



December 2023

Refereed Research - Breaking the Shackles of Poverty: How Bridging Ties Enable Subsistence Entrepreneurs to Upgrade their Businesses to a Prosperous Level

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Recommended Citation

Ilyas, Asifa and Wagner, Ralf (2023) "Refereed Research - Breaking the Shackles of Poverty: How Bridging Ties Enable Subsistence Entrepreneurs to Upgrade their Businesses to a Prosperous Level," *Subsistence Marketplaces*: Vol. 1: No. 1, Article 6.

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Cover Page Footnote

We acknowledge the valuable comments and insights of anonymous reviewers and editor in improving the quality of this research work.

Breaking the Poverty Shackles: How Bridging Ties Enable Subsistence Entrepreneurs to Upscale their Businesses to a Prosperous Level

Asafa Ilyas & Ralf Wagner

Abstract

Subsistence entrepreneurs establish and run their business ventures under harsh economic and social conditions. Their survival-driven businesses generate insufficient income for them and their families. Subsistence entrepreneurs can break this vicious poverty cycle by upscaling their ventures into more sustainable and profitable businesses. However, what prevents these entrepreneurs from developing more prosperous and sustainable business ventures remains a compelling question.

This study fills the gap by investigating the effect of bridging social ties on subsistence businesses' performance. Further, the study examines the impact of group identity, jealousy, gender, and power on subsistence entrepreneurs' efforts to build bridging social ties.

Empirical results are obtained using a quantitative method to analyze a sample of 151 entrepreneurs living in an impoverished neighborhood of Lahore, Pakistan. The findings show that bridging ties improve subsistence business ventures' performance. The data evaluation demonstrates further that gender affects the building of social bridging ties. The results also highlight that group identity restricts bridging social ties but finds no negative impact of jealousy and power on bridging social ties.

Keywords: Subsistence markets, subsistence entrepreneurs, bridging social ties, social capital, jealousy, power, group identity

Introduction

People living at the base of the pyramid (BoP) or in subsistence marketplaces represent the world's poorest economic tier who earn less than \$3,000 per annum (Hammond et al., 2007; Viswanathan & Rosa, 2007; Khalid et al., 2020). They struggle to survive under harsh social and economic conditions where exclusion is common and opportunities are scarce (Hall et al., 2012; Hammond et al., 2007; Khalid et al., 2020). They number in the billions, and they live without access to basic amenities, such as education and healthcare (Hammond et al., 2007) and, even worse, they frequently face malnutrition (Rangavajla, 2021). They confront extreme financial constraints and develop suboptimal habits and poor decision-making that prevent them from exiting the poverty trap (Toyama, 2022).

Entrepreneurship is viewed as a way subsistence entrepreneurs can alleviate poverty and escape impoverished conditions (Khalid et al., 2015; Shultz et al., 2022). The BoP enterprises are mostly survival-driven and help subsistence entrepreneurs make ends meet (Raab et al., 2017). Most of these entrepreneurs fail to prosper as their businesses fail to thrive beyond a certain point and remain trapped in a cycle of survival and maintenance.

One possible way to break the vicious poverty cycle is by enabling existing subsistence entrepreneurs to grow their businesses into more profitable and sustainable ventures (Viswanathan et al., 2014). The barriers that prevent their progress are less known. However, previous research argues that subsistence entrepreneurs can grow by gaining access to essential resources through bridging social ties (Barrios & Blocker, 2015; Sridharan et al., 2014). Therefore, we intend to contribute to these previous studies by examining the barriers that prevent subsistence entrepreneurs from establishing bridging social ties.

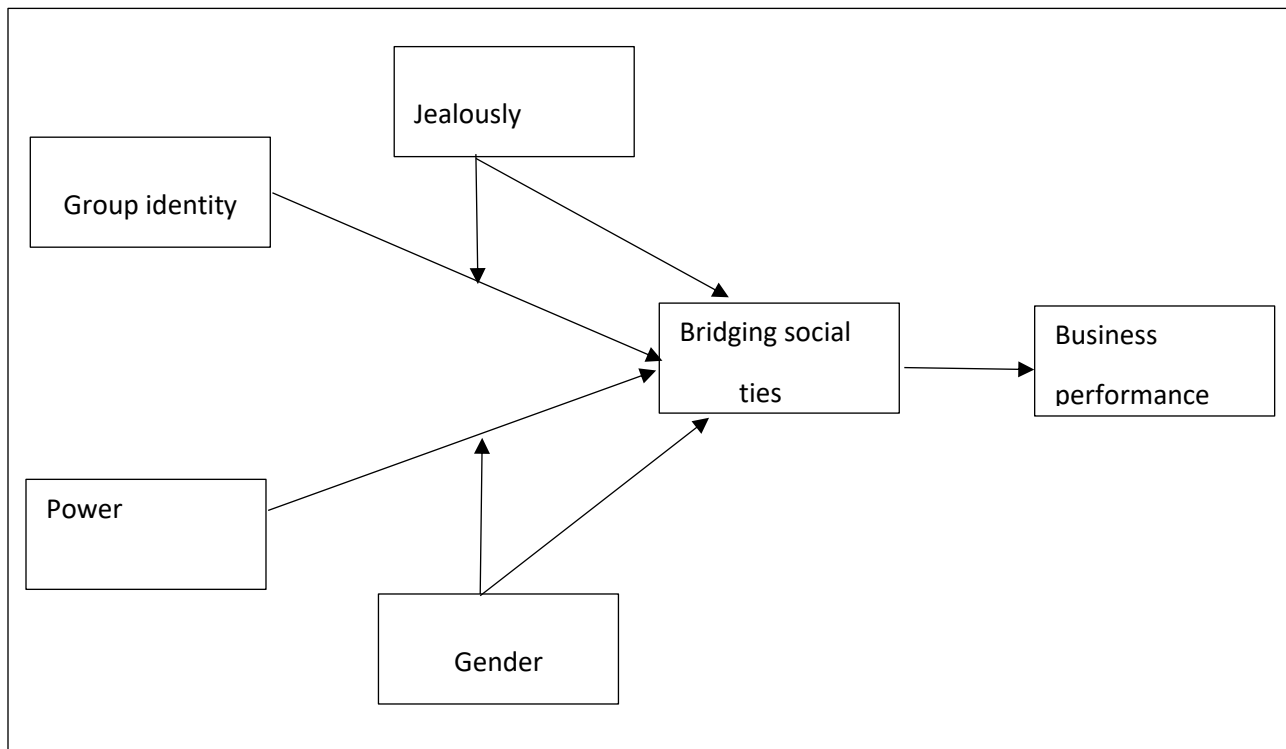
Research is needed to identify the factors that prevent subsistence entrepreneurs from developing bridging social ties. This study uses social capital theory as a framework to explore various factors that affect bridging social ties and, in turn, bridging social ties' impact on subsistence ventures' business performance. More specifically, we are interested in analyzing the effect of group identity, jealousy, and power on bridging social ties. Further, we assess the impact of bridging social ties on subsistence ventures' business performance. This study closes the gap by exploring factors that prevent subsistence entrepreneurs from forming bridging social ties and

halt their businesses from flourishing and becoming economically viable and profitable. The following section discusses the conceptual model of the study.

Conceptual Model

Entrepreneurs need resources and information to establish and develop their businesses which they can obtain by connecting with social networks (Maroufkhani et al., 2018). The experts consider resources embedded in social networks as economic capital that becomes available to entrepreneurs through membership (Bourdieu, 1986; Payne et al., 2011; Portes, 1998). This capital equals the “sum of actual and potential resources embedded within, available through, and derived from the network of relationships possessed by individuals or social units” (Nahapiet & Goshal, 1998, p. 243).

Figure 1. Theoretical model of factors affecting subsistence ventures



The resources and information embedded within groups are referred to as bonding social capital (also known as in-group ties) that arises from dense social connections between friends,

family members, colleagues, and people living in the same neighborhood (Aldrich & Meyer, 2015). In-group ties are beneficial during the initial stages of setting up a business (Lindvert et al., 2017; Rehman & Roomi, 2012). Subsistence entrepreneurs often turn to bonding social capital to acquire resources for their businesses which assist them in dealing with individual constraints, environmental uncertainties, and institutional voids (Viswanathan et al., 2009; Viswanathan et al., 2012). Indeed, they engage in a 1-1 interactional environment where exchanges have been described as being responsive, fluid and customized, and the relational environment has been described in terms of enduring relationships and interactional empathy. The larger context has been characterized by pervasive interdependence and oral communications (Viswanathan et al., 2012). Subsistence entrepreneurs or consumer-merchants negotiate domains of family, customer and supplier displaying various forms of commitment (Viswanathan et al., 2010). Such social relations that serve to bypass constraints with low literacy and marketplace literacy has been described as being socially embedded. Presumably, such interactions can characterize relations within and across groups – for both bonding and bridging social capital. The latter refers to resources and information that become available to entrepreneurs due to their membership in networks that comprise people of different backgrounds (Claridge, 2018). However, subsistence entrepreneurs also negotiate cognitive constraints arising from low literacy such as difficulty with abstractions. They may engage in concrete thinking, in the immediate graphic world of here and now and how they can use something (Viswanathan et al., 2005). Thus, in terms of psychological distances, they may be restricted to thinking and acting in the immediate socially and spatially proximate world, i.e., in the realm of bonding social capital.

Subsistence entrepreneurs need new information, resources, and skills embedded in other groups to move beyond survival mode to establish economically viable and prosperous businesses (Barrios & Blocker, 2015; Sridharan et al., 2014). Bridging social capital or ties are frequently used interchangeably, refer to social exchange relationships between people with shared interests and goals having different group identities (Pelling & High, 2005) due to contrasting cultural backgrounds, socioeconomic status, or age (Clatridge, 2018). Social capital theory holds that bridging social capital can provide businesses with resources and information essential to achieving growth and profitability (Barrios & Blocker, 2015). This type of social capital can enable entrepreneurs to gather information and access to power previously unavailable to them by

lowering the social boundaries and increasing the acceptance of people with varying backgrounds (Paxton, 2002).

Notably, subsistence entrepreneurs must embrace or develop the ability to build bridging social ties to grow and expand their survival-driven businesses into sustainable and profitable business entities (Maroufkhani et al., 2018). Social connections with external groups can allow subsistence entrepreneurs living in the world's poorest neighborhoods to get the ideas, training, information, and resources necessary to upscale their ventures (Ansari et al., 2012). The above discussion leads to the following hypothesis.

Hypothesis 1: Bridging social ties enable subsistence entrepreneurs to develop their ventures into profitable businesses.

Why do subsistence entrepreneurs succeed or fail in developing financially profitable and sustainable businesses? This question necessitates understanding the group dynamics that play a role in erecting barriers and halting subsistence entrepreneurs from building bridging social ties.

Entrepreneurs need to connect with fellow entrepreneurs and other actors in their business networks who possess resources vital for the success of their ventures (Clatridge, 2018). These resources embedded in business networks can only become available to them when they develop trust and reciprocate feelings with other members (Putnam, 1993). They can earn trust by conforming to group values and meeting the expectations of fellow members (Jensen & Jetten, 2018).

A cohesion process starts in the group where members develop views on members, non-members, and members of rival networks (Tajfel & Turner, 1979; Leaper, 2011). The harmony among group members promotes social cohesion and brings preferential in-group treatment for members (Tajfel & Turner, 1979; Scott, 1997), making more group resources available to the members (Hornsey & Hogg, 2000). In-group cohesion strengthens social ties between group members, enabling them to access to group resources, but it has some disadvantages as well (Lindvert et al., 2017; Pillai et al., 2017).

In fact, excessively cohesive bonds resulting from stronger group identity may create numerous undesired side effects, such as cognitive lock-in (Grabher, 1993), entrepreneurship inhibition (Lee & Tuselmann, 2013; Westlund & Bolton, 2003), homogeneity (Woolcock, 1998),

and inward-looking cultures (Eklinder-Frick et al., 2012); these factors can halt performance of individuals as well as organizations (Pillai et al., 2017). The excessive cohesion creates an internal-looking tendency that prevents entrepreneurs from reaching out to external networks to seek the support they need to upscale their businesses. They fail to look beyond their groups and develop bridging social ties. As noted, cognitive constraints and concrete thinking also lead to a focus on proximate spatial and social distances. Thus, 1-1 interactions are carried out within rather than across groups. The above discussion leads to the following hypothesis.

Hypothesis 2: The members with stronger group identity are less likely to form bridging social ties.

Competitive behavior among group members is a group dynamic that may hurt entrepreneurs' pursuit of resources; it arises when members start evaluating their achievements with others (Festinger, 1954). The group members who enjoy high trust due to high conformation to group norms and expectations may stand out in the group and benefit from extended access to group resources. It is natural for others to be jealous of them. The group members start evaluating their achievements with better-performing peers and try to denigrate their accomplishments (Salovey & Rodin, 1984). The jealousy feelings may affect subsistence entrepreneurs' resource acquisition efforts and restrict the growth of their ventures (Viswanathan et al., 2014). That leads us to propose the following hypotheses.

Hypothesis 3a: Stronger jealousy feelings among group members make it harder for them to develop bridging social ties.

Hypothesis 3b: Jealousy moderates the relationship between group membership and developing bridging social ties.

People in social groups tend to serve their interests and try to gain maximum benefits during their interactions with others (Cook et al., 2013). They minutely read the situation and inform their decisions by conducting cost-benefit analyses and considering alternatives in order to maximize their returns (Redmond, 2015). This behavior is in line with human beings' natural tendency to minimize their costs and maximize their gains (Redmond, 2015). This tendency encourages group members to use their power and position to their advantage during group interactions (Cook et al., 2013; Schaerer et al., 2018).

In subsistence businesses' supply chain networks, usually subsistence entrepreneurs are the weakest part of the chain, and they tend to develop strong ties with their suppliers to compensate for their lack of power and resources. The suppliers can prevent them from building ties with other groups or suppliers thus limiting their ability to build bridging social ties. In other words, more powerful members try to control less influential group members' relational behavior and social ties (Viswanathan et al., 2010, 2014). It means under larger power gap situations, powerful members are more likely to use group resources for their gains and benefits.

In subsistence contexts, a larger power gap exists between subsistence entrepreneurs and other members, lowering the former's ability to build bridging social ties that may prove advantageous to their ventures. In other words, powerful members can exert control to limit the number of ties subsistence entrepreneurs can develop. This discussion leads to the following hypothesis.

Hypothesis 4: The more powerful a person is, the more social bridging ties that person has.

Gender is another factor that can influence group dynamics and prompt members to cooperate or give the cold shoulder to others. The social exchange theory argues that powerful members try to control group resources to maximize their benefits (Redmond, 2015). Female entrepreneurs particularly struggle to obtain legitimacy as they are viewed as having poor business-related skills and considered misfit for running a business (Marlow & Macadam, 2015; Eddleston et al., 2016). Lack of legitimacy makes them struggle to access resources and leaves them behind their male counterparts (Marlow & Macadam, 2015). Moving beyond their networks becomes rather challenging for them and it damages their efforts to develop bridging social ties.

Past research shows that female negotiators are less effective under larger power asymmetric conditions, and their performance falls behind that of their male counterparts (Rua et al., 2020; Zulauf & Wagner, 2021). Larger power gaps may negatively affect the performance of female entrepreneurs. Therefore, being a female subsistence entrepreneur adds to their odds, and they may face additional barriers in moving beyond their existing business networks. The above discussion leads us to propose the following hypotheses.

Hypothesis 5a: Females are less likely to have bridging social ties, whereas males are more likely to have bridging social ties.

Hypothesis 5b: Being male will enhance the relationship between power and bridging social ties, whereas being female will mitigate the relationship between power and bridging social ties.

Research Design

The study employed a quantitative research approach and used a close-ended structured questionnaire written in Urdu to gather the data for the study. The participants were recruited through purposive sampling in an impoverished neighborhood of Pakistan's second-largest city, Lahore. A total of 151 business owners took part in the study who met the following criteria: Urdu or Punjabi speaking, business owners, literate or low-literate (Questions were read for low-literate respondents and their responses were recorded), and earning less than \$3,000 per annum.

Operationalization of variables

The study examined the following variables: bridging social ties, group identity, power, jealousy, and business performance as shown in Table 1. The variables were operationalized to identify variations in the participants' responses by rendering them measurable. The respondents' bridging social capital was measured using a scale adapted from the Modified Personal Social Scale (Wang et al., 2014).

Ashmore et al. (2004) view team identity as a multidimensional construct consisting of self-categorization, private evaluation, public evaluation, importance, interconnection of self, sense of interdependence, social embeddedness, behavioral involvement, and cognitive awareness. Building on these team identity dimensions, Heere and James (2007) developed a Team Identity Scale. This study adapted the questionnaire items from that scale to measure group identity, which consists of statements such as "Being a business owner is a matter of pride to me."

To measure power among network members, we used the Power/Interaction Model of Interpersonal Influence (Raven et al., 1998), which argues that there are five power bases: reward power, coercive power, referent power, expert power, and legitimate power. The scale employs various questions, such as "How likely are your business suppliers to influence your business decisions?"

Table 1. Variables and measures

Construct	Description	Adapted from	Measure	Scale
Bridging social capital Cronbach's alpha: 0.961	Dependent variable	Wang et al., (2014)	<p>Please rate the likelihood of your participation in activities of political organizations.</p> <p>Please rate the likelihood of your participation in activities of government organizations.</p> <p>Please rate the likelihood of your participation in activities of NGOs.</p> <p>Please rate the likelihood of your participation in activities of religious organizations.</p> <p>To what extent political organizations are likely to help you upon your request?</p> <p>To what extent government organizations are likely to help you upon your request?</p> <p>To what extent NGOs are likely to help you upon your request?</p> <p>To what extent religious organizations are likely to help you upon your request?</p> <p>Rate your likelihood of getting business advice from the political organizations.</p> <p>Rate your likelihood of getting business advice from the government organizations.</p> <p>Rate your likelihood of getting business advice from NGOs.</p> <p>Rate your likelihood of getting business advice from the religious organizations.</p>	1 (Strongly Disagree) and 5 (Strongly Agree)
Group identity Cronbach's alpha: 0.783	Independent variable	Heere & James, (2007)	<p>Being an entrepreneur is a matter of pleasure for me.</p> <p>Being an entrepreneur is an important part of my identity.</p> <p>Overall, people hold a favorable opinion of entrepreneurs.</p> <p>The cooperation among entrepreneurs is essential for the success of their ventures.</p>	1 (Strongly Disagree) and 5 (Strongly Agree)
Power Cronbach's alpha: 0.846	Independent variable	Raven et al., (1998)	<p>How likely the following people can cut business ties with your venture if you disagree with them?</p> <p>How likely are the following people to cut business ties with your venture if you disagree with them?</p> <p>How likely are the following people to cut business ties with your venture if you disagree with them?</p> <p>How likely are people in your network to cut business ties with your venture if you disagree with them?</p>	1 (Strongly Disagree) and 5 (Strongly Agree)

Jealousy	Independent & Moderator variable	Vecchio, (2005)	Because of my business achievements, the following people feel envious of me.	1 (Strongly Disagree) and 5 (Strongly Agree)
Cronbach's alpha: 0.911		Vecchio, (2000)	How envious the following people will get when you try to upgrade your business to the next level? How depressed the following people will feel when you achieve some business accomplishment?	1 (Strongly Disagree) and 5 (Strongly Agree)
Business performance	Dependent variable		My business generates sufficient profit to meet my financial needs. Every month my business earns more income. The profit of my business grows every month. After purchasing business supplies, I left with insufficient income.	1 (Strongly Disagree) and 5 (Strongly Agree)
Cronbach's alpha: 0.875				

For the jealousy scale, we adapted one item from Vecchio (2005), and two items were adapted from an earlier paper by Vecchio (2000). The measurement items comprised various questions, such as “How envious will your customers get when you upgrade your business to the next level?”

Wiklund and Shepherd (2005) argue that business performance is a multidimensional construct that can best be captured with a self-report scale. Kurtulmus and Warner (2015) maintain that business performance depends on the context in which a business is embedded, so perceived business performance measures offer the best way to capture this construct. Consequently, this study used a self-reported measure of business performance. The measurement items asked respondents to rate their agreement with statements such as “My business generates sufficient profit to meet my financial needs.”

Analysis and Results

This study’s research model was analyzed using the Smart PLS 4.0 (Hair et al., 2022) structural equation modeling tool, which helps to determine the measurement model’s psychometric properties and estimates the structural model’s parameters. This tool facilitates the

simultaneous analysis of numerous indicator variables and allows the examination of extensive interactions among moderator and latent predictor variables.

Measurement model

Table 2 shows the reliability scores of the measures used in this study, demonstrating reliable internal consistency as indicated by the composite reliability scores. These values range from 0.822 to 0.965, exceeding the threshold value of 0.700 (Hair et al., 2022).

Table 2. Convergent validity analysis

Constructs	Cronbach's Alpha	Composite reliability	AVE
Bridging ties	0.961	0.965	0.633
Group identity	0.783	0.822	0.622
Jealousy	0.911	0.869	0.806
Power	0.846	0.888	0.577

The Cronbach's alphas support the composite reliability, as scores above 0.6 indicate that the measures are adequate. All the composite reliability scores are above 0.80, and the Cronbach's alpha values are above 0.6 for the constructs of this study. Furthermore, in line with Fornell and Larcker's (1981) recommendation, the average variance extracted (AVE) value for each measure exceeds 0.50 indicating the study's measurement scales have satisfactory convergent validity as shown in Table 2,

Following the Fornell-Lacker criterion, the value of AVE square root of a construct is compared with correlational values to assess the discriminant validity of latent variables (Hair et

al., 2022). The higher AVE square root values for each latent variable compared to other constructs demonstrate satisfactory discriminant validity as shown in Table 3.

Table 3. Discriminant validity of measures of constructs

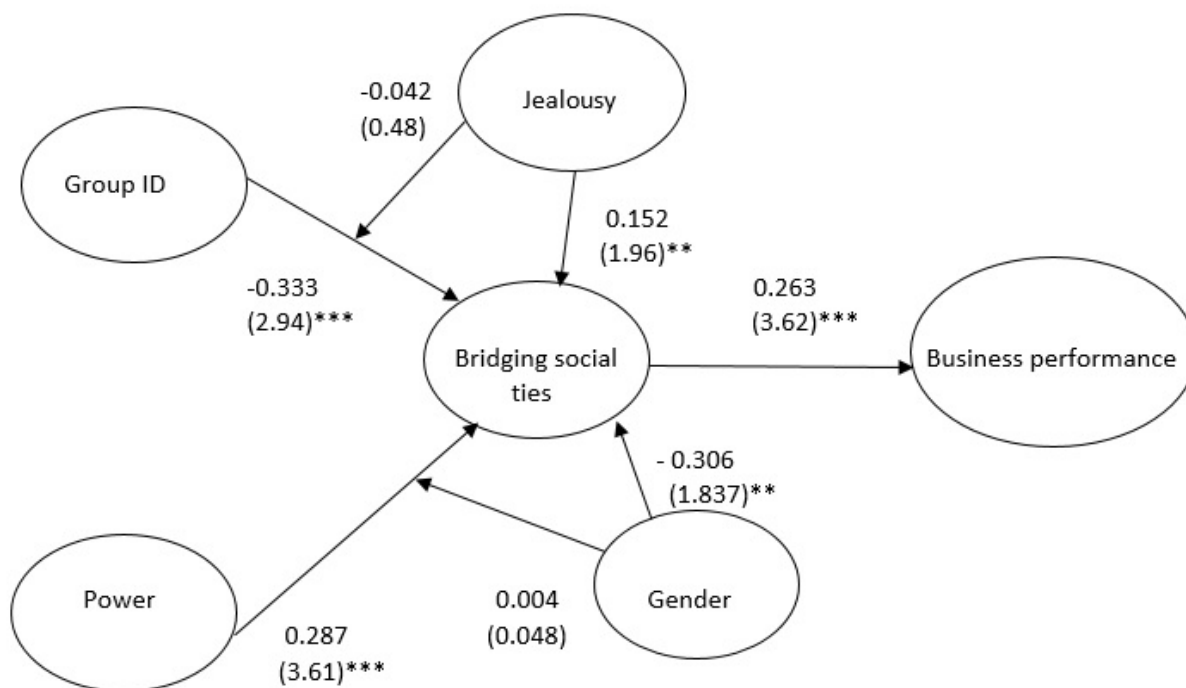
Latent variables	1	2	3	4
1 Bridging social ties	0.795			
2 Group identity	0.331	0.785		
3 Jealousy	0.23	0.275	0.79	
4 Power	0.182	-0.181	-0.133	0.761

PLS structural model

The structural model analyzes the overall explanatory power of the theoretical model, clarifying the amount of variance explained by each independent variable and the magnitude and strength of its path. Each hypothesis corresponds to a specific structural path model.

More specifically, the values represent the predictiveness of the model, and standardized coefficients demonstrate the strength of the relationship between the independent and dependent variables. Given the minimum acceptable 10% value, a score of 0.11 shows that the theoretical model explains an adequate amount of variance in the dependent variable – business performance (Falk & Miller, 1992). Power, jealousy, and group identity accounted for a 26% variance in social bridging ties.

Figure 2. Results of fitting the structural model



Note: Path coefficients with associated t -statistics in parentheses

*** Significance at the 0.01 level; ** significance at the 0.05 level

We used a bootstrapping resampling procedure to calculate t -statistics to determine the significance of the model's paths/relationships. The path between bridging ties and business performance is significant ($t = 3.62, p < .001$), supporting Hypothesis 1 as shown in Figure 2. The relationship between group identity and bridging social ties is negative and significant ($t = 2.94, p = .002$), providing support for Hypothesis 2. The path between jealousy and bridging social ties is significant ($t = 1.96, p = .025$), but the path coefficient is positive and does not support Hypothesis 3a. Jealousy reduces the effect that group identity has on social bridging ties, but the relationship is insignificant resulting in the rejection of Hypothesis 3b. Similarly, the path between power and bridging social ties is significant at $t = 3.61, p < .001$, but the path coefficient is positive, leading to the rejection of Hypothesis 4.

The data also reveals a significant negative relationship between gender and bridging social ties ($t = 1.83, p = .001$). We coded male as 1 and female as 2. The negative relationship between gender and bridging social ties shows that women are less likely to establish bridging social ties,

supporting Hypothesis 5a. Moving beyond their networks becomes rather challenging, and as a result, they rely on close social network ties. The data shows that the relationship between gender and power and bridging social ties is insignificant ($t = 0.048$, $p = .481$) and does not support Hypothesis 5b.

Discussion

This study's outcome shows the importance of bridging social ties for subsistence businesses. Overall, the findings provide insights into subsistence entrepreneurship and extend the research seeking "greater understanding of how those in poverty can form businesses that go beyond subsistence entrepreneurship" (Bruton et al., 2015, p. 11). The results demonstrate that bridging social ties influence the business performance of subsistence ventures.

Social capital is instrumental in establishing and running subsistence ventures in harsh economic and social contexts (Viswanathan et al., 2012). Previous studies have argued that such ventures can become economically viable, prosperous businesses by obtaining new information, skills, and resources through bridging social ties (Barrios & Blocker, 2015; Sridharan et al., 2014). The present study's data support those studies by empirically showing that bridging social ties improve business performance. The study's results align with Maroufkhani et al.'s (2018) observation that cross-network relationships (bridging social ties) are essential to turn survival-driven ventures into sustainable, profitable business entities.

The study's outcome also validates Ansari et al.'s (2012) assertion that building bridging social ties can help subsistence entrepreneurs get the ideas, training, information, and resources required to upgrade their businesses. Viswanathan et al. (2009) and Viswanathan et al. (2012) found that subsistence entrepreneurs use their close-knit ties to obtain necessary information and resources to establish and run their subsistence ventures. The current study extends their results by showing that economic actors operating in impoverished markets use bridging social ties to obtain resources and information vital for the growth of their ventures.

Hypothesis 2 describes the relationship between entrepreneurs' 'group' identity and bridging social ties. The data reveals that a stronger group identity reduces the likelihood of building bridging social ties. The results support the notion that excessive reliance on dense social ties restricts the formation of diverse ties (Claridge, 2018).

The data analysis does not support Hypothesis 3a that jealousy among group members makes it harder for them to develop bridging social ties. Similarly, the finding does not support Hypothesis 3b that jealousy moderates the relationship between group membership and developing bridging social ties. Contrary to our expectations, the findings show that jealousy and bridging social ties possess a significant positive relationship. In other words, the study's results show that an increase in jealousy prompts subsistence entrepreneurs to develop bridging social ties. A post hoc explanation of this result can be made using the theory of personal initiative. According to this theory, when subsistence entrepreneurs find that their group members are becoming jealous of their business performance and achievements, they look elsewhere and connect with other networks to counter and reduce the impact of jealous group members. The environmental barriers encourage them to take the initiative by acting on new ideas (Glaub et al., 2014). The context and personal factors facilitate the development of bridging social ties.

The analysis also does not support Hypothesis 4, which argues that power helps members to establish bridging social ties. Contrary to expectations, the study found a significant positive relationship between the power asymmetry in a group and bridging social ties. Thus, power does not restrict subsistence entrepreneurs' ability to develop ties with members of other networks. The findings can be explained by the theory of personal initiative, which assumes that human beings are influenced by the environment and themselves (Frese et al., 1996). Individuals adopt an active, self-starting approach to overcome barriers/setbacks in starting entrepreneurial ventures. The theory further argues that people adjust to social and environmental changes through initiatives by acting on new ideas (Nsereko et al., 2018).

Drawing from the assertions of the theory of personal initiative, we argue that when an influential member dominates group decisions and creates a more significant power imbalance, vulnerable group members are prompted to take the initiative and develop new connections. For example, if a supplier lends supplies to a subsistence entrepreneur at a higher price, the entrepreneur will try to find supplies on credit but at the market price or close to it.

The empirical evidence shows that gender affects subsistence entrepreneurs' likelihood of establishing ties with others beyond their group, supporting Hypothesis 5a. Thus, female subsistence entrepreneurs are less likely to develop bridging social ties than their male counterparts. This outcome supports earlier studies by Roomi and Parrott (2008) and Lindvert et

al. (2017), who found that multiple barriers prevent Pakistani female entrepreneurs from establishing bridging social ties. Whether female entrepreneurs are in mainstream entrepreneurship or run businesses in subsistence contexts, they struggle to move beyond their existing networks and build and maintain bridging social ties. Moreover, this finding supports Rua et al. (2020) and Zulauf and Wagner (2021), who argue that, under asymmetric power conditions, women are less effective and tend to fall behind their male counterparts.

Finally, the data evaluation shows that gender does not affect power's impact on bridging social ties, leading to the rejection of Hypothesis 5b. The subsistence business networks exhibit asymmetric power status among various members and subsistence entrepreneurs are usually the least influential members of the group. In this context, contrary to our expectations, the data shows that gender does not affect the relationship between power and bridging social ties.

Overall, our findings suggest that subsistence entrepreneurs can overcome the barriers erected by power and jealousy and minimize their effects by developing valuable social connections. This supports Sridharan et al.'s (2014) findings that environmental triggers encourage entrepreneurs to go beyond the maintenance cycle of survival. Issues and problems arising from entrepreneurs' immediate environment can reshape their relationships with other individuals.

Theoretical Implications

The study contributes significantly to the contemporary scholarly knowledge of entrepreneurial activities in subsistence marketplaces. It is the first to investigate the impact of bridging social ties on business performance in a subsistence market context. It provides empirical evidence that subsistence entrepreneurs can turn their ventures into profitable businesses by developing bridging social ties. The study also empirically demonstrates that gender affects the formation of bridging social ties, as Pakistani female entrepreneurs fall behind their male counterparts in building ties with members of diverse groups.

The study further contributes to the subsistence market literature by showing that group identity resulting from overreliance on dense social ties can prevent the formation of bridging social ties. The extant subsistence literature describes dense social ties as fundamental to establishing and running subsistence ventures. This study provides evidence that overreliance on those ties can prove deleterious and restrict entrepreneurs from developing bridging social ties.

The study is the first to show that jealousy and power can promote the formation of bridging social ties. However, it is not clear what factors play a role and how power and jealousy encourage the development of bridging social ties.

The study draws from various theoretical perspectives, which highlights the multi-disciplinary nature of the subsistence markets research stream. Overall, the study advances the literature on subsistence marketplaces and addresses the call to investigate the ‘grounded reality’ of subsistence entrepreneurship (Viswanathan, 2021).

Practical implications

This research offers practical implications that deepen the understanding of subsistence markets and promote their development. The findings suggest that bridging ties help subsistence businesses grow and prosper beyond being in a survival mode. Subsistence entrepreneurs need both bonding and bridging ties to expand their businesses. However, ventures operating at the lowest economic rung must find a balance in bonding and bridging social ties. Subsistence entrepreneurs usually rely on bonding networks, consisting mainly of family, friends, and colleagues, but overreliance on these networks can prove detrimental to their business ventures’ growth. The strong emphasis on bonding social ties strengthens their sense of group identity, which may prevent them from establishing bridging social ties to tap useful information and resources.

Policymakers are advised to design programs and mechanisms that assist subsistence entrepreneurs in connecting with other individuals to tap information, resources, and mentoring. Such initiatives should focus particularly on women subsistence entrepreneurs, who struggle to develop diverse, beneficial business connections. For instance, marketplace literacy education can enable subsistence entrepreneurs to envision beyond the immediate in terms of social and spatial distances (Viswanathan et al., 2009). Notably, gender and group identity are the most significant antecedents of bridging social ties. The empirical results have implications for policymakers as well as public media, NGOs, and activists.

The insights of this study indicate that bridging social ties help subsistence entrepreneurs offset the deleterious effects of their business networks. These ties enable them to switch to other networks when factors such as power and jealousy seem to hurt their businesses. Policymakers can boost the prospects by encouraging ventures to grow beyond the survival mode by helping subsistence entrepreneurs to develop bridging social ties. This can help them reach new suppliers,

creditors, mentors, and even customers to develop a capacity that can mitigate their vulnerable position in business networks.

Future Research and Limitations

This study has limitations, which should be considered before generalizing the results. First, the study does not use a longitudinal research design but examines bridging social ties at a specific point in time. Second, this study focuses on establishing and maintaining bridging social ties as an entrepreneurial resource for seeding and developing the value creation process in subsistence marketplaces. The innovative perspective of bridging social ties' relevance for entrepreneurial stakeholders' value capture (Wagner & Kabalska, 2023) is not systematically covered in this study.

Future research opportunities exist at the cross-section of social capital, group dynamics, and business performance. We encourage future researchers to explore struggles within genders within the social groups. The comparison of efforts to gain business resources across genders can help us understand the nature and intensity of their struggles.

Future research should explore why, when, and how jealousy and power prompt group members to develop bridging social ties. A promising avenue for contributing to scholarly subsistence entrepreneurship research lies in investigating the relationship between power and bridging social ties within a social context. For example, research should examine whether a cut-off point exists beyond which subsistence entrepreneurs decide to develop ties with individuals from other groups.

Finally, we encourage future studies to explore if gender strengthens or weakens the effect of power on bridging social ties and under what conditions.

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