whole life to experiment with business later on.'

In contrast, Memon children are encouraged to launch their own small businesses at an early age. For instance, we found many young Memons operating T-shirt businesses, printing firms, and design enterprises from home. One Memon entrepreneur proudly told us:

'My son is earning around 40,000 rupees per month while he is a student at university. Many graduates cannot earn that even after they receive their master's degree... I told my son never to rely on a degree alone because a degree can only get you a job, while business can help you to fulfil your dreams and live your life in your own way...He is investing most of the money in safe long-term stocks, so that his money should increase with time.'

On another instance, one non-Memon father told us:

'It is not good for children to do business at a young age... I want my son to get a decent job in some multinational. Multinationals are amazing with great packages and fringe benefits, and obviously you are more proud when you tell others that your son or daughter is working for Unilever or P&G.'

We also found high levels of frugality among Memons; we observed that they prefer to wear very normal clothes, and both women and men go less for renowned brands than do others in Karachi. For instance, when we were talking to one Memon mother about expenditures, she told us:

'Brands are just stickers on simple clothes. That is why I prefer to buy normal clothes, which you can get on half rates. Why become fool because of branding?'

In contrast, a non-Memon mother told us:

'Brands are brands; just look at the quality of Gul-Ahmed. Their clothes last forever. In our family, we all go for brand names; we think it awful when others do not. To survive in today's Karachi, you have to wear good clothes. Otherwise, you will soon feel ostracized and your presence would just fade away from your family, relatives and friends.'

Almost all Memons we identified were found to be very frugal while spending. They have no preference for big cars or expensive clothes. It is just a moral tradition in their community to save and invest more than to spend. We noticed that even Memon weddings are very frugal compared to those among other groups in Pakistan, a country where conspicuous consumption at weddings is a widespread phenomenon. An elderly Memon woman told us:

'I remember, when I was in India before migration, Hindus spent too much on their religious events or weddings or in dowries. My father always used to tell my brothers to never let money touch their minds, lest they would spend more than they earned. I think he is right. Now just look at the things they have become so expensive. Money saved cannot help you. You need to invest it to make more money. I am not a businesswoman myself, but I have taught this to my son, and he is a great man now. We Memons don't walk on fake roads. We prefer strong foundations.'

6.2.2 Social Capital Coupled with Cultural Capital

Social capital plays a significant role in explaining the process or development of entrepreneurship (Cramton 1993, Larson and Starr 1993) in ethnic communities or business networks. Aldrich and Zimmer (1986), Anderson and Miller (2003), Chrisman, Chua, and Litz (2003), Dimov and Shepherd (2005), Greve and Salaff (2003) and Starr and MacMillan (1990), show that family ties, networking, and knowing other entrepreneurs can help founders to get financial, physical and human capital. However, Light and Dana (2013) provide empirical support for the case of neutral social capital for entrepreneurship in absence of cultural capital.

We found a higher level of social capital among Memons than among others. Many Memons launched their own businesses from the help of their family members, such as a father or uncle, or from other established businesspersons in their community. We witnessed that Memons are more willing to provide financial capital to co-ethnics than not, because they know that they can trust the former. In contrast, one young man, who once wished to have his own business but is now an employee, told us:

'My father has no money; my uncles or relatives were not willing to lend me because at that time they thought I lack the required skills...Now I am married with two children to support, and I cannot start business with three people dependent on me. Moreover, now if I fail in my attempt to do business, I would have more faces to face and more questions to answer, from my family and from my wife's family too. Now I am a part of two families. I think I have even lost the charm of taking risks. Time has changed a lot. For now, I am just aiming to meet my targets and looking for a promotion next year.'

On the other hand, we noticed that Memons entrepreneurs – even small-scale owner-managers of a small shop – received more respect from co-ethnics than did people with other occupations. Cultural capital among Memons promotes entrepreneurship. There is a stark difference in view of this among other groups in Karachi, where non-Memons show higher respect for well-paid jobs in multinationals and for government jobs. Many participants in our study carry the opinion that running a small business is not charming, while multinationals are safe and employment there holds a promising future. Moreover, we were frequently reminded that being an entrepreneur in Karachi is not safe due to mobsters' extortions.

Among Memons, even uneducated housewives exhibited a developed sense for the importance of asceticism, frugality and thrift leading to entrepreneurship. A 64-year old mother of a Memon entrepreneur told us:

'The Memon community is thriving because we live simple lives, unlike the fancy lives of other Karachites. We are famous for our frugal behaviour. You can see a multi-millionaire Memon on bike, but you would not see other millionaires cycling. We are saving more, so that we can develop more businesses and welfare trusts for our people, and for other people in need.'

6.2.3 *Mutual Face for Welfare*

Oslo (1965) proposes that rational or self-interested people will not come together to achieve group interest; yet, Barnes (1999) discusses that some people can come together on the basis of shared identity for collective action to influence the nature of health and social care services. The latter applies to what we witnessed among Memons. We observed that Memons care very much about social work in their community. Here is one example: When we visited Memons in a community-owned centre and we noticed paint was peeling off from some walls, the man who took us was very

concerned about the state of the paint and he immediately called someone to arrange the painter to retouch it the following day.

We saw that Memons demonstrate high levels of care and gratitude for members of their regional network. It was brought to our attention that most of the Memon students are paying for their education with money received from wealthy Memons. We also witnessed unemployed Memons being hired by established Memons and we observed Memons helping other Memons to get settled.

An elderly Memon wholesaler told us:

'I want Memon children to study and that is why I give money to the most promising kids to attend good private universities in Pakistan, because then they will grow up in turn to help other Memons. For me it also serves as an insurance; in the event that I get ill or should my children ever need money, Those I help now shall return the favour, or if they cannot somebody else from our network shall help.'

We found the collective value for the social work for the overall benefit of the community to be one of the major bounding forces among Memons in their community, fostering trust and respect among members of a community. In contrast, a non-Memon woman told us:

'I don't attend our building's women's meeting. I believe they are just wasting time to make this building a better place. I think there are many good places outside the building where children can go for extra-curricular activities. I do not even rely on my relatives, because I know that in today's life only money carries weight, and hence my husband and I are just trying to earn more and soon InshAllah (by the will of God), we will move to some better area, where our children have better life.'

7 Understanding Our Findings

Entrepreneurship among the Memons of the Karachi region is encouraged by a collective effort without suppressing individual goals. Our research demonstrates *how* the collective efficacy of their regional network is a dynamic and contextual process that can facilitate individual entrepreneurship among members. Our findings illustrate bridging among members, shared values, motivation for development, and a mutual sense for collective welfare. However, these forces are subject to the availability of structural cohesion (see Mudrack 1989) and entrepreneurship-enabling cultural capital among members of the network.

In essence, collective efforts do not eliminate or suppress the personal interests or motivations of entrepreneurs; instead, entrepreneurship and the flow of capital is facilitated. Unfolding the eclectic ventures, diverse skills and various markets for a community can smoothen and multiply the flow of financial, human and social capital while simultaneously catering to the various demands of the community members, such as employment, mode of investment and mutual welfare of the community. The view of independence cannot be separated from inter-dependence in a well-structured small community that aims to foster development. Members of the community are inter-related somehow for facilitating one or another form of capital from providing finances, mentorship and jobs.

Social capital plays an important role in facilitating the efficiency of communal goals which simultaneously interplay with personal goals. However, as shown by Light and Dana (2013), not all communities use social capital to promote entrepreneurship. Hence, this interaction of personal goals with community goals on community level provides a framework that enhances and pace up the flow of social capital by building trust among members, which in return facilitates other forms of capital, such as human and financial capital. Members live in a small closely-knit community; hence any free-rider or cheater can be ostracized and isolated from the community, making it more difficult for that member to regain trust.

8 Limitations and Future Research

Clearly there remain unanswered questions: Might this experience inspire other ethnic communities? Observing the collective efforts of the Memons can help us understand how a community can be organized such as to facilitate the flow of capital and drive for entrepreneurship, but is that enough to help restructure a different community? Although the notion of development and better life is pervasive, the perception for entrepreneurial behaviour and development can vary. Replicating this study outside Pakistan may be a challenge as it is not obvious to find similarly structured groups in other parts of the world. Cultural values, gender roles in the family, religious

values, educational level, and personal aspirations vary from community to community. How would the context of a developed country yield different results?

The focus of this study is *how* individuals in families and in a community harmonize their goals in order to achieve collective efficiency facilitating entrepreneurship among individuals in their group. However, inter-group entrepreneurship is regulated by other dynamics and new strategies are needed for dealing with entrepreneurs in other networks (Wright and Dana 2003). Given the potential of inter-group entrepreneurship with a larger capital base and diverse skills, we believe there are many related research opportunities.

Whereas other studies (Marsden and Smith 2005, Zito 2001) focus on a specific vocation, we consider entrepreneurship at large; future research might focus on sub-sets among the Memons. Researchers should also explore how government can contribute to further enhance development, e.g., infrastructure (Azmat and Samaratunge 2009). Policy-makers need to come up with specific policies that should be in alignment with the communities and entrepreneurs of specific locations (McKeever, Anderson, and Jack 2014).

9 Conclusion

We conducted a qualitative investigation of entrepreneurship in a Memon community that exhibits a high level of entrepreneurship and business ownership. This community is based on a self-sustained structure that aims to provide its members with basic infrastructure, which help them to propel their ideas into next phase, wherefrom an enterprise can pull itself further. We observed a harmonious relationship between individuals and collective Memon community, without the sense of competition, scarcity and lack of trust issues.

We demonstrated how the regional network of Memons in the Karachi region maintains harmony and structural cohesion without sacrificing individual interests. We identified simple forces facilitating entrepreneurship; these include: collective trust, cohesion (cultural, familial and religious), entrepreneurial grooming, value for saving, a mutual face for welfare and most

importantly cultural capital along with along with social capital promoting creation of well-organized collective efforts in community to facilitate entrepreneurship.

The paper contributes to the literature on the embeddedness perspective, which has systematically studied family embeddedness (Aldrich and Cliff 2003), communities (Dana and Light 2011, Zhou 2004) and networks (Aldrich and Zimmer 1986, Greve and Salaff 2003). Our findings reveal the process of entrepreneurship in a structured community; having witnessed empirical indications, we reached on conclusion that if the community as a whole unit wants to, it can model entrepreneurship among its members on large scale to address the issues of poverty, inequality, market failures and structural change and growth.

Obligations and human emotions discussed in this paper are universal. If culturally regulated and structured, a regional business network can morally bind members with the focus of development. However, the presence of cultural capital, as a separate variable, (Light and Dana 2013) is pre-requisite for a community-enabled framework of entrepreneurship. Moreover, we believe the chances of success of this framework hold more fully for smaller communities, where the processing of these dynamics is speedy and efficient.

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