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## **Enacting entrepreneurship as social value creation**

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## **Enacting entrepreneurship as social value creation**

### **Abstract**

The social plays an important role in entrepreneurship, but one that is not fully understood. We argue that the social conditions of entrepreneurs, as well as the social nature of opportunities, affect the entrepreneurial process. Accordingly this paper examines the enactment of a very socialised opportunity to explore the various roles played out in entrepreneurial growth. We find that a conceptualisation of the social value created in the process furthers our understanding. This is opposed to focusing on economic growth as the sole relevant outcome,

Our case study shows how social value is created in multiple forms at different centres and on different levels; from individual self-realization over community development to broad societal impact. We also find complex interrelations between the different levels and centres, thus we argue that entrepreneurship is as much a social as an economic phenomenon.

**Keywords:** entrepreneurship, value creation, social processes, growth

### **Introduction**

The purpose of this paper is to examine the social, especially social value creation, in entrepreneurial enactment. We argue that the social plays a significant role in entrepreneurship, but one that is not well understood. This lack of understanding is because the social is often treated solely as a background factor, the *ceteris paribus* of the economists. The ensuing focus on economic, personal and technical aspects means that the social in entrepreneurship is often relegated to a conceptual black box, almost a residual. However, in recent years there has been a shift to considering the social. We note how networks and embeddness (Jack and Anderson 2002; Cope et al, 2007; Jack et al, 2008) have challenged the idea of the solitary entrepreneur (Drakopoulou Dodd and Anderson, 2007) and how social capital is seen to play a contributory role (Lee and Jones, 2008; Bowey and Easton, 2007; Casson and Giusta, 2007; Anderson et al, 2007; Anderson and Jack, 2002). Moreover, social constructionist approaches have been enlightening (Fletcher, 2006; Steyaert and Katz, 2004; Anderson and Smith, 2007) in showing how the social impacts on our understanding of the phenomena. We note too how the special social circumstances

of ethnic and female entrepreneurship has become a focus of explanation (Deakins et al, 2007). Anderson and Miller (2003) have argued that entrepreneurship draws upon the social in two distinct ways. First, because entrepreneurs are a product of their social environment they will be conditioned by that environment and may even perceive opportunities as influenced by their social background. Second, each business forms part of a social web of interactions within which the economic elements are conducted. What is missing from all of these studies is an analysis of the social outcomes created in entrepreneurial process, so that the social becomes more than a milieu for enterprise or simply an enabling mechanism. It is our objective to rectify this by examining the social value creation and thereby increase the understanding of the social in entrepreneurship.

We contend that the social is more than context or merely an enabling mechanism. We perceive that entrepreneurship arises from within the social, and that an economic perspective sees only one dimension of opportunity. We claim that entrepreneurship is enacted socially, using socially informed actors to engage within a milieu that can be understood socially. Furthermore, entrepreneurship processes have social outcomes that may well be just as important as the economic outcomes. Thus we argue that the social plays a role at several different levels of analysis. Accordingly, the examination of entrepreneurial processes should include a focus on the social both as an enabler, context and outcome. To this end, we examine an unusual entrepreneurial case; the sustainable settlement Friland in rural Denmark. Friland is a settlement of 23 houses and about 70 people started 2002 with intense media attention. The case describes the entrepreneurial emergence and development of the sustainable settlement. This revelatory case provides us with considerable theoretical purchase and illustrates the interplay of social, cultural, political and economic actors and factors. We employ the case as a framing device to plot and theorise the social outcomes of the entrepreneurial process on multiple levels.

In entrepreneurship research there has been a strong tendency to see the value being created in entrepreneurship processes as solely economic. As a consequence when we speak of growth in relation to entrepreneurship we mean economic growth. Growth is regarded as a quintessential aspect of entrepreneurship, but rarely explored in other than economic terms. Our case is theoretically insightful because, paradoxically, none of the typical indicators of growth are present at first sight. There is no increase in sales, no growth of ‘employee’ numbers and little evidence of expanding profits. Nonetheless, entrepreneurial growth in some more abstract yet fundamental forms is dramatically present. This case thus allows us to see value created in the process that might be neglected or missed in more conventional examples. Yet we can still see how an idea is first turned into an opportunity; we see how this opportunity is realised and how it has flourished and grown. Moreover, we can see how the social shapes, forms and engages each aspect of entrepreneurial emergence. Our case illustrates how multiple kinds of outcomes and value are created in the process and that these unfold on several levels. Moreover, that there are complex interrelations between them. Taking a social perspective, we are able to show how as each house has ‘grown’, so has the village and the local community. But this growth of ‘place’ is accompanied, indeed accomplished, by a concomitant ‘growth’ of the individuals involved. This is evident as an increase in skills, but also as a realised self actualisation, a sense of achievement and a sense of being. Ironically, the original motivation for the house builders was to escape from the chains of conventional growth, an emancipation from the pressures of having to earn enough to sustain a conventional lifestyle. Yet, in the context of this entrepreneurial venture, this has resulted in an extraordinary personal growth and the growth of the entire venture. Thus entrepreneurship has been enacted socially; this entrepreneurial case shows that we can understand entrepreneurship better by considering the multiple forms of social outcomes. Moreover, given these multiple types of outcomes we no longer need to assign economic growth any form of primacy, which allows us to

see growth and firms as means rather than ends in the entrepreneurial process. Thus we are able to argue that examining social processes may be more useful for understanding entrepreneurship than merely focusing on the economic outcomes in the expanded business.

### **Entrepreneurship, growth and value creation**

Early entrepreneurial scholars such as Cole (1959) defined entrepreneurship as a purposeful activity to initiate, maintain and grow a profit orientated business. More recently, Davidsson et al. (2006) asked whether the very concept of entrepreneurship was actually growth. In 1984, Carland et al. argued that it was growth that distinguished entrepreneurs from small business owners. Similarly, Davidsson (1989) argued that growth was the characteristic of continued entrepreneurship. Gartner's (1990) study of how entrepreneurship scholars, practitioners and policy makers define entrepreneurship also identified growth as an important aspect. Growth is thus considered a defining characteristic of entrepreneurship; and the primary outcome of entrepreneurial processes. Moreover, at a societal level entrepreneurship is also associated with growth in the economy. Certainly Schumpeter (1961), one of the founding fathers of the field saw a strong link between growth and entrepreneurship. Venkataraman (1997: 133) states that the connection between the individual entrepreneur's profit-seeking behaviour and the creation of social wealth is 'the very raison d'être of the field'. To summarise these arguments, it is only because entrepreneurs create growth in the economy as a whole that they become a worthy object of study. Indeed in many cases, growth is seen as the only satisfactory outcome of entrepreneurial activity. So entrepreneurship and growth has at least two dimensions, entrepreneurship as driving economic growth (Wennekers and Thurik, 2004) generally, and firm growth as an entrepreneurial pursuit and outcome.

The strong focus on growth translates into what Stanworth and Curran (1976) call a growth ideology, where the overall societal goal of growth is translated into a demand that the individual

entrepreneur should grow his or her firm. The typical attitude of entrepreneurship researchers is cogently expressed by Wiklund et al. (2003: 266) as a wish to persuade the entrepreneurs to grow.

They argue that:

...if relevant information about the positive consequences of growth—and methods to circumvent negative effects—were made available to small-business managers, this could lead to a more positive attitude toward growth.

Indeed, Wiklund et al. (2003) note how the supremacy of the economic motive is taken for granted. The argument that Weinzimmer et al. (1998) present is that entrepreneurship is about economic growth and that growth is seen as a purely economic phenomenon. Economic growth thus becomes the parameter against which all other relevant issues are measured. In several ways we can see what Gartner (2001) calls the un-stated assumptions about growth, in effect that it is only economic growth that matters.

Nonetheless, there has been some debate as to which measure most adequately represents growth (Weinzimmer et al., 1998; Delmar et al., 2003). For example, Ardichvili et al. (1998) identified growth indicators comprising, assets, employment, market share, physical output, profits and sales, but it is significant that this debate unfolds under a general consensus that growth is basically economic growth. This consensus has been challenged sporadically by researchers arguing that researchers and practitioners might have different conceptions of growth (Achtenhagen et al., 2007) and that growth might not be a goal pursued by all entrepreneurs, and therefore might not be a proper universal performance measure. Indeed, Liao and Welsch (2003) suggest that a common weakness of most growth models is that growth is presented as a desired objective for entrepreneurs. Moreover, even for growth itself, Delmar et al. (2003) argue that it is a multidimensional, not unidimensional, phenomenon and that not all firms grow in the same way. Indeed we argue that (economic) growth measures entrepreneurial ventures on a single dimension,

thereby making invisible the many other dimensions involved in entrepreneurship (social, personal, spatial, environmental). Yet entrepreneurship has been seen to produce 'growth' in these areas. For example, Anderson (1999) showed how enterprise can bring about environmental benefits and Schumacher's (1973) classic, *Small is Beautiful*, argued against getting bigger if it diminished the spiritual dimensions of what it means to be human. At the very least, we note how Wilkund et al. (2003) show that non-economic concerns may be more important than financial outcomes in determining attitudes to growth. If this is the case, the concentration on economic growth may well miss out on the critical human and social aspects of the process. This then is the area we address in this paper. We want to look at the social outcomes of entrepreneurial growth processes, and thereby enhancing our understanding of the actors, entrepreneurial agency, attitudes and behaviour as well as the social and contextual aspects of entrepreneurial enactment.

### *Social outcomes of entrepreneurship*

We have argued that entrepreneurship is a socio-economic process (Steyaert & Katz, 2004; Jack et al., 2008); as Downing (2005: 196) puts it, 'entrepreneurship, like the rest of social life, is a collaborative social achievement', thus the social must play a role in the entire process. Similarly context seems important; Johannisson (1988) has suggested that social contexts simultaneously contain the ability to constrain entrepreneurship and catapult entrepreneurs beyond their original contextual boundaries. Accordingly, if entrepreneurship is a multidimensional phenomenon (Gartner, 2001), our conceptualisation of the outcomes should mirror that and also be multidimensional. This involves looking for something deeper than what can be seen by positivists (Gartner, 2008). Consequently, a phenomenological approach seems appropriate (Berglund, 2007). By that we mean a phenomenological 'focus' describing what people experience and how it is that they experience what they experience. The basic premise of phenomenology (Cope, 2005) is that



human beings cannot be studied in isolation from the world-context (lived-world) in which they interact and live. Our case study provides thick description (Geertz, 1973) upon which to develop our analysis. We focus on value and values as socially enacted, because in the phenomenological tradition, meanings and values are closely related. But also because Anderson (1998) argued that if we reduce entrepreneurship to its essence, we can see that what entrepreneurs do is to create and extract value from a situation. But it is our conventions which may cause us to think of value only in monetary, or economic terms; value is a much richer concept. Thus we asked what kinds of value were generated, did they grow and how, and what relationships exist between things? In particular, what was the role of the social?

## **Method**

Case studies are often the choice when researching a less well known phenomenon. As few studies focus on the specifically social outcomes of entrepreneurship, this method is well suited for our purpose. Case studies are likely to generate novel insights, whilst these insights remain firmly grounded in empirical evidence (Eisenhardt, 1989). A case study embodies a deep understanding of the dynamics of a single setting (Eisenhardt, 1989) but does not invite generalisation to other settings. But as we have set out to develop the contours of a typology of social outcomes; reflection, exemplification and inspiration are the aims, rather than generalisation. The Friland case has been chosen for two reasons. Firstly the project is a complex entrepreneurial phenomenon incorporating elements of social dynamics; personal development, rural development, environmental and economic sustainability, political processes and media involvement. It thus incorporates a number of elements that we would find across most entrepreneurial ventures but in a novel setting. Therefore Friland can be seen as a critical (Patton, 1990) or revelatory case. Secondly, the

availability of data and access to people was very good; the people in and around Friland have been very helpful in giving interviews and telling their stories.

### *Data collection and analysis*

We first came to know Friland through the television programmes, but collecting specific data about Friland commenced in 2007 as part of a research project on entrepreneurial processes. Firstly, newspaper articles were read to obtain background knowledge. After initial contact with Steen (one of the original founders of Friland) and Tove (head of the co-operative Friland), we were given permission to collect data at Friland and to interview residents. They also suggested some people outside Friland who should be interviewed. All interviews were conducted from October 2007 to June 2008. Because the respondents had different perspectives, we were able to theoretically triangulate the resulting data.

The interviews were carried out using an unstructured narrative approach, where the researcher would ask an initial generative question (Flick, 2006), and supplement with elaborative questions, whenever there were events, descriptions or interpretations in the narrative that the researcher felt needed further examination. The interviews took between one and two hours, were all carried out in Danish and were transcribed and imported into NVivo 7, where they were coded. Relevant newspaper articles, internet documents and the notes were also added into NVivo 7 and coded using an open coding approach. Our analysis was by the constant comparative method where we looked for themes and linkages. Table 1 describes our respondents.

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### **Friland- an entrepreneurial enactment of sustainable growth**

In 1992 Steen, a former organic farmer and folk-school principal started by building a sustainable house using only local and unprocessed construction materials. As well as being environmentally sustainable, Steen wanted this house to be economically sustainable in the sense that it would leave him debt-free and without a mortgage. He succeeded and actually turned his house, and ideas about society, into an attraction, so that people would come from all over the country to hear him speak and see the house. Elsewhere, the television reporter Anton was looking for people to portray in a television series about idealists. He heard about Steen who fitted the bill perfectly. This resulted in a television program 'Manden i huset' (The Man in the House), which in terms of ratings, was a great success on national television and was repeated several times. This programme was the beginning of a long friendship and collaboration between Steen and Anton. In the following years Steen wanted to do more in terms of sustainable building, but had grown disillusioned with the Danish grassroots community. He turned to Anton and together they created a three episode television programme about building a small house with straw bales for 2000 Euros (\$2,500 US). Again the programmes were popular and paved the way for the large scale project of Friland. Steen and Anton wanted to elevate the ideas of environmental and economic sustainability from individual to community level, to build an entire small village based on these ideas. Given the success of the TV programmes DR (The National Danish TV company) agreed to support the project and broadcast it on TV, radio and the internet.

The next step was to convince a municipality to house the project. Five municipalities were contacted and of these, Rønne was the most eager and cooperative. A location north of Aarhus near the village of Feldballe in western Denmark was chosen and with strong local support the location proved a good choice. Recruiting participants was easy; the publicity and connections that Steen

had built up produced a stream of applicants who wanted to build and live in these sustainable houses in this rural location. In selecting participants, a number of criteria were observed. The applicants had first to be able to build their house without a loan. Secondly, they had to have a plan for a business that they would start at their new home. Furthermore, a mixture of ages and occupations (knowledge workers, craftsmen and culture-workers) was sought. The settlement was organised as a housing cooperative which would own the land and the residents would buy the right to use the lot. The residents, as members of the cooperative, were thus obliged to act and build in accordance with its constitution which incorporated the formal ambitions and purposes of Friland. The aspirations for Friland, especially the differences between the different groups and people involved, provide a good starting point for analysing growth and development. In the following section we consider the different perceptions, at different levels, of the value and values that were envisaged to be generated within Friland.

### **Aspirations, social actors and social agendas**

It is useful to consider the goals of the organisation and its actors as a starting point to understanding entrepreneurial growth. But we are advised to be cautious, Sarasvathy (2004: 521) points out, ‘entrepreneurs’ goals are assumed to be either homogenous in the sense of some optimization problem (usually profit maximization) or else are assumed to be collapsible into some well-specified ordering that can be smoothly mapped.’ Indeed Hebert and Link (1989) suggest that the historical record on the nature and goals of the entrepreneur is so diverse that it has failed to yield a clear cut and unambiguous operational concept. So, in spite of the taken for granted assumptions of the literature, we should not be surprised to find diversity in objectives.

The ‘official’ goals of Friland are found in the constitution of the cooperative, as displayed in table 2.

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Insert table 2 here  
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These organisational aspirations seem straightforward. They want to set up an ‘example’ of sustainable development using alternative technologies and promote it through the media. There is an undercurrent of a social ideology about freedom from debt and sustainability, but one which incorporates the idea of business as a means of achievement. Interestingly, it doesn’t have much to say about the processes or people.

But when we listen to what the key actors say, they tell us much more about social processes.

Then Anton comes along and says he thinks this is interesting. And that he would like to make TV about it. And I can see, maybe that’s not so crazy. Also because I felt that I was in good hands with Anton. [...] And I say, we’re about to make a reality show, but why not about a reality that is different? And it mustn’t be about this personal-rubbish. But looking concretely at how do you do it? How can we make another world, on some other conditions? And we agreed that it would be exciting. [...] And I could see that maybe we could use this to appeal broader. Also because in my approach to this there is a political vision (Steen).

Clearly Steen wants to promote his views and expertise and sees the development of Friland as a means to this end. But Anton, the television producer elaborates:

Well it’s in that you can see that what is sought after in society today is a CO2 reduction. It is sustainability in society. You could almost say it’s the most important thing in our world. So therefore

it's an important message. [...] And if we want to make a contribution to that, through Friland, well it has to be a contribution that's appealing to people. (Anton)

Steen and Anton thus saw (and still see) Friland as a socio-political project in the sense that they wanted to oppose some of the dominant developments in western society by creating a social space where these developments were counteracted. Friland is meant to lead by example in a movement towards a more sustainable society. Accordingly, they plan to use Friland to promote a political purpose. The value of Friland for them is the promotion of their values about a sustainable society.

DR, another important stakeholder, saw things in the same way, but in the enactment process and its media presentation.

The purpose of DR Friland is – in cooperation with the residents at Friland – to create an experiment for sustainable building and business development for rural villages. A place where we work with buildings that leave people with less debt – and therefore hopefully more freedom and opportunities to work with what they want – including becoming a freelancer or to start their own business. Low tech because the houses, we portray the building of, primarily are built with unprocessed natural materials. High tech because we show how the residents at Friland use ICT to organise in new and better ways in relation to work, family and community. With a debt-free self-built house in natural materials we provide an example of how the people in the village of the future can create a local power centre in the information society. We will show how the rural districts can share in the digital development. DR Friland is the villages' response to Ørestaden (a large, prestigious and expensive (€175m) Danish high tech development near Copenhagen, ed.) (From the Friland webpage).

But others saw different aspects of value.

It was that it had to be something that signalled longevity. Longevity in the project. [...] Steen really emphasised that. We demand that they bring capital, we demand that you go in and start a kind of business. They really demanded a lot from the people moving in. It wasn't just for anybody that needed a place to live. (Jørgen)

So we can see that Friland made significant demands upon the prospective residents in achieving its aspirations. But the potential value was also seen and presented in different ways, the local mayor for example:

This is business development. It will create life out here. Pull some development to the municipality. The western part, with Rønde and Ugelbølle (other cities in the municipality, ed.) are becoming the Whisky-belt of Århus. But the eastern part, where Feldballe is situated is just as quiet as other rural areas. But the silence will not continue. (Mayor Vilfred Friborg Hansen, in Jyllands Posten)

Already we see a diversity of social aspirations. The television company saw value in the public interest in the spectacle of Friland; Anton and Steen saw the value in the political statement. Contrastingly the local mayor saw the value of development in business and regional terms.

But others saw personal or family values as the main focus:

It occurs to us that with this solution (moving to Friland, ed.) everything falls into place... Jens Peter will build, as he dreams of, and I will get my company started. We can see each other a lot more. The kids can spend more time with us... (Helle, in Jyllands Posten)

There's a third thing, and that's the whole time issue. To have more time for your family, your loved ones, your neighbours, and your life. I'm sure that's very important in the little homes here. (Tove)

Among the residents in Friland private goals proliferated. However, the values associated with these goals all centred on the notion that living debt-free would create the financial independence needed to have more time for the family and for achieving personal goals and dreams. The dreams would be articulated by starting a business, but one with social aspirations. For example, Helle's business was to offer Polynesian massages, perhaps unlikely to succeed in a conventional way in the rural setting, but one that satisfies a driving ambition. For these residents, Friland becomes a family project, paving the way for an improved family-life, where parents have more time for the children as well as a personal project creating financial space to enact their dreams.

In exploring these goals for Friland interesting findings emerge. Firstly, a great many kinds of value are expected to be generated through Friland. As an example of rural development, Friland is expected to generate economic, social and cultural value in the local area of Feldballe. Importantly the prospective residents of Friland expect Friland to generate value by creating space and time for self-actualisation as individual and family. We can organise these aspirations as different levels (see table 3), but note how some are functional, ends in themselves, but most are instrumental as a means to different ends. All however can be interpreted as social.

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Insert table 3 here  
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Note too how goals were formulated in more than one place, so that there are multiple centres of goal-formulation. The original founders of Friland formulated a very ambitious and highly political goal for Friland, but stakeholders in and around Friland interpret this goal and make



their own version of it; adding other goals, highlighting some aspects, downplaying others. Interestingly each seems to highlight different sorts of values too. Consequently determining the success of Friland becomes a very difficult task, should one wish to undertake it. Success parameters proliferate across levels and centres and as we will see below, the goals for Friland also change over time. Despite this diversity of goals, we note how each goal represents some sort of social aspiration articulated as a value formation.

### **Growing Friland- discussion and evidence**

Stating goals at the outset of an entrepreneurial venture is one thing, but actually achieving them and growing the venture is quite another. In the following, we record the kinds of value created in and around Friland and how they have grown as a result of the social interactions of the initiators and the residents who built Friland.

#### *Growing in numbers*

The physical growth of Friland is dramatically evident from the TV images of growth from a bare cornfield to the village with twelve completed houses. Visiting Friland today you will see building activity on a further 11 lots; phase two. Friland has thus grown from a field to a settlement with houses built or being built on 23 lots. A final phase three is expected to be launched at some future point. The number of people residing in Friland has grown from 0 to around 70 adults and children. Friland has become a social entity.

Value has been created and grown for stakeholders outside Friland. By 2006, DR had produced more than 100 TV programmes from Friland as well as Radio and Internet content. The project has thus created significant value for DR, and also presumably for the many viewers that have watched the shows. Completing the programmes after three and a half years was planned from

the outset. The idea was that within three years the programmes would have been able to follow the building of the houses and the starting up of the new businesses, thereby generating an insight into what living debt-free actually meant for the participants. However, three and a half years was not nearly enough time.

Maybe that's where the ambitions might have been too high. Because we thought that the whole dimension with starting a company would take off earlier. It's turned out that people have taken a very long time to build the houses (laughs). (Anton)

So despite the large number of TV shows produced, the content of the programmes the value created for DR has not been quite as high as expected. This raises an interesting point, how the media can amplify social reality. There are now well attended guided tours of Friland, an annual open house event, as well as all the casual visitors. No official records exist of the number of visitors, but the best annual figure may well have exceeded 20,000.

### *Creating economic value*

According to our data, which is probably not complete on this issue, at least two types of financial income have been generated through Friland. Firstly, the guided tours have generated income for the group of residents who provide them. Each visitor pays the equivalent of 8 Euros to take the tour, and the tours are generally well attended. When we attended a tour on an ordinary Sunday in September 2007, about 25 people attended, thus generating some 200 Euros. Furthermore some of the Frilanders are paid to give talks around the country on issues related to Friland. Here the fact that they live in Friland is part of the value of the talk. So the concept and spectacle of Friland generates economic value.

Also the companies started at Friland generate some income. For many of these companies it is significant that they would not be able to survive if the owner had to meet conventional living expenses. The revenue needed from the company is thus lower than is normally the case. Several of these companies build on Friland in some way. One example is a resident whose company builds Finish Heating Ovens, (an eco-friendly Scandinavian heating system) a skill that he acquired during the building process at Friland. Others make a living building and teaching about straw-bale houses, a skill either acquired or refined at Friland. Others use Friland as part of their 'branding'.

The development of the Friland businesses has not yet grown as hoped. Some businesses have been started, but the business side of Friland has not yet taken off. Examples can be found, though, of businesses that have actually created direct value in Feldballe. A Friland-based catering company started delivering healthy food to the local school. Such projects seem to epitomise the notion of creating value of all kinds in the local community. Nonetheless, our informants at Friland have noted that the business side of Friland is now beginning to stir, as most of the Frilanders in phase one has more or less completed building their houses. Therefore plans for the five plots assigned to business (Friland Erhverv), are now beginning to form. These five plots have been conspicuously empty, but it is too early to say what will happen.

### *Adding value in the community*

Friland has helped the local community in Feldballe to grow. Although there are a few concerns about whether the contribution has yet lived up to expectations, people in and around Friland claim that Friland has made a positive impact in the local community.

Well the people at Friland take an active part in the school, the local associations, they help keep to local grocery shop alive. They helped increase the number of inhabitants in Feldballe in a way that would not have happened if it hadn't been for Friland. I think that's reasonably clear. (Anton)

And since it's proven to be a really good idea because people have come in, and they're strong people taking initiative, affecting the local community in a positive way. And it's actually become quite well known out here, because there were all these TV programmes from here. (Jørgen)

### *Societal impact*

As indicated above, many people have become acquainted with Friland either through TV or having visited. Therefore, so far as informing about this way of life, the combining of debt-freedom and environmental sustainability some success can be seen. Whether it has made any real impact is more difficult to answer. Anton raises some doubt about the impact of Friland, mostly because of the aesthetic impression (or lack thereof) that Friland gives.

That way, if we transfer this to other struggling villages, then it (Friland, ed.) might have been a better option for other villages than it is today, because they haven't gotten the aesthetic side of it sorted out. (Anton)

When the second author first visited Friland he was struck by how each house was different; some were small, some large, but each seemed to make some idiosyncratic statement of style. Some had long free flowing sweeping roof lines, others were sharply angular. Although each house was stylistically distinctive, there was a thread of continuity in the home spun look which indicated a sense of community. But the aesthetics of the village were marred by the untidy clutter that surrounded many of the houses. Although some had very productive gardens, the jumble of materials for reusing; windows, doors and old wood for fuel; all things that might someday prove useful; demonstrated more of a working village than an aesthetic delight.

Anton also has some reservations about how well the original political goals have been met:

It's just that one Friland, and that's the one out there. And all right they're happy to be there, and that's fine; we've created a place for some people that have a good life, and there's nothing bad about that, but I think that both Steen's and mine, and also Dorthea Arnfred's (Steen's girlfriend at the time, who was much involved in the internal organisation of Friland, ed.) ambitions were a bit bigger. (Anton)

Nonetheless, according to our most recent talks with Anton, some other rural municipalities are now beginning to take an interest in Friland as a way of getting people to move to rural areas. But again it is too early to say where this development is going.

### *The personal experience*

Needless to say, moving to Friland has changed the lives of the Frilanders radically. Qualitative changes has occurred in the way they live and they way they think and feel. The process has given valuable experiences, knowledge and skills. Many of theses could be considered as personal growth:

Basically we're on the right way. We're not as far along as we would have wanted, but other things have come from living so close (in two house trailers while building the house, ed.). We feel, for example, much stronger that we are parents now. (Helle)

No, we're a new cooperative, and we're 24 adult lot-owners. That gives a lot of questions and ideas, we have each brought our own ideas. And sometimes the sparks really fly. Our personal growth has been really tops, because we've really been through some things. Our strength is that we're as diverse as possible. It's the diversity that creates the bloom. (Jonna in 'So far so good' episode 3)

Traditionally it's as if life doesn't begin until your house is finished. But we've chosen to live in the middle of it and ignore the mess. Instead we focus on family-life, building and starting up a company.

(Helle)

Some have had negative experiences with the Friland process; for some, enough to move away from Friland. Whilst we expect this is normal in any settlement such as Friland, it could be argued that with these people Friland may have generated negative value.

As demonstrated above and in the previous sections, personal value has been created in many forms. Perhaps foremost is the value of having built a low cost house to live in and lowered their living expenses considerably. As we saw, many perceived this aspect as providing a freedom to pursue other things. Furthermore, for those who have started a company (that makes some money) financial value has been created. We note too how skills have been acquired in the process of building a house and new life. These skills are valuable in themselves, but have for some been transformed into other kinds of value as well. Finally experiences and knowledge has been acquired in the process, resulting for most in an enhanced quality of life and self-actualisation. Interestingly, the actual building of the houses generated benefits that the participants had not anticipated. They found that the family team effort, working together on the construction tasks, bound them much closer as a family. Moreover, the satisfaction of actually doing the work for themselves, and by themselves, was high. This was in spite of the poor living conditions that many endured during the construction and in spite of the time that it took to complete each house.

### **Multiple types of value created**

Our analysis of Friland clearly shows that there are multiple types of value being created. We did find some economic outcomes in that new companies were started and they generated income to the owner. Also money was made from Friland itself through talks and guided tours. Yet these kinds of

value are completely outshone by the non-economic values being created. As we have seen, Friland has created value on a personal level in terms of skills, knowledge and experiences and we saw how these values were highly rated by the residents. Indeed, much more than was the case with the economic values. For the stakeholders outside Friland, we saw that value was being created in the local community as well as in society. We can see that perhaps some of the ambitions have been too high, and Friland has, until now, not quite lived up to the expectations of some stakeholders. Nonetheless, we note multiple centres of value creation. The individuals and the households at Friland are centres of growth. But Friland as an entity itself creates value. Friland has grown, not just in the very tangible sense that houses have been built, but also in the more intangible sense, where the residents draw value from and give value to the community they have built. Living together in a community that they have built is clearly of value. Therefore Friland is clearly a centre of social value creation.

Finally we find that in the complex interactions between Friland and the local community in Feldballe, as well as the surrounding society, value is being created. Although these interactions play out through individuals (and we clearly see that some individuals are more active in this than others) the value generated is mostly due to the fact that the individuals act as mediators (Latour, 2005) of Friland as an entity. In the interaction between Friland and the local community as well as the society in general, value is created. These interactions thus form other centres of growth. But note how the centres of growth diversify into different levels. Friland was from the outset expected to create value on the levels of the individual, community and society. We have found that there has indeed been created value in all these three levels, although not entirely in the way and measure expected.

Measuring or even just making some determination of the 'success' of Friland is thus not a straightforward matter. Having found multiple centres of goal formulation along with multiple types

and centres of value and growth, we would need to ask: Success for whom? By what standard? These sorts of questions cannot be easily addressed at any sort of universal level. But imposing the typical universal success standard of entrepreneurship, economic growth, simply ignores the multiplicity of values sought after and created.

### **Relations between types of value created**

Looking at the different types, centres and levels of value creation it is evident that they are interconnected. The specifics of the connections, however, are much harder to sort out. Some relations are synergetic in the sense that one type of growth is conducive to others. We have found examples of such synergetic relations in the case of experiences and skills learned through building the house have been conducive, if not decisive, in the emergence and growth of companies at Friland. We have also seen examples of this relation extending to the local community, where companies have added value in the community of Feldballe. Looking into the future, some informants have suggested that, as more and more companies get started, the societal value created by Friland as an example of rural development may increase. Moreover, the value created for the individual residents at Friland in terms of experiences and skills are in many cases reinvested into Friland, as the residents often come together to help each other in their building processes. A synergetic circle is thus in some cases established in the sense that the value extracted by individuals in the community building process are re-invested into the community of Friland. We have seen this primarily where stakeholders share the same ambitions. But when ambitions collide we have found examples of counteractive relations between types of value created.

The initial political goals for Friland, set up by the founders Steen and Anton, have yet to be fulfilled. Anton gives a possible explanation, he argues that because Friland does not give out an aesthetic image that is appealing to the broader public, it has not generated the impact hoped for.



But why has this aesthetic dimension not been realised? It is not for want of Anton's trying, but because it clashes with some of the other centres of growth. The slow processual development of Friland, resulting in a permanently 'messy' and 'still under construction' appearance is a source of value creation for some of the residents, according to Anton. We see thus in this example how certain types of value creation may counteract other types. In turn, showing us how value creation too has different facets that may be contradictory at different levels.

Certainly the complex relations between types, centres and level of growth hold the key to understanding growth as a processual phenomenon. We thus find in the Friland case that the individual and communal levels of growth interplay in synergetic ways, while these dynamics perhaps have yet to translate fully into growth on a societal level. But such is process and whether this will be the case in the future remains to be seen. Informants expect that more successful businesses will make Friland more attractive as an example of rural development, perhaps regardless of the aesthetic impression given by the houses at Friland. But then again, perhaps the aesthetics of Friland will grow as the development matures.

## **Conclusions**

We set out to explore the creation of social value. In our unusual case, we found many rich examples of social value creation that suggest that considering only the single dimension of economic growth as outcome overlooks some critical aspects. Neglecting these aspects seems to reduce our understanding of the phenomenon of entrepreneurship. We found value created on multiple dimensions; in a horizontal sense where we find different types of social value created and in a vertical sense where different centres of value creation spread across different levels, from individual to societal level. We found that these dimensions of value creation are interrelated in complex ways. Some types of value creation are conducive to others, while others inhibit them.

The interrelations between the types of value creation are, presumably, unique to each individual venture, but it is clear to us, having examined the Friland case, that it is in these interrelations that we can find out more about entrepreneurship as a social and processual phenomenon. We note how value creation could be seen in, and related to, the private and public, with internal and external dimensions. How the private of skills and satisfaction; for residents, a growth in their enjoyment of life and family expanded; and for Anton and Steen in the sense of fulfilling ambition, all came together in the entrepreneurial creation. In the public we saw not only the growth in public interest but also in the value created in the local settings.

Finally, we found that apart from the growth of Friland as an entity, Friland is perhaps first and foremost, a medium for value creation. All of the above seems to confirm that the social is a viable and useful framework for examining and understanding entrepreneurship. We saw that enterprise was drawn from the social; in the sense that new ecological values are embedded in social change; thus the opportunity of Friland emerged socially. We saw the way this opportunity was enacted involved several levels of social participation. Moreover the enactment, as a television spectacle; as a community development invoked the social at many different levels. Such was the involvement with the social that Friland would simply not have happened without these different interacting layers of social engagement.

This last point seems particularly significant when considering more conventional enterprises. We saw that the business of Friland was the medium for value creation. Whilst the growth of Friland was an end in itself, much of the growth that we found was in different areas, so that Friland was actually the means of social value creation. If we consider a conventional business, looking at only the growth of the business in terms of increased profits, staff or sales, we may miss the reasons and social processes of why the business has grown and the ways in which it has grown. Thus we argue that if we are to understand entrepreneurship better, we need to look at social

process, content and outcomes, not just the ends but the means, which might become, as they did in the Friland case, desirable ends in themselves.

We seem to have demonstrated how entrepreneurship is as much social as economic. If we had employed conventional techniques of trying to measure economic growth, we would not have seen very much. But our conceptual standpoint allowed us to see the many different levels where value creation occurred and to plot some of the social dynamics between these levels. We must finally acknowledge the caveats in this paper. The case was unique, although entrepreneurial, it may have had specific qualities that limits our ability to generalise to other enterprises. Our analysis was a subjective interpretation and others might interpret our findings differently. Nonetheless, as a revelatory case, it provided rich data, deeply embedded in the life world of our respondents. Thus we believe that even if there is disagreement with our findings, we have at least raised some interesting issues about the conceptualisation of entrepreneurship as a social phenomenon.

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<b>Table 1: Data sources</b>		
Interviews:		
<i>Name</i>	<i>Role</i>	<i>Resident at Friland?</i>
Tove	Head of the Board of the Cooperative of Friland	Yes
Steen	One of the original founders, former head of the Board of the Cooperative of Friland	Yes
Anton (Interviewed twice)	One the original founders of Friland, at the time employed by DR.	No
Helle	Head of Friland Erhverv	Yes
Jonna	Former head of the board of the Cooperative Friland	Yes
Lars	Resident at Friland	Yes
Peter	Rural Dean (Provst) of Feldballe parish	No
Jørgen	Politician closely involved in the political process when Friland was established in Rønne Municipality	No
Additional data:		
Television programmes: Manden i huset (The Man in the House), Halmhuset (The Straw-bale house), Nybyggerne (The Pioneers), Friland tager imod (Friland Invites), and Frilandshuset (The Friland House)		
Newspaper articles sourced through the Infomedia database and internet-documents		



<b>Table 2: The Purpose of Friland</b>
<p>To display a sustainable practice for building and behaviour and avoid creating unnecessary garbage.</p> <p>To develop a lifestyle where there is balance between hand, mind, and heart, and inform about this in cooperation with, among others, Denmarks Radio.</p> <p>To facilitate the establishment of independent businesses. The intention is that at least one member per plot becomes an independent business owner, and that the business is run from the plot.</p> <p>To establish a living- and business area that is not based on debt and subsidies.</p> <p>To develop the simple and transparent at the same time as choosing the technologies that support the purpose of the cooperative.</p>

<b>Table 3: Levels and values</b>		
Level		Values
Societal level	<p>Friland as a political project, impacting society by presenting an example of sustainable living.</p> <p>Friland as an example of how development can be created in rural areas.</p>	<p>Sustainability (but challenging some conventions of growth)</p> <p>Instrumentality (growth in the rural)</p>
Community level	<p>Friland will create development in the Feldballe area, both businesswise and culturally. And will do so in the long run.</p>	<p>Local growth, sustainable growth</p> <p>But growth as the residents see appropriate</p>
Personal/family level	<p>Friland as a way of making more time for the family and for achieving personal dreams and goals.</p>	<p>Growth of the self (existential)</p> <p>Development of the family as an institution</p> <p>Self actualisation through business</p>