

INFORMING THE THEORY OF COLLECTIVE ENTREPRENEURSHIP:
INVESTMENT CHOICE

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ABSTRACT

Olson's seminal work on the logic of collective action predicts that individuals will not act collectively to further common economic goals except under certain conditions. This work utilizes transaction cost economics, an ownership cost framework, and the concept of entrepreneurial spawning to analyze the conditions that lead to the emergence of collective ventures. A deviant research case approach is utilized to direct the intensive collection of primary data while engaging in theory building. The empirical results indicate that risk mitigation, investor networks, exit options, voice processes, and previous experience are the most significant factors catalyzing the emergence of collective entrepreneurship.