

Time Efficiency and Social Investment Techniques in Entrepreneurial Networks:
A Case Study of State-Private Business Relations in China

Networks are critical in business. They provide access to resources, and create contractual trust. Their particularistic character confers a competitive advantage to those embedded in the network. Sociological studies are concerned with the environmental conditions that facilitate network production, gauging levels of trust, and types of benefits exchanged in networks.

This presentation considers a neglected but critical aspect of entrepreneurial networks. In business “time is money.” Therefore, cultivating a network can use an entrepreneur’s time and energy without any assurance of benefit. This creates the question of whether being sociable is worth it in any specific relationship. How do entrepreneurs invest their sociability in networks? What techniques do they use? How do they gauge which technique to deploy in a specific relationship?

I will argue that entrepreneurs seek to maximize time efficiency in cultivating ties with potentially useful people. Networks are conceptualized as bundles of social techniques for developing particularistic relations. Each technique has a distinct positioning of the body of entrepreneur in the cultivation of the network, and thus requires varying amounts of an entrepreneur’s time and energy. Entrepreneurs deploy techniques appropriate to their perception of the potential for gain in the relationship.

The argument is illustrated by a case from China’s private sector. The case is the Yuanhua Corporation, a trading firm that was at the center of a huge smuggling scandal during the 1990s. The extensive coverage of the case from multiple sources generated detailed information on the entrepreneur’s networks, the types of exchanges with state officials that constituted them, and their institutional transformation.