

# COMPLEX SYSTEMS & NETWORK THINKING

**Pierre-Alexandre Balland**

# Organizations and Networks



# Economic and Organizational structures



*ON is about applying network thinking (and complex system thinking) to solve economic and business problems*

# Today's objectives

- Real world networks in science and business

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- Network thinking

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- Link organizations and networks

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- Real world networks in science and business
- Network thinking
- Link organizations and networks
- Structure of the class (topics, exam, project, ...)



# On the side

- Discussion on big data
- Do we still need theory when we have big data?
- Data visualization techniques – art or science?

# Lab #1

- Discuss project idea (& start forming groups)
- Introduction to R, RStudio and R packages
- First programming attempt

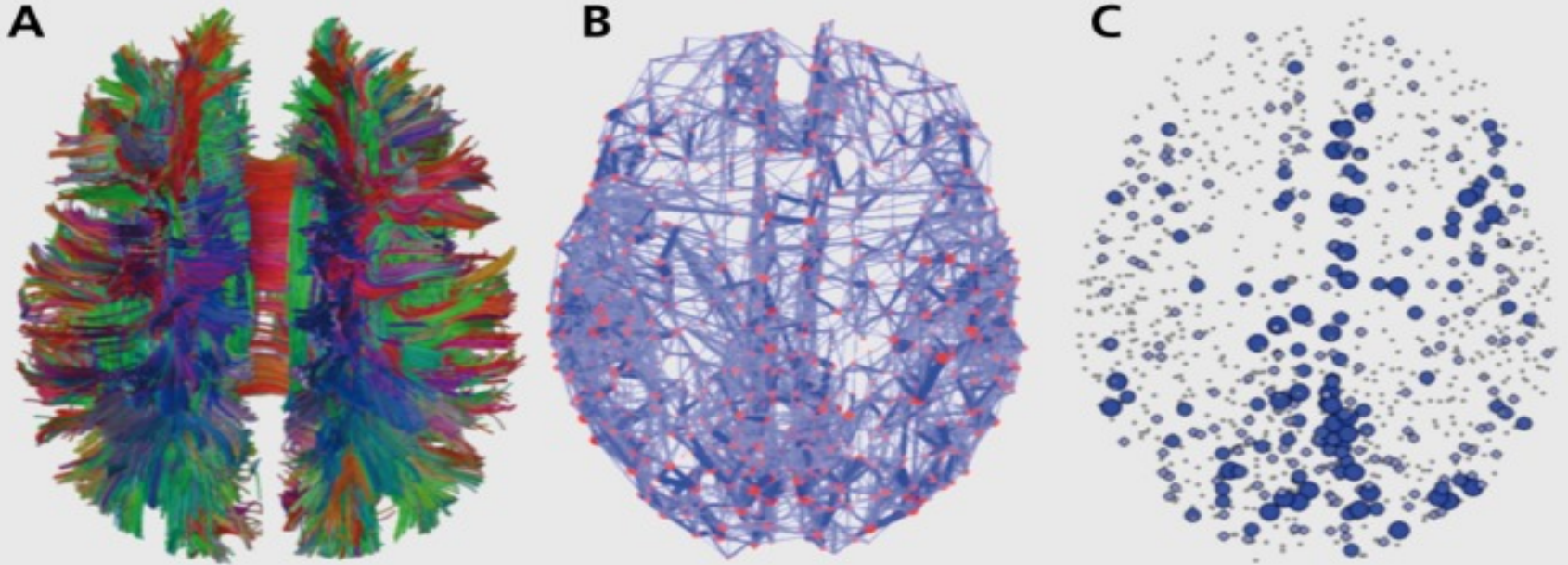
# Class schedule & overview of the class

<https://paballand.github.io/teaching/on.html>

# What is network thinking?

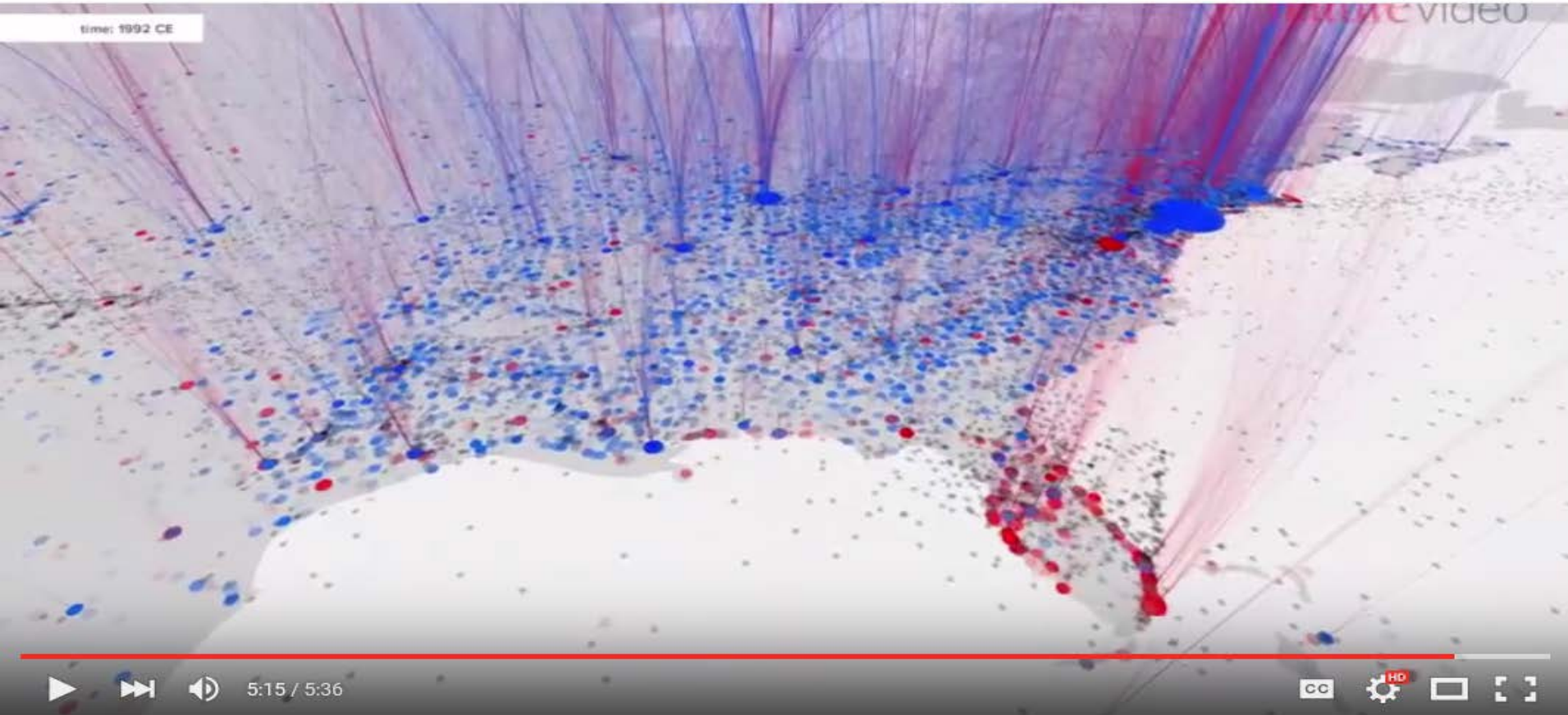
- A network-based paradigm is taking science by storm (Barabási, 2012)

# Network structure of the brain



Sporns (2013)

# Migration flows

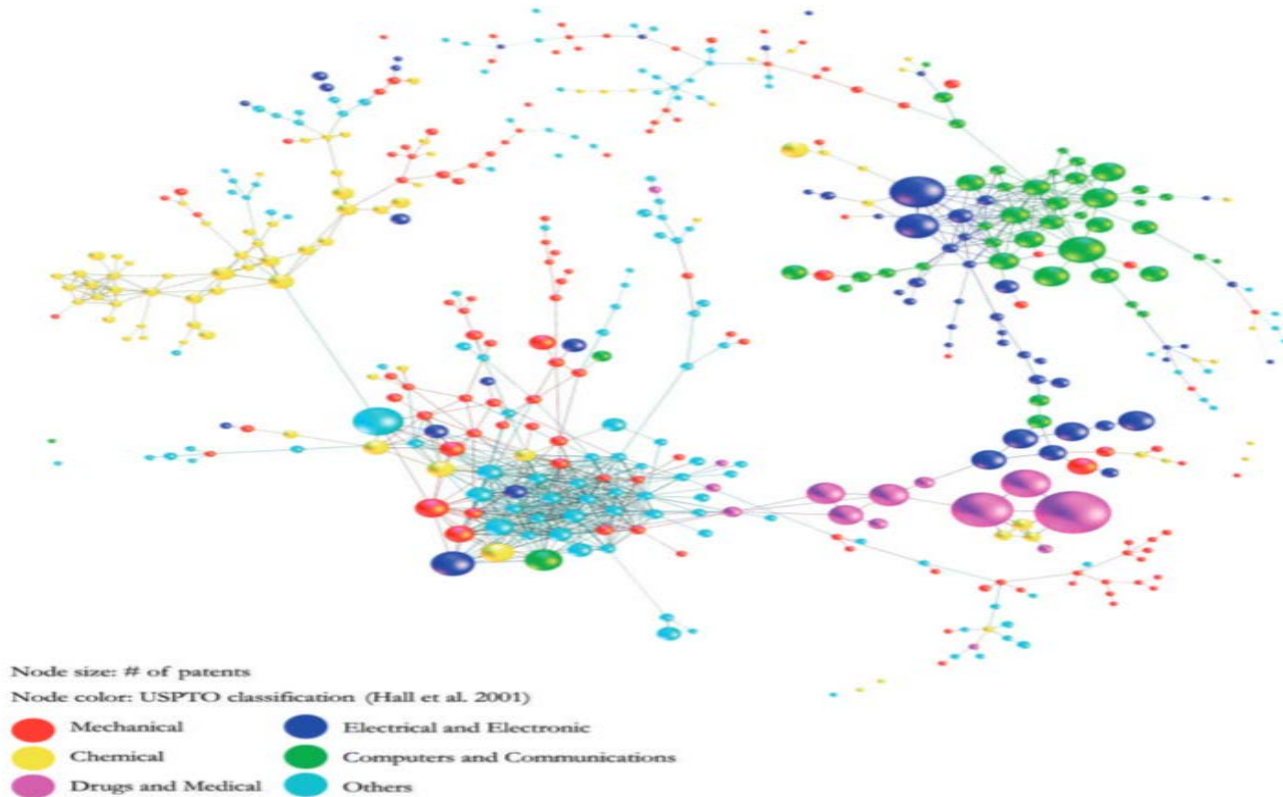


# Knowledge flows





# Knowledge relatedness



Boschma, Balland and Kogler (2013)



# What is network thinking?

- A network-based paradigm is taking science by storm (Barabási, 2012)...but also business

# An interesting patent



US006285999B1

(12) **United States Patent**  
**Page**

(10) **Patent No.:** **US 6,285,999 B1**  
(45) **Date of Patent:** **Sep. 4, 2001**

(54) **METHOD FOR NODE RANKING IN A LINKED DATABASE**

(75) **Inventor:** **Lawrence Page, Stanford, CA (US)**

(73) **Assignee:** **The Board of Trustees of the Leland Stanford Junior University, Stanford, CA (US)**

(\*) **Notice:** Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.

(21) **Appl. No.:** **09/004,827**

(22) **Filed:** **Jan. 9, 1998**

**Related U.S. Application Data**

(60) Provisional application No. 60/035,205, filed on Jan. 10, 1997.

(51) **Int. Cl.**<sup>7</sup> **G06F 17/30**

(52) **U.S. CL.** **707/5; 707/7; 707/501**

(58) **Field of Search** **707/513, 1-3, 10, 104, 501; 345/440, 382/226, 229, 230, 231**

**References Cited**

**U.S. PATENT DOCUMENTS**

4,953,106 *	8/1990	Gansner et al.	345/440
5,450,535 *	9/1995	North	395/140
5,748,954 *	5/1998	Mauldin	395/610
5,752,241 *	5/1998	Cohen	707/3
5,832,494 *	11/1998	Egger et al.	707/102
5,848,407 *	12/1998	Ishikawa et al.	707/2
6,014,678 *	1/2000	Inoue et al.	707/501

**OTHER PUBLICATIONS**

S. Jeromy Carriere et al., "Web Query: Searching and Visualizing the Web through Connectivity", Computer Networks and ISDN Systems 29 (1997), pp. 1257-1267.  
Wang et al. "Prefetching in World Wide Web", IEEE 1996, pp. 28-32.  
Ramer et al. "Similarity, Probability and Database Organization: Extended Abstract", 1996, pp. 272-276.\*

Craig Boyle "To link or not to link: An empirical comparison of Hypertext linking strategies", ACM 1992, pp. 221-231.\*  
L. Katz, "A new status index derived from sociometric analysis," 1953, Psychometrika, vol. 18, pp. 39-43.  
C.H. Hubbell, "An input-output approach to clique identification sociometry," 1965, pp. 377-399.  
Mizuruchi et al., "Techniques for disaggregating centrality scores in social networks," 1996, Sociological Methodology, pp. 26-48.  
E. Garfield, "Citation analysis as a tool in journal evaluation," 1972, Science, vol. 178, pp. 471-479.  
Pinski et al., "Citation influence for journal aggregates of scientific publications: Theory, with application to the literature of physics," 1976, Inf. Proc. And Management, vol. 12, pp. 297-312.  
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(List continued on next page.)

*Primary Examiner*—Thomas Black

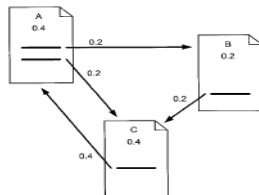
*Assistant Examiner*—Uyen Le

(74) *Attorney, Agent, or Firm*—Harrity & Snyder L.L.P.

(57) **ABSTRACT**

A method assigns importance ranks to nodes in a linked database, such as any database of documents containing citations, the world wide web or any other hypermedia database. The rank assigned to a document is calculated from the ranks of documents citing it. In addition, the rank of a document is calculated from a constant representing the probability that a browser through the database will randomly jump to the document. The method is particularly useful in enhancing the performance of search engine results for hypermedia databases, such as the world wide web, whose documents have a large variation in quality.

**29 Claims, 3 Drawing Sheets**



# The Google PageRank algorithm



US006285999B1

## (12) United States Patent Page

(10) Patent No.: **US 6,285,999 B1**  
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### (54) METHOD FOR NODE RANKING IN A LINKED DATABASE

(75) Inventor: **Lawrence Page, Stanford, CA (US)**

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(List continued on next page.)

Primary Examiner—Thomas Black

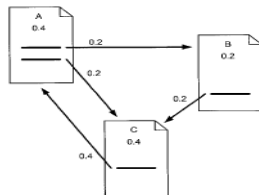
Assistant Examiner—Uyen Le

(74) Attorney, Agent, or Firm—Harrity & Snyder L.L.P.

### (57) ABSTRACT

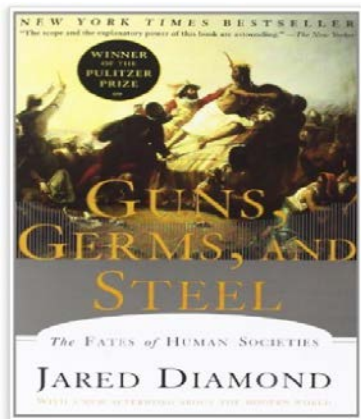
A method assigns importance ranks to nodes in a linked database, such as any database of documents containing citations, the world wide web or any other hypermedia database. The rank assigned to a document is calculated from the ranks of documents citing it. In addition, the rank of a document is calculated from a constant representing the probability that a browser through the database will randomly jump to the document. The method is particularly useful in enhancing the performance of search engine results for hypermedia databases, such as the world wide web, whose documents have a large variation in quality.

29 Claims, 3 Drawing Sheets

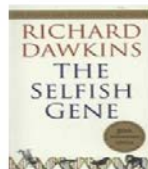


Google

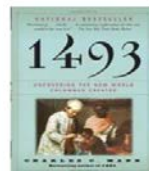
# Amazon



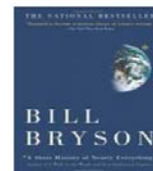
## Customers Who Bought This Item Also Bought



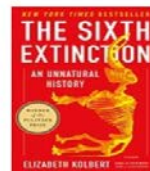
The Selfish Gene: 30th Anniversary Edition—with a new Introduction by the...  
› Richard Dawkins  
★★★★★ 707  
**#1 Best Seller** in Genetics  
Paperback



1493: Uncovering the New World Columbus Created  
› Charles C. Mann  
★★★★★ 513  
Paperback  
\$10.08 **Prime**



A Short History of Nearly Everything  
› Bill Bryson  
★★★★★ 2,179  
Paperback  
\$9.60 **Prime**



The Sixth Extinction: An Unnatural History  
› Elizabeth Kolbert  
★★★★★ 1,174  
**#1 Best Seller** in Natural History  
Paperback

# Facebook recommendation



**People You May Know**

**Add Friend**

**Remove**

# Social networks and population mapping

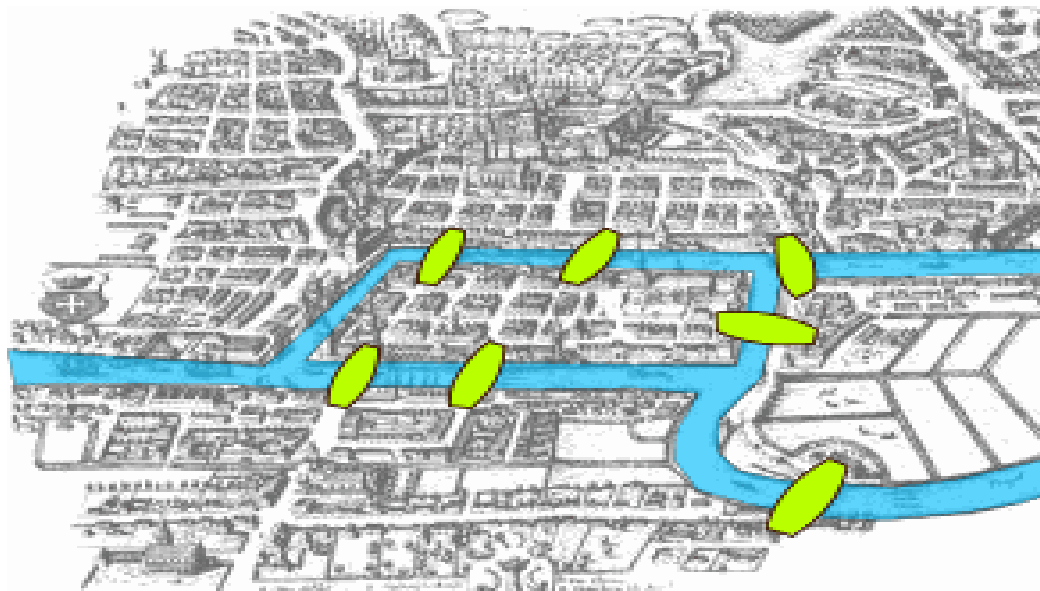


# What is network thinking?

- A network-based paradigm is taking science by storm (Barabási, 2012)...but also business
- Network analysis is a broad intellectual approach instead of a narrow set of methods (Wellman, 1983)

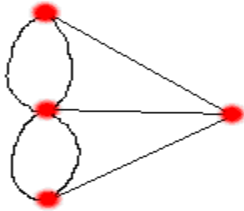
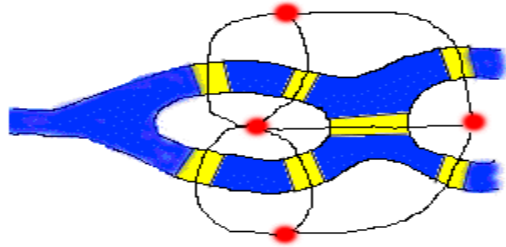
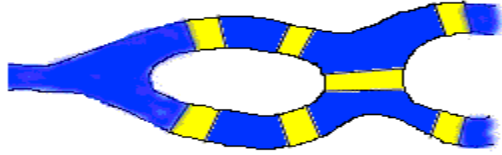
# The seven bridges of Königsberg

Fundamental problem in the history of mathematics : find a walk through the city that would cross each bridge once and only once





# Leonhard Euler solution (1735)



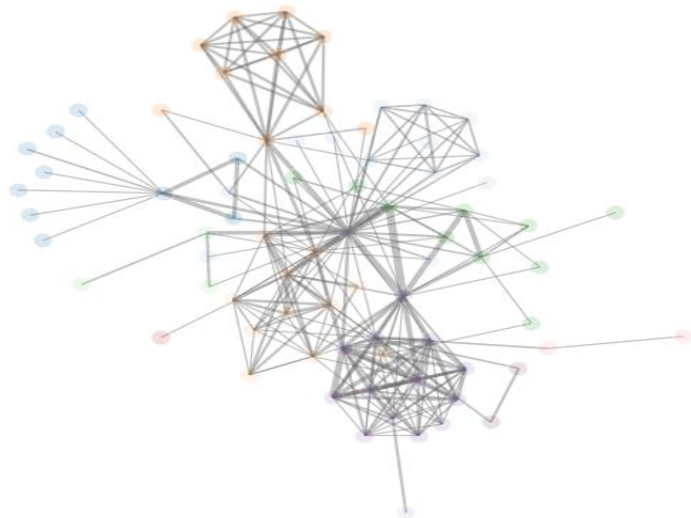
- The route inside each land mass is irrelevant, only the patterns of connection are important
- Abstract reformulation: collapse areas of land separated by the river into points (nodes) connected by the 7 bridges (edges)
- Euler used a network (graph-based) approach to prove that there is no path that would cross each bridge once and only once
- Foundation of graph theory and mathematical topology

# What is network thinking?

- A network-based paradigm is taking science by storm (Barabási, 2012)...but also business
- Network analysis is a broad intellectual approach instead of a narrow set of methods (Wellman, 1983)
- A network-based paradigm shifts the unit of analysis from **individuals** and their attributes to (the structure of) their **relationships**

# Network metrics & visualization

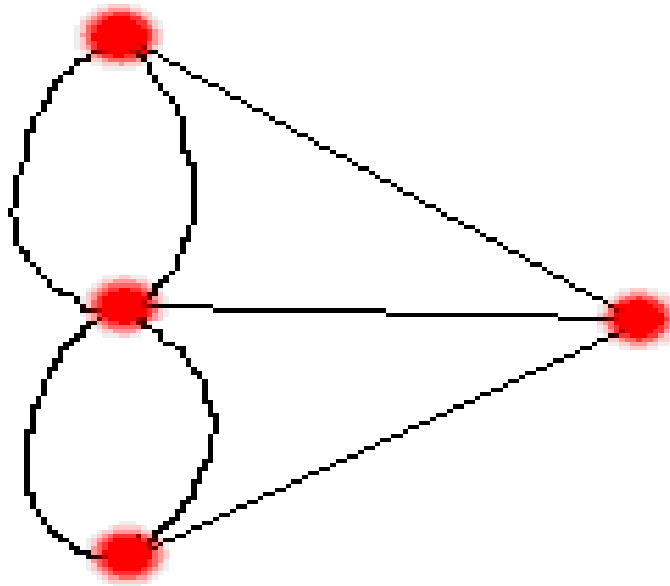
- Network centrality
- Brokerage
- Network density
- Core-periphery structure
- Average path length
- Clustering coefficient
- Communities
- Degree distribution
- Statistical model of network dyna
- ...



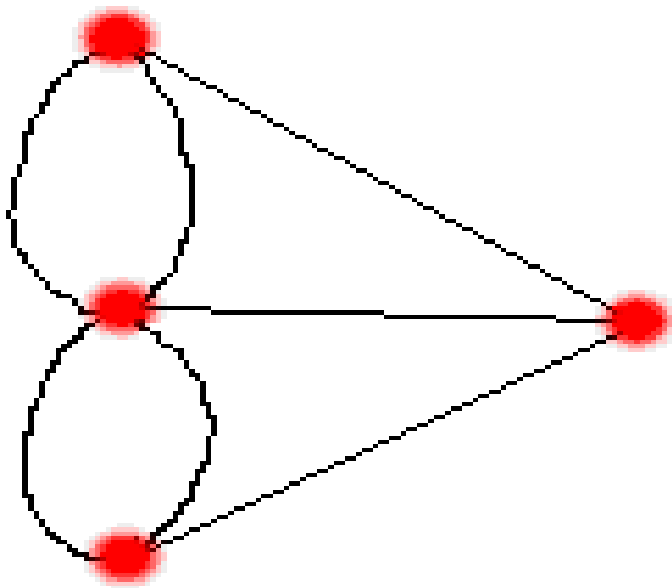
# Network thinking in music



# Network thinking reduces complexity



# Hidden properties of network structures



# Thanks!

[paballand.com](http://paballand.com)

[github.com/PABalland/EconGeo](https://github.com/PABalland/EconGeo)

# Computer lab: R & RStudio

- In this course we will perform structural network analysis with packages implemented in the R statistical software
- R is the software – but we will use Rstudio as an interface
- R is an open-source project lifted by a virtual community of thousands of developers and million of users worldwide



# Why R?

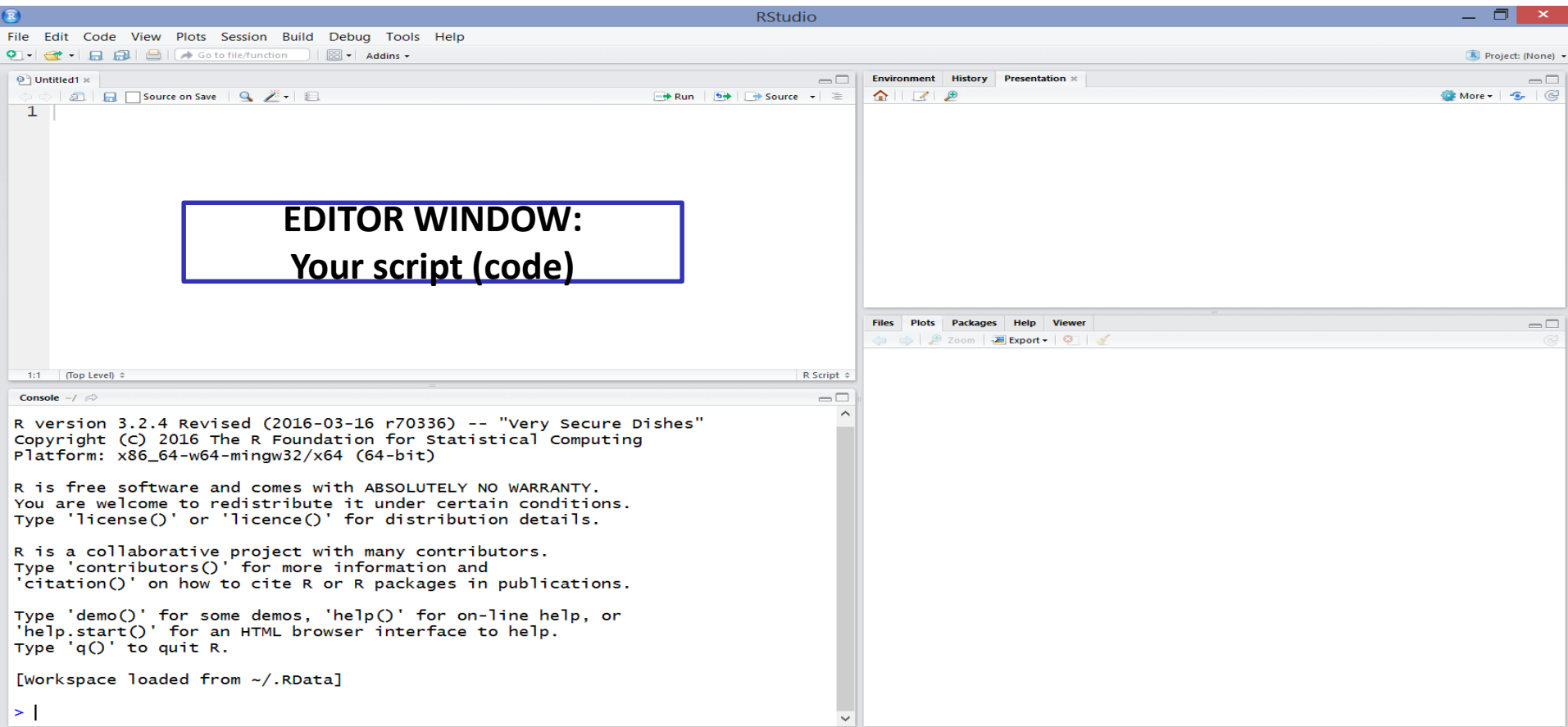
- Reproducibility – R scripts
- Today R offers the most elegant and comprehensive language for the structural and dynamic analysis of networks
- It's free and contains state-of-the-art statistical and graphical routines not yet available in other software
- You can do all your analysis in R, but also data scrapping, create a webpage, or write your research paper

# Getting started with R

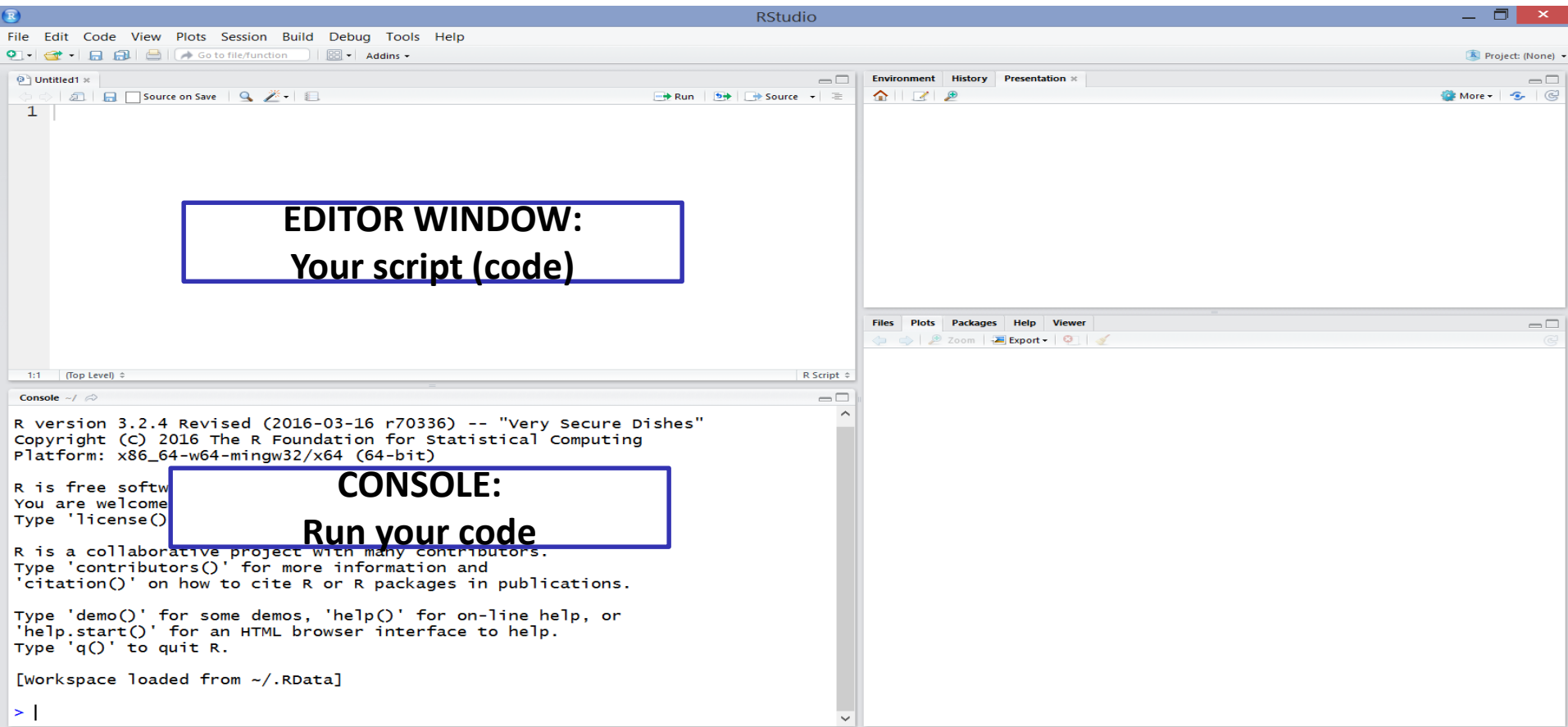
- Using R is easier than it looks like. And once you master it, you save a ridiculous amount of time
- Afraid of R? It is just a big calculator (a very smart one)
- R is case sensitive
- The `#` character at the beginning of a line signifies a comment, it is ignored by R



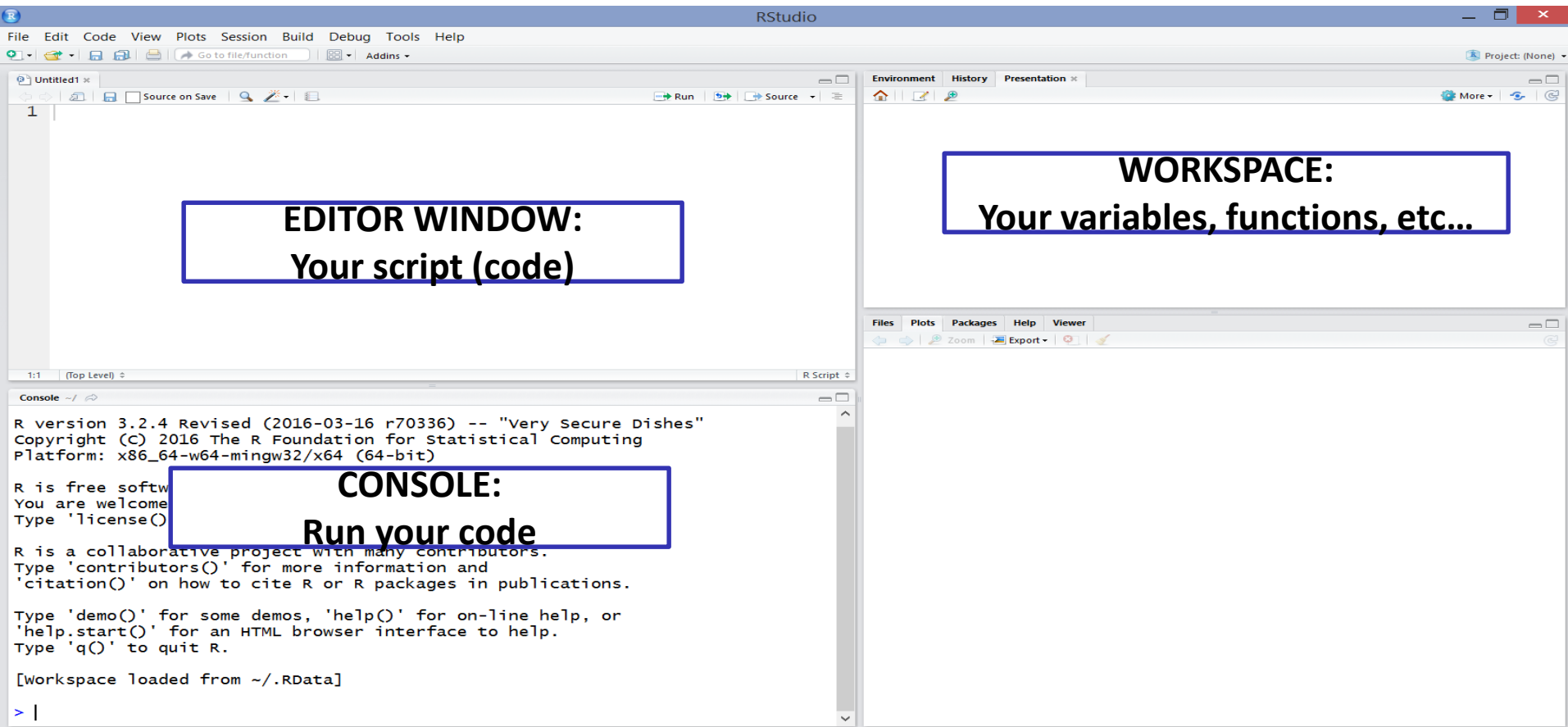
# RStudio



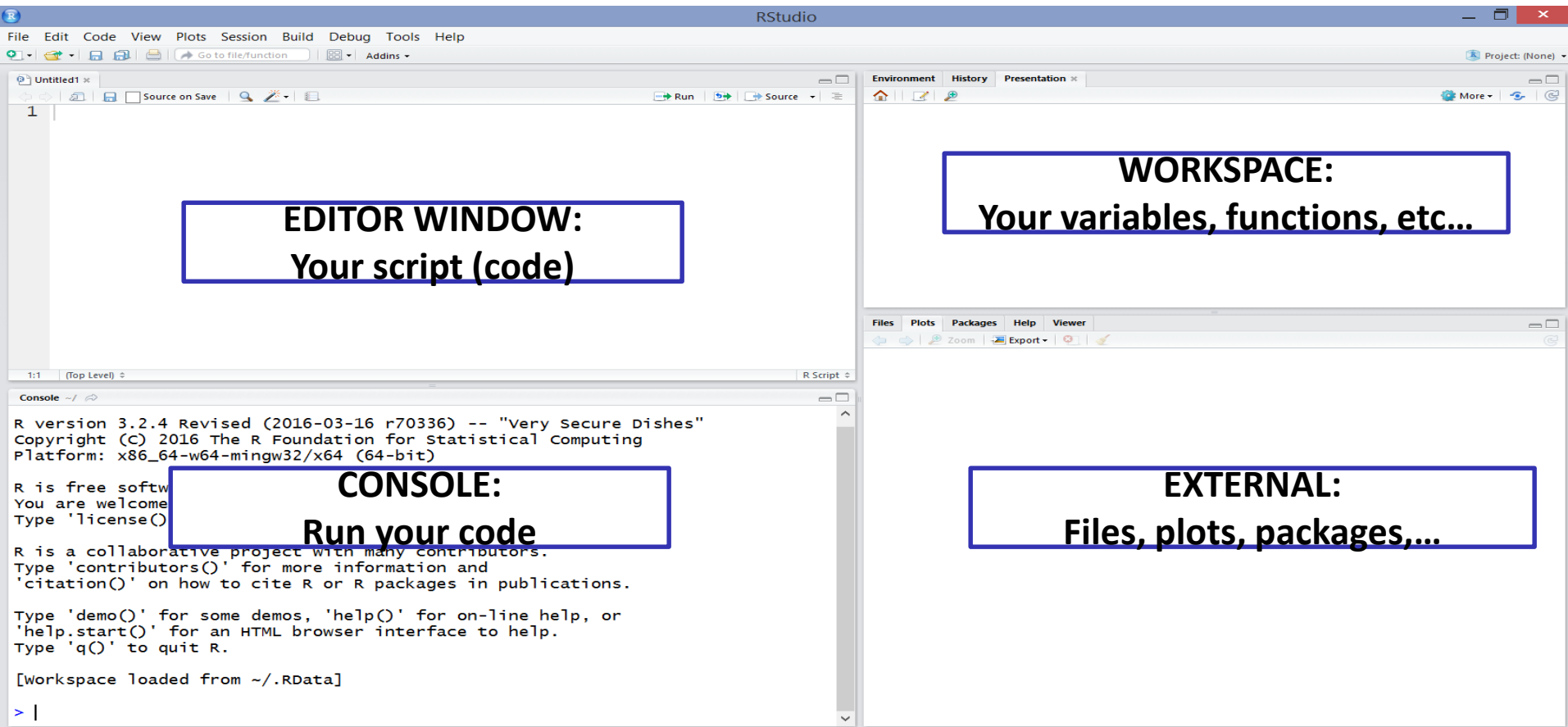
# RStudio



# RStudio



# RStudio



# Let's get started

The screenshot displays the RStudio interface with three main panes:

- Source Editor (Top Left):** Contains a script named 'Untitled1.R' with the code `1 10+5` at line 1.
- Console (Bottom Left):** Shows the R startup message and the execution of the code from the source editor:

```
Copyright (C) 2016 The R Foundation for Statistical Computing
Platform: x86_64-w64-mingw32/x64 (64-bit)

R is free software and comes with ABSOLUTELY NO WARRANTY.
You are welcome to redistribute it under certain conditions.
Type 'license()' or 'licence()' for distribution details.

R is a collaborative project with many contributors.
Type 'contributors()' for more information and
'citation()' on how to cite R or R packages in publications.

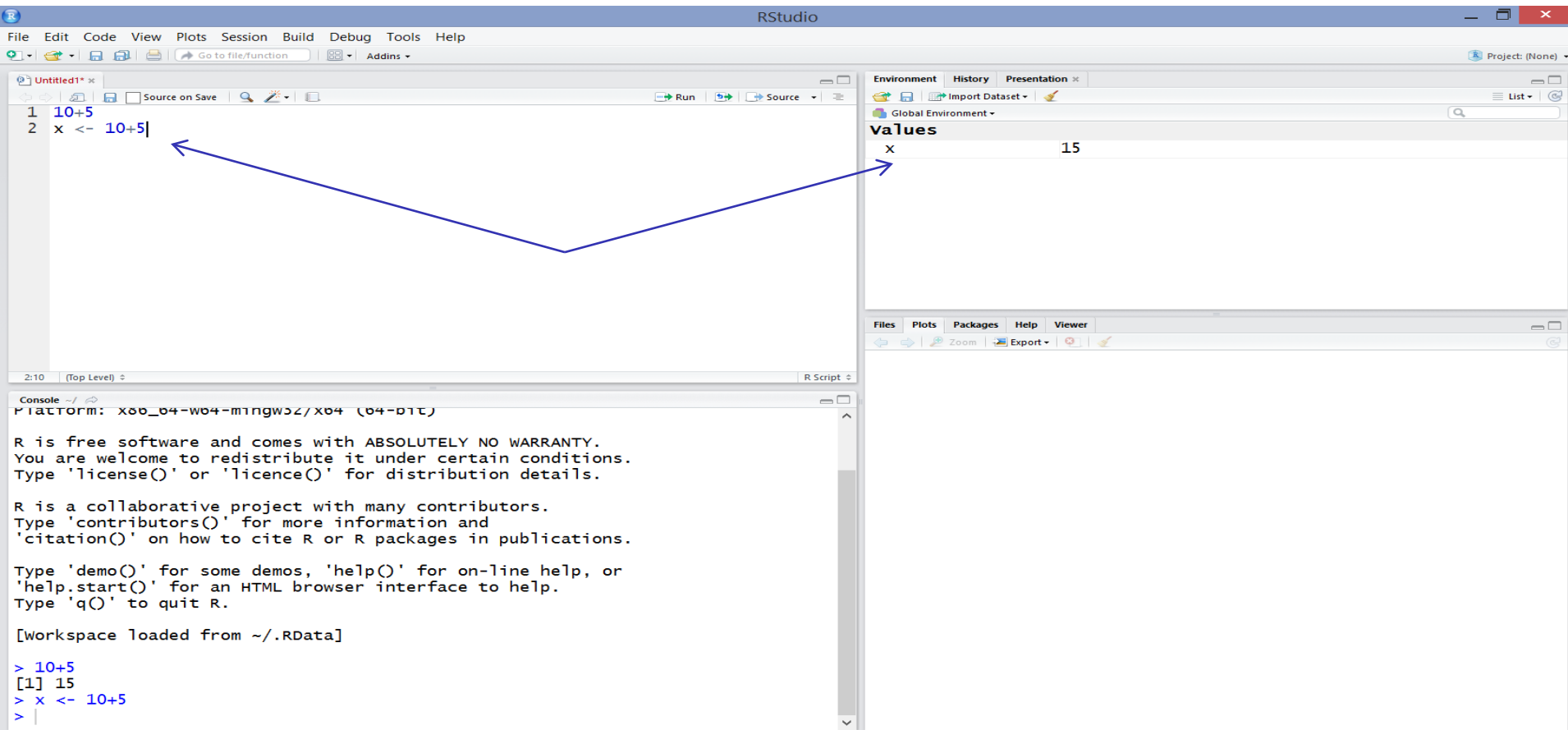
Type 'demo()' for some demos, 'help()' for on-line help, or
'help.start()' for an HTML browser interface to help.
Type 'q()' to quit R.

[Workspace loaded from ~/.RData]

> 10+5
[1] 15
>
```
- Environment/History/Presentation (Top Right):** Currently empty.

Blue arrows illustrate the workflow: one arrow points from the `10+5` code in the source editor to the **Run** button in the top toolbar, and another arrow points from the console output back to the source editor.

# Create a variable "x"



The screenshot displays the RStudio interface with the following components:

- Source Editor:** Contains two lines of R code:

```
1 10+5  
2 x <- 10+5|
```

A blue arrow points from the expression `10+5` in line 2 to the `values` panel in the Environment pane.
- Environment Pane:** Shows the **Global Environment** with a table of values:

values	
x	15
- Console:** Displays the R startup message and the results of the executed code:

```
Platform: x86_64-w64-mingw32/x64 (64-bit)  
  
R is free software and comes with ABSOLUTELY NO WARRANTY.  
You are welcome to redistribute it under certain conditions.  
Type 'license()' or 'licence()' for distribution details.  
  
R is a collaborative project with many contributors.  
Type 'contributors()' for more information and  
'citation()' on how to cite R or R packages in publications.  
  
Type 'demo()' for some demos, 'help()' for on-line help, or  
'help.start()' for an HTML browser interface to help.  
Type 'q()' to quit R.  
  
[Workspace loaded from ~/.RData]  
  
> 10+5  
[1] 15  
> x <- 10+5  
> |
```



# Create a variable y

The screenshot displays the RStudio environment with three main panels: the Source editor, the Environment pane, and the Console.

**Source Editor:** Contains the following R code:

```
1 10+5
2 x <- 10+5
3 y <- "geography"
```

**Environment Pane:** Shows the 'Global Environment' with the following values:

Variable	Value
x	15
y	"geography"

**Console:** Displays the output of the R session, including the R startup message and the results of the commands:

```
R is free software and comes with ABSOLUTELY NO WARRANTY.
You are welcome to redistribute it under certain conditions.
Type 'license()' or 'licence()' for distribution details.

R is a collaborative project with many contributors.
Type 'contributors()' for more information and
'citation()' on how to cite R or R packages in publications.

Type 'demo()' for some demos, 'help()' for on-line help, or
'help.start()' for an HTML browser interface to help.
Type 'q()' to quit R.

[Workspace loaded from ~/.RData]

> 10+5
[1] 15
> x <- 10+5
> y <- "geography"
>
```

# Check the value of x and y

The screenshot displays the RStudio environment with three main panels:

- Source Editor (Left):** Contains an R script with the following code:

```
1 10+5
2 x <- 10+5
3 y <- "geography"
4 # check the value of x and y
5 x
6 y
7 |
```
- Environment Panel (Top Right):** Shows the 'Global Environment' with the following values:

values	
x	15
y	"geography"
- Console (Bottom):** Shows the output of the script execution:

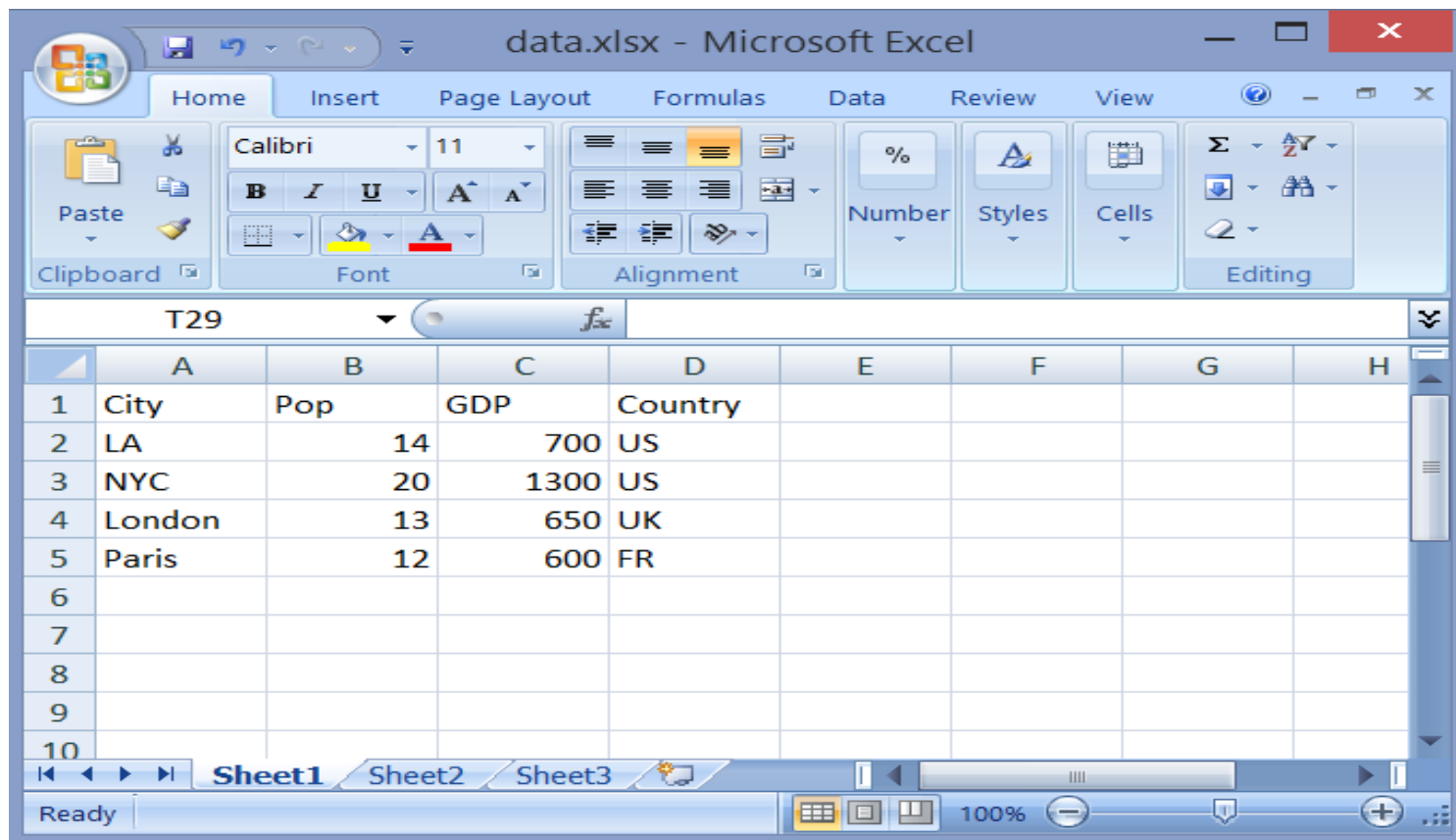
```
R is a collaborative project with many contributors.
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Type 'q()' to quit R.

[Workspace loaded from ~/.RData]

> 10+5
[1] 15
> x <- 10+5
> y <- "geography"
> # check the value of x and y
> x
[1] 15
> y
[1] "geography"
> |
```

# Let's create a toy dataset

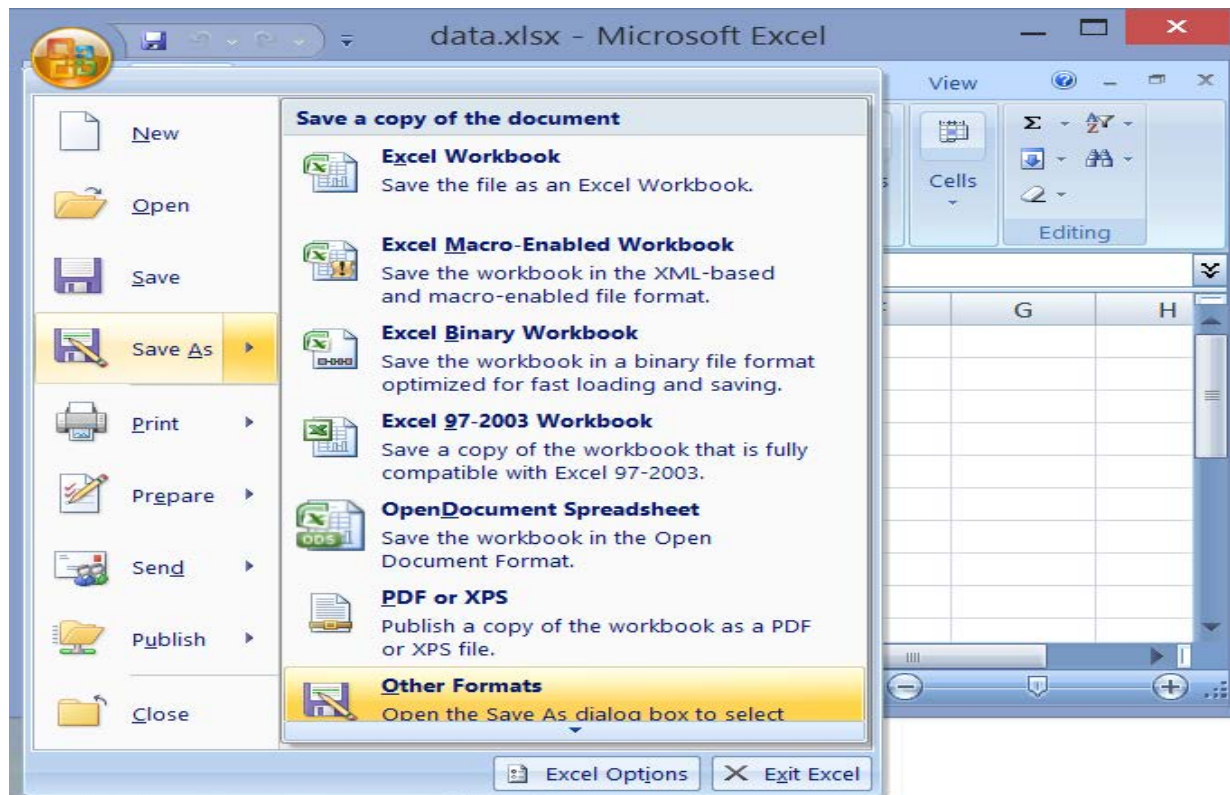


The screenshot shows the Microsoft Excel interface with the file name "data.xlsx". The ribbon is set to "Home", and the "Font" group is active. The spreadsheet contains a table with 5 rows of data. The columns are labeled "City", "Pop", "GDP", and "Country". The data is as follows:

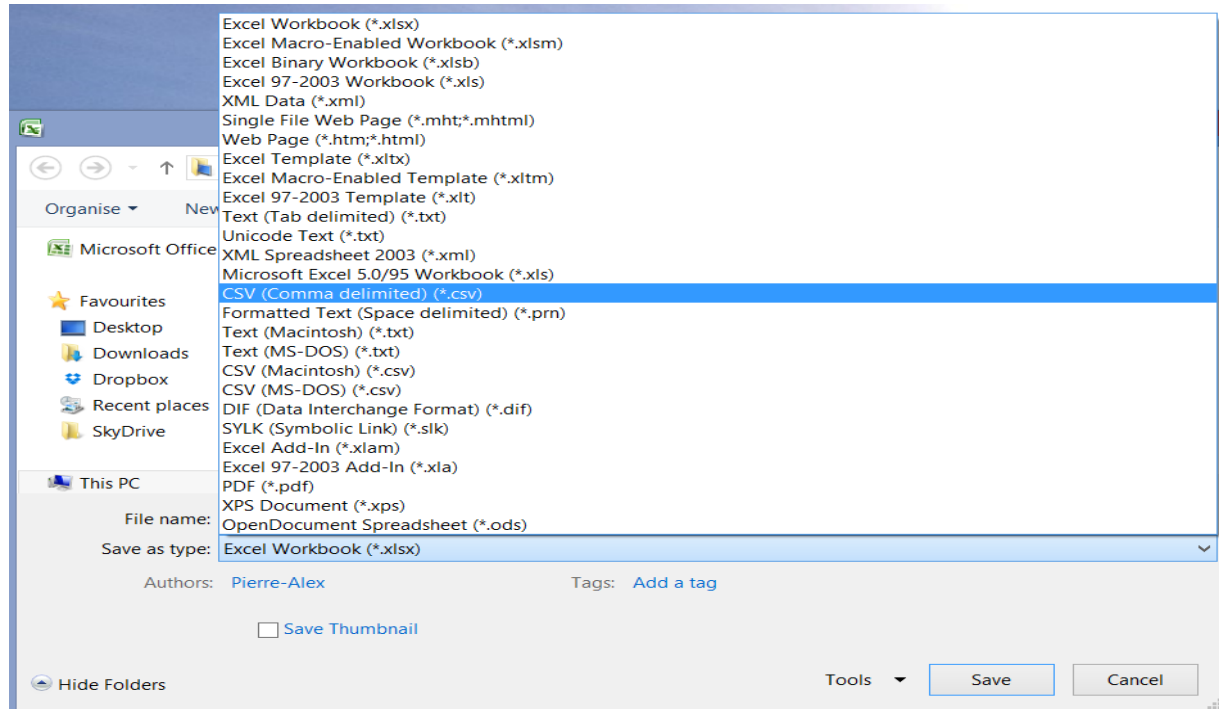
	A	B	C	D	E	F	G	H
1	City	Pop	GDP	Country				
2	LA	14	700	US				
3	NYC	20	1300	US				
4	London	13	650	UK				
5	Paris	12	600	FR				
6								
7								
8								
9								
10								

The status bar at the bottom indicates "Ready" and "100%".

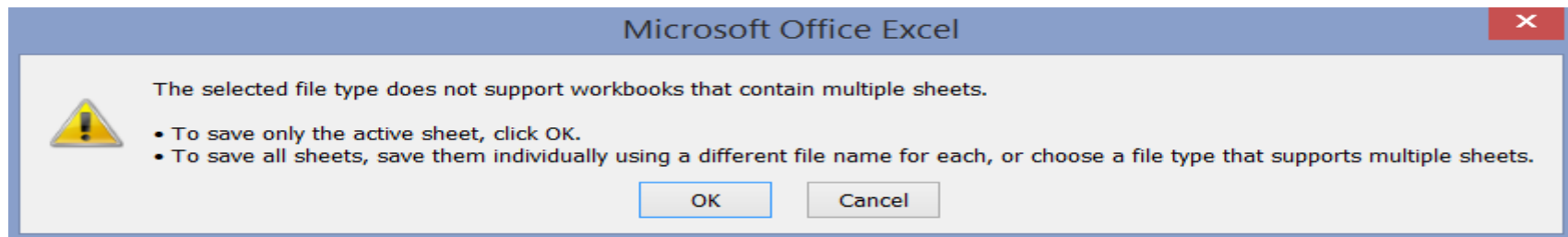
# Save as a .csv file



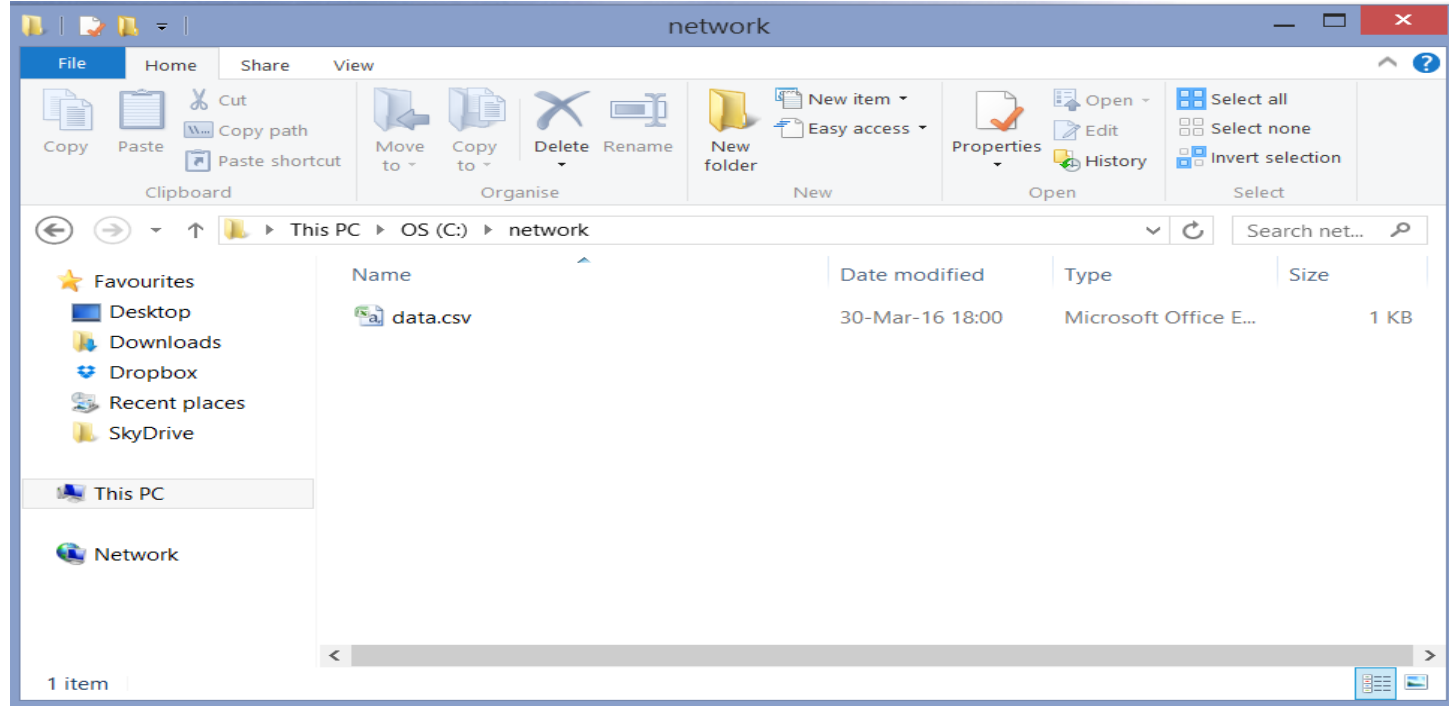
# Save as a .csv file



# Two warnings: ok



# Create a new folder and move the .csv



# This is your file path

