

THE SUPPORTING STRUCTURES OF ENTREPRENEURSHIP

A CASE STUDY ON THE ENTREPRENEURIAL DEVELOPMENT IN A RURAL COMMUNITY

EDWARD CORNELL

HANNA HEDLUND

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Abstract

In the last centuries, Sweden's rural communities have experienced a constant decreasing population to pave the way for the urbanization trend. Studies have found that innovation is a driver for a city's survival and thriving, but still, rural communities have experienced a deteriorated attitude towards entrepreneurship. Through a qualitative single-case study on Järvsö, a village negatively correlated to the trend, this thesis aims to understand why Järvsö is an outlier and how other regions might follow. The sample consists of 10 respondents acting within three identified verticals; tourism, industry, and enablers. By analyzing empirical material using the Integrative Model of Entrepreneurial Environments in combination with Network Theory, including eventual cases of Network Failure, the study finds that even though support functions are available, they are seldom utilized and, instead, drivers are substantial socio-economic factors in combination with an encouraging culture. The existence and availability of networks seem to foster a thriving entrepreneurial culture, but a future complication might emerge due to network failure. Implications, therefore, suggest that future research should emphasize a holistic perspective rather than a delimited one and additional cases of rural communities should be explored to gain a deeper understanding.

Keywords:

Entrepreneurship, culture, urbanization, socio-economics, rural communities, networks

Authors:

Edward Cornell (24439) & Hanna Hedlund (24411)

Supervisor:

Max Jerneck, SSE Institute for Research (SIR)

Examiner:

Laurence Romani, Associate Professor, Department of Management and Organization

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Stockholm School of Economics

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1. Introduction

1.1. Background

Over the last 200 years, Swedish urbanization has accelerated, and the habitation patterns of the Swedish population have shifted from 90% living in the countryside to 80% living in cities (IVA, 2017). Even though the urbanization rate has stagnated, The Swedish Central Bureau of Statistics (2021) has seen a steady decrease in population in sparsely populated municipalities. Urbanization has had a particular effect on the demographic within rural communities where the non-working population has decreased, all in all, lowering the supply ratio (IVA, 2017). Disconnection between cities and countryside leads to a one-way stream of resources, where nature and tax resources flow out from the rural communities and into the urban ones, limiting access to rural social services such as police and healthcare as well as a local supply of services and stores (Tillväxtverket, 2019).

The cause of urbanization has been profoundly researched, and the reasons are both economical, social, and resource-driven (Dunarintu & Docu, 2012). Lack of human capital in rural areas is highlighted as an issue as the Swedish economy transitions towards a knowledge economy (IVA, 2017). The gap between operational and development capacity increases further as many moves to urban areas for educational purposes (Entreprenörskapsforum & Larsson, 2016). Furthermore, it was found that sparsely populated municipalities are often dependent on the raw materials industry or the work created by one larger business (Norin, 2010).

When combating these unfavorable effects, innovation has often been identified as a critical driver for competitive, attractive and sustainable cities (IVA, 2017). However, rural communities have historically generated fewer new companies per inhabitant and measure the lowest when it comes to attitudes towards entrepreneurship (Entreprenörskapsforum & Larsson, 2016). There is a need to further understand the local factors and the supporting structures within rural communities to help determine how to enable a conducive environment for new venture creation.

1.2 Purpose and Research Question

This study aims to further research how attributes, initiatives, and policies contribute to fostering entrepreneurship within a smaller rural community. The research will keep a broad approach to the possible drivers of entrepreneurship reflected by local entrepreneurs, organizations, and governmental institutions. Recognizing that entrepreneurship is a complex subject with many possible drivers, we believe that by studying Järvsö, which has no strong presence of large corporations, no predominant geographical benefits, or other assets that would be inimitable by other regions¹, we will be able to identify drivers stemming from the community itself.

By maintaining a holistic view, these drivers will be put into context of each other, hopefully emphasizing potential explanatory causalities for other municipalities to learn from and increase their innovativeness. Research today is lacking as many of the studies focus solely on a predetermined aspect of entrepreneurship.

Therefore, we set out to answer the research question:

Why is Järvsö entrepreneurial?

By asking the question “*why*” we hope to identify the drivers that will explain “*how*”. The former describes our particular case, and the latter lets our study’s findings be applicable to other municipalities possessing similar conditions.

1.3 Our Case: Järvsö

Järvsö is a village in Ljusdal municipality, Hälsingland. Described as Ljusdal’s tourist destination has developed year-round activities such as alpine and cross-country skiing, a bicycle park, a zoo, museums, galleries, cafes, and restaurants, as well as a network of industries and retail businesses (Destination Järvsö, 2022.). Järvsö has 1,531 permanent residents (SCB, 2020), but annually more than 200,000 tourists visit the village (Ortsanalys Järvsö Tätort, 2014).

However, like many rural areas, the small town was affected by a declining population base, an age-skewed population distribution towards both ends of the scale, and a dwindling municipal economy (Ortsanalys Järvsö Tätort, 2014). In 1987, Järvsölyftet, a non-profit

¹ Statements based on reasoning further presented in section 1.3

initiative, was founded by a determined group of villagers to increase work opportunities within the region. When the municipality refused to invest in expanding the skiing facility, which at the time only had one slope, Järvsölyftet gathered over 1 million SEK from private investors from the region to finance the initiative (Rotary, 1987).

Today the entrepreneurial spirit continues to have a strong presence in the rural region. In comparison, 27 new companies are founded annually in Järvsö per 1,000 inhabitants, whereas if we compare the average between municipalities up to the size of 19,999 inhabitants, the average number of newly founded companies is 10,5 per 1,000 inhabitants (Rådet för främjandet av kommunala analyser, 2020).

Newly founded companies per 1000 inhabitants

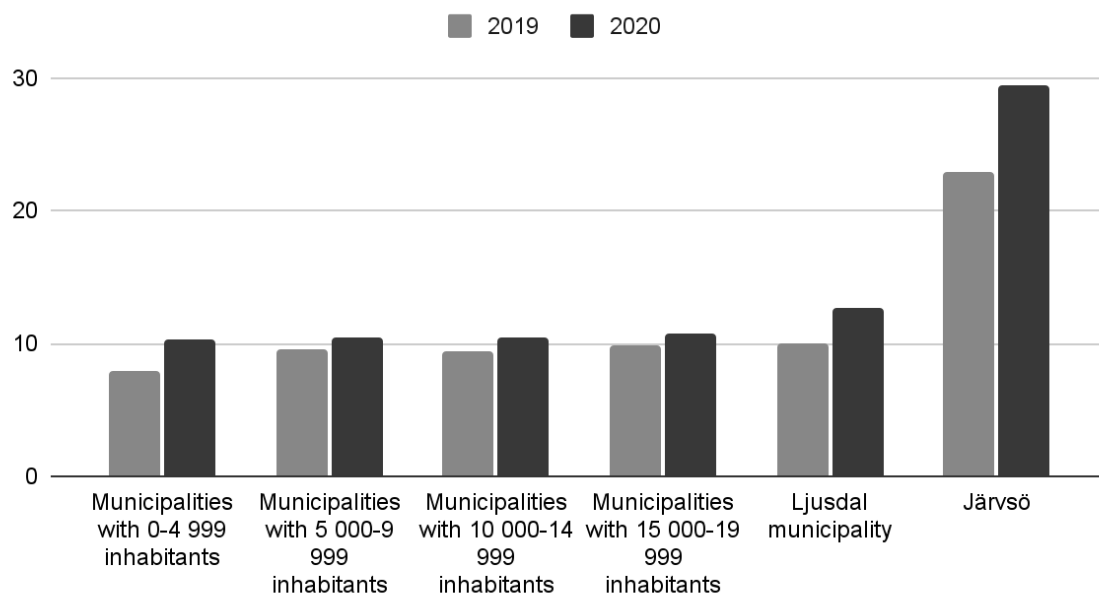


Figure 1: Newly founded companies per 1000 inhabitants

Even though Järvsö successfully utilized its natural resources to increase its tourism industry, the natural resources in themselves differ very little from towns in similar regions. The nature-driven tourism industry is driving tourism in Sweden at large and is a key factor for many rural communities (Landsbygdsnätverket, 2018). In addition, more than 210 ski resorts existed in Sweden in 2017 (SLAO, 2022). Bohlin et al. (2016) argue that towns located in the vicinity of larger cities have an increased possibility to capitalize on nature tourism, but this

is neither applicable to Järvsö either, as the town is located in a very sparse rural region, the smallest of the 6 FA-region types² (Städer och landsbygder, 2021).

Furthermore, Svenskt Näringsliv's (2021) yearly survey ranked Ljusdal municipality's business climate in the relatively poor spot of 255 out of 290 municipalities. 62% and 58%, respectively, of business owners stated that the biggest development area was a better dialogue between the municipality and businesses and a better understanding of entrepreneurship among the municipality's decision-makers. Politicians voiced their biggest hindrances being long processing times and misalignment between education and the companies' desired skills (Svenskt Näringsliv, 2021).

Since Järvsö's entrepreneurship cannot be attributed to inimitable assets, there must be something else within the locality that drives their innovative growth. By looking at multiple explanatory factors, it might be possible to find structural similarities that, in the end, can aid the growth of rural areas.

2. Literature Review

2.1 Defining Entrepreneurship

To determine the scope of this research, one must first define entrepreneurship. As there is currently no common definition, this report will be based on the definitions presented by the OECD's Entrepreneurship Measurement Framework (Ahmad & Hoffman, 2008). This framework aims at grasping the totality of entrepreneurship by identifying three main components, entrepreneurs, entrepreneurial activity, and entrepreneurship. Entrepreneurs refer to the business owners who seek to challenge established technology, services, and goods by introducing cheaper or better-performing alternatives (Rizvi & Carlander, 2021). Entrepreneurial activities, on the other hand, are "*the human action in pursuit of the generation of value through the creation of economic activity, by identifying and exploiting new products, processes or markets*" (Ahmad & Hoffmann, 2008). In rural communities, small businesses of all types are needed—those with high growth potential and also those formed for lifestyle purposes or self-sufficiency that primarily serve local needs (Dabson,

² FA stands for functional analysis region and is divided into 1. Metropolitan regions, 2. Dense mixed regions, 3. Sparse mixed regions, 4. Rural areas close to urban areas, 5. Sparse rural regions and 6. Very sparse rural regions

2001). This is also explained as “necessity entrepreneurship,” having to start a company due to lacking services or job opportunities, which is more common than “opportunity entrepreneurship”, exploiting a gap in the market. (Eliasson & Westlund, 2012). The distinction between entrepreneurial activities and entrepreneurs allows for businesses that are not run by entrepreneurs or with an innovative aim, as well as established businesses trying to increase market share or offering to be covered by the larger phenomenon of entrepreneurship.

Secondly, this research will be looking at entrepreneurship holistically, and therefore not the individual motivation of the entrepreneur but rather the supporting infrastructure within Järvsö. Schumpeter (1934) referred to the distinction between the two as dispositional and contextual where the dispositional argues the internal motivations while the other focuses on external factors beyond the individual’s direct control. The dispositional motivations have historically dominated the studies of entrepreneurship even though the contextual factors have been deemed increasingly important (Eliasson & Westlund, 2012).

Overall, scholars have agreed the more contributory a business environment is the more likely the increase of entrepreneurship, however, the opinions on the importance and effect of factors creating a conducive environment are fragmented (Gnyawali & Fogel, 1994). This is partly due to the fact that contextual studies are often pursued with a focus on specific factors, for example, Lindquist and Medefelt (2014) studied the public spirit’s effect on entrepreneurship in the rural Provo-Orem region, or Eriksson & Eriksson’s (2015) study on networks effect on entrepreneurship within Åredalen. There is a gap when it comes to looking into the different factors and actors in their relation to each other within different regions.

2.2 A Conducive Environment

2.2.1 Governmental Policies and Procedures

The rules and procedural requirements created by governments have the possibility to hinder the start of new business (Woolley, 2017). In Sweden, much of the public work and governmental decisions are decentralized and divided between Sweden’s 21 regions and 290 municipalities. This means that the municipality has the opportunity to affect the supporting structures via access to permits, inspections and premises (Svenskt Näringsliv & Östlund,

2019). Svenskt Näringsliv (2012) highlights two areas in which Swedish municipalities can drive the founding of new companies forward based on the OECD Best Practice Principles on the Governance of Regulators (Ahmad & Hoffman, 2008). The two areas are to improve transparency and clarity on how businesses most effectively utilize the municipality's services and secondly the importance of culture and mutual understanding between the government and the corporate sector.

2.2.2 Financial Support

The availability of financial resources is a major predictor of the frequency of new business start-ups (Woolley, 2017). In smaller Swedish municipalities, commercial banks are the largest and most important financiers (Berggren & Silver, 2010). Commercial banks, however, tend to exhibit greater hesitancy toward new businesses due to the risk associated (Woolley, 2017). At large this limits rural areas' possibility for financing compared to urban areas. This is also highlighted by Järvsö's region analysis (2014) where the bank's financial confidence within the region was stated as weak, and limited financial support from the municipality deemed large private investments important.

Governments can support entrepreneurial activity with funds or specific investments. Sweden adopted a rural development program first in 2006 (Landsbygdskommittén, 2006). To meet the goals of increased competitiveness and diversification, investment- and project support were introduced. Previous research has found many positive effects of these governmental support functions, such as increased turnover, employment, and productivity (Lindberg & Franzén, 2013)

2.2.3 Socioeconomic Condition

Entrepreneurship may not prosper if most members of the society view it with suspicion. A favorable attitude in society toward entrepreneurship and widespread public support for entrepreneurial activities are needed to motivate people to start new businesses (Nowiński et al., 2020). In fact social factors may be equally important as the availability of loans, technical assistance, physical facilities, and information. (Gnyawali & Fogel, 1994).

Mokyr (1988) suggests that local communities can play an important role in developing an entrepreneurial environment. For example, close relatives can help entrepreneurs seek out

solutions, locate resources, and assemble a team of willing people to address the entrepreneur's problems (Kao, 1993).

Cochrans (1964) proposed the cultural theory of entrepreneurship where entrepreneurs are influenced by their attitudes toward their occupation, the expectations of groups, and the difficulty level of the operational requirements of the career. Anderson and Gaddefors's (2016) study of the small Swedish town Skoghem saw the presence of social capital in the form of a shared sense of belonging and pride and how entrepreneurial role models leading the way encouraged entrepreneurship within the region.

2.2.4 Entrepreneurial and Business Skills

The existence of universities and research and development programs, as well as a well-educated and technically skilled labor force, are shown to have a positive effect on innovation (Bruno & Tyebjee, 1982; Gartner, 1985). The movements of such skilled labor is often referred to as brain drain, skilled labor moving away, and brain gain, skilled labor moving in (Winchester, 2009). Even though brain drain stereotypically is associated with rural communities, Winchester's (2012) generational analysis of rural Minnesota found that even though the loss of high-school graduates, the rural communities experienced a net positive brain gain of skilled labor due to the increased immigration of the cohort in the ages 30-49. In rural Sweden, Tillväxtanalys (2011) predicts that due to demographic changes there will be a lack of labor supply which must probably be solved by commuting or relocations from other regions.

2.2.5 Non-financial Support

In addition to previously mentioned factors, there is also a need for non-financial support. Non-financial support is often described as access to information, support, and assistance. Non-financial support can be offered by incubators, governmental institutions or non-profit organizations (Gnyawali & Fogel, 1994).

A second aspect is networks, as entrepreneurs spend nearly half of their time during the start-up phase making contacts and networks with other entrepreneurs and related agencies (Aldrich & Zimmer, 1986). Networks are a useful mechanism to enhance the business capability of entrepreneurs, and provide four essential ingredients to entrepreneurship

(Manning et al., 1989): support and motivation; examples and role models; expert opinion and counseling; and access to opportunities, information, and resources.

The governance of networks emphasizes the importance of trust as a control mechanism rather than through bureaucracy or monitoring. Trust allows for more valuable exchange as more information is allowed to be shared (Pruitt, 1982). Dore (1983) explains this foundation with his findings when analyzing long-term buyer-supplier relationships, he calls it the “spirit of goodwill”. Further, the spirit of goodwill is a result of following Hirschman’s (1970) suggestion of using “voice” rather than “exit” to solve challenges and build trust simultaneously.

2.3 Differences Between Urban and Rural Entrepreneurship

With a focus on the context of entrepreneurship, one must also acknowledge the difference between rural and urban entrepreneurship. Entrepreneurship has been proven to be beneficial for rural growth with effects such as economic growth and an increase in population, where population growth has proven far more significant in sparsely populated rural communities. (Westlund & Olsson, 2011). However, there are still certain barriers to rural entrepreneurship which previously presented literature might not be directly compatible with (Steinerowski & Izabella 2012).

One of the key contextual phenomena closely related to the contextualisation of rural entrepreneurship is the notion of ‘local embeddedness’ (Jack & Anderson, 2002) or ‘localization’ (Kalantaridis & Bika, 2006). Localization emphasizes the interconnected relationships between entrepreneurs and their context, and Berglund et al. (2016) stresses how especially for rural areas locality determines the prosperity of entrepreneurship. For example, utilization of local resources and easily observed social influences can increase fruitful ventures, while higher reliance on personal business advice and limited local networks becomes barriers.

Wigren (2003) also argued how community-based entrepreneurship was a way for rural areas to create social benefit and solve issues for the community. Pierre (2017) studied social entrepreneurship, community-based entrepreneurship and state-society synergies within the context of rural areas with ‘wicked problems’ and saw the same tendencies.

Community-based entrepreneurship was found to be a solution to solve these wicked problems, where for example governmental structural changes failed.

3. Theoretical Framework

As is seen from the literature review, previous research is fragmented both when it comes to possible beneficiaries of entrepreneurship and their deemed importance, therefore to be able to answer the broad question why a place is entrepreneurial a framework is to be applied to collect all possible reasons. A key concept when studying entrepreneurial engagement within a community Johannisson et al. (1994) argued was in looking at communities as networks of connections, and then study entrepreneurship's possibility to use and bring together different types of institutions within these networks.

3.1 Integrative Model of Entrepreneurial Environments

To map out these networks we take a footing in Gnyawali and Fogel's (1994) integrative model of Entrepreneurial Environments

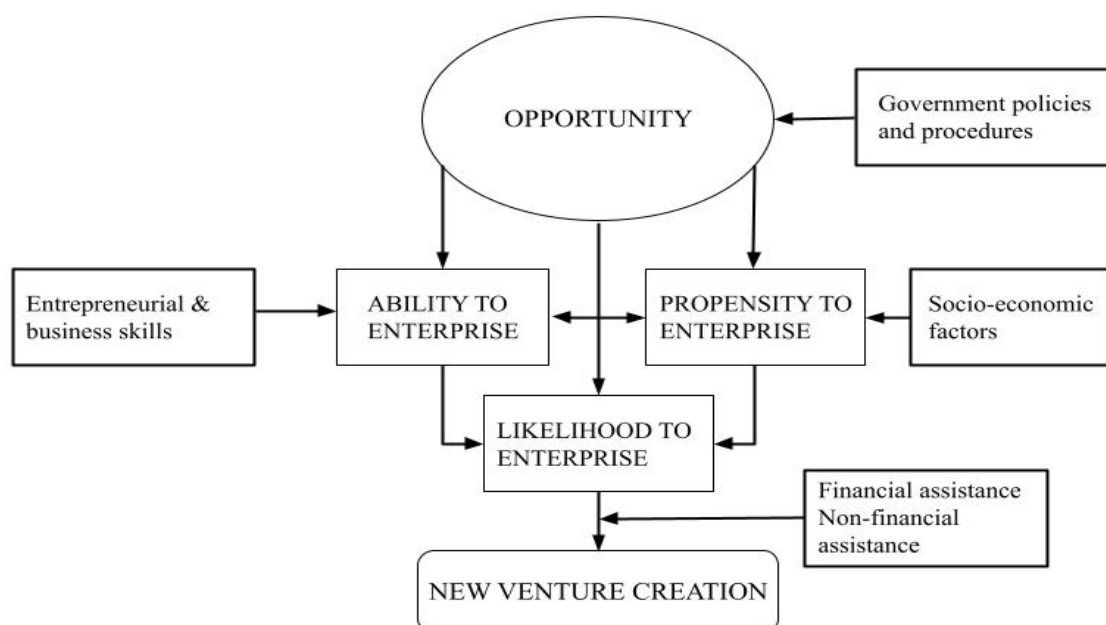


Figure 2: The Integrative Model of Entrepreneurial Environments

According to their model, a huge first opportunity improves the likelihood of business start-up. These early possibilities are partly linked to macroeconomic policies and procedures, where the better a legal and institutional framework is in limiting barriers that

prevent people from pursuing business opportunities the greater possibility of company creation. This is in line with Baumol et al.'s (2009) argument of inadequate institutional development being a hindrance to venture creation.

However, even with smaller opportunities, the presence of supporting infrastructure that increases the ability and/or propensity to enterprise can also result in an increased likelihood to enterprise. Socio-Economic factors are in large part connected to Cochran's (1964) theory of a culture of entrepreneurship whereas business skills focuses on the technical and business-related training available. When the likelihood of enterprise is high, financial and non-financial assistance aids the actual creation of the firms.

Appendix A displays a structured list of which supporting infrastructure to be sorted beneath which sub-category. The model will make it possible to sort and give value to the relevance of each supporting infrastructures for new venture creation within Järvsö.

3.2 Network Theory

However, Giddens (1979) also argued that social structures and social actors are constantly in effect of each other, the entrepreneurs create social structures whilst at the same time being part of and influenced by them. Therefore, in contrast with the model, we wish to take a larger stance on networks, rather than how the Gnyawali and Fogel (1994) only argues it as a sub-category. Simply acknowledging the existence of a certain resource becomes less explanatory if it's not being put in perspective to how they are actually utilized by the entrepreneur.

Networks are structured both by the direct and indirect relations tying different actors together (Hoang & Antoncic, 2003). Larson and Starr (1993) proposed a model where networks for new venture creation develop in three stages. The first stage strongly utilizes existing business contacts, as well as family and friends to gather critical resources for initial entrepreneurial activities. As the networks become more complex they transition into the second stage where the previous networks are leveraged for economic purposes, such as looking for exploitable opportunities. The governance of said networks also shifts from a relationship previously created as a favor, toward one based on trust and the maintenance of reputation. It is not until the last stage interorganizational networks are established and the need for previous networks becomes redundant. Based on the looked-after capabilities of the business, the size of the network expands and the interaction with said networks becomes

routine. The larger the spill-over effects, i.e. attained opportunistic knowledge not possible to generate internally, that the networks create, the more likely it is that a larger variety of firms and institutions engage (Huggins & Thompson, 2015).

Burt (1992) also introduced the notion of structural holes within entrepreneurial networks. Schrank and Whitford (2011) extended this notion by conducting a study on the theory of network failure. Explaining that there has been extensive literature highlighting specific network failures and those regarding what makes a network functional, the authors set out to seek *how* these networks fail when not obtaining functionality. Built upon theories of market failure (Bator 1958:351) and organizational failure (Meyer & Zucker 1989), Schrank and Whitford define a network failure as: the failure of a more or less idealized set of relational-network institutions to sustain ‘desirable’ activities or to impede ‘undesirable’ activities.

There are *absolute* network failures and *relative* network failures; each category is made up of two specific types of failure. Part of the first-mentioned is network devolution (the breakup of already existing relationships), and network stillbirth (the nonappearance of potentially profitable and/or productive networks). The latter category consists of an involuted network (a network permanently failing due to lack of competencies), and a contested network (a network permanently failing due to opportunism).

Studying why and how networks exist we must be open to the possibility of the networks not being optimized, thus Network Failures are of importance in order to analyze what can be improved within a network if found.

4. Methodology

4.1 Choice of Methodology

4.1.1 Research Stance

Our research acts within a subjective ontological position as the subjects will be studied in social constructions containing actors and organizations. That makes for the authors to understand individuals’ subjective perception of the social reality they are active within (Bell et al., 2019). Further our research takes an interpretive approach allowing multiple

perspectives on the research problem, since this epistemology focuses on reaching understanding of a social world by examining that world by the interpretation of its participants (Bell et al., 2019), where we aim to answer a research question with the core “why?”, and additionally “how?”, to explain the former. We aim to understand how informal and formal structures within a community aids the entrepreneurial presence within the region. To find what makes Järvsö different, we have to find the subjective motivations present within the community. For this study, it matters how different support systems within the community are deemed to help rather than their factual existence.

Moreover, our data will be collected applying a qualitative approach, using subjective observations and aspects in order to reach an in-depth understanding of the social phenomena investigated (Bell et al., 2019). Qualitative method of choice for collecting empirical data consists of conducting interviews with relevant individuals within the studied area. In a qualitative study, no single interview stands alone, but is of meaning only in terms of other interviews and observations (Whyte, 1953:22). Further, the study follows an abductive approach, which lets the authors collect empirical material and theoretical frameworks parallelly. With an abductive approach, a creative inferential process is used where the production of hypotheses and theories is a result of surprising research evidence (Timmermans & Tavory, 2012), which would not have been allowed for using a deductive or inductive method.

4.1.2 Research Methodology

With Järvsö’s high number of venture creations compared to other, even some larger regions, Järvsö is a unique case. A qualitative study in the form of a single embedded case study enables us to gain deep insight into the small community and conclude valuable insights that similar regions could benefit from. As suggested by Stake (1995), we chose to study this specific case due to the opportunity to learn.

With the (i) “why” aimed to answer our research question, the “how” being a result of our analysis, (ii) we as investigators are not in a position of control, and lastly (iii) with a focus on a contemporary phenomenon within a real-life context, the study is appropriate for a case study (Yin, 2008).

4.1.3 Research Design

Empirical data was collected by conducting semi-structured interviews, trying to gain an in-depth understanding of the participants' views in the context of a social world (Bell et al., 2019). While the interviews are structured towards topics and themes, there is room for the interviewee to enrich the answers inside tracks (Bryman, 2002).

Anchored in an abductive study, we aim to approach the community with some ideas regarding entrepreneurship and how it might emerge. With some concepts and theories in mind, observing and gathering qualitative information from first-hand experience is the next step. Making more observations and finding common variables and conclusions, we can narrow down use of existing theories, and explore relevant new ones, until the application can be approved or rejected. First-hand research will be conducted locally in Ljusdal municipality, analysis and conclusions are partly bound to the specific geographical area and findings are to be adjusted to each particular case used in.

4.1.4. Data Collection

Respondents consist of individuals relevant to the scene and phenomena subject to investigation and will cover the two main sub-groups of companies active within Järvsö; tourism and hospitality, as well as industry and retail. Some overrepresentation of the former will occur following their more prominent presence within the community. Since necessity entrepreneurship is common within rural communities and is based on the existing demand within the community, we decided not to interview owners of grocery stores, gas stations and certain retail stores, to mention some, as the existence of these businesses is not uniquely tied to Järvsö. Furthermore, our interview sample includes agents somehow relevant to, and make it possible for others to be or become entrepreneurs. Supporting structures will include both governmental ones and actors part of informal networks.

4.1.5 Interview Sample

The sample consists of 10 individuals active within the three verticals identified; tourism, industry and enablers. Respondents are further presented in Appendix B. Finding entrepreneurs who created and ran a business, and informal networks create a hidden population hard to identify without being part of the local community (Cepeda & Valdez, 2010). Hence, a snowball sampling method was used. This method risks creating a biased

sample as the probability of individuals of interest being part of the final sample is skewed by the likelihood of being recommended. To limit bias, our initial contacts were part of the three verticals identified. Thus we explored three different paths simultaneously. Further, candidates were then selected based on their fit with the selected sample criteria, see Appendix C. We aimed for even distribution between individuals who moved to Järvsö and who grew up in Järvsö, as we deemed these could have different views on the community and opportunistic approaches. Geographically, the sample is bound to Ljusdals municipality.

4.1.6 Interview Process

Loosened restrictions regarding the Covid-19 pandemic resulted in most interviews being carried out in person. All in-person interviews were conducted on-site in Ljusdals municipality. Both authors were present during each interview, with one acting as the interview leader and one taking notes. Each interviewee suggested an interview location, ensuring the highest sense of safety and familiarity was provided.

All interviews have been recorded by phone and transcribed, with the transcribing divided between the two authors. Transcription has been done manually. Edited transcription was used where grammar and wording were cleared up to ease readability. Filler words, such as “Aah” and “Hhmm”, have been erased since they do not provide value for the empirical material.

The first coding round was based on the ‘In Vivo’ method, as the inductive method minimizes our bias. The depiction of the interviewee’s own words and key elements allows for their perspectives and words to guide our findings (Given, 2008).

During the second round, the data were sorted into categories based on the supporting structures presented in Appendix A, to be later sorted into the themes of the five sub-categories (Saldana, 2009).

4.2 Methodology Discussion

4.2.1 Trustworthiness

This study aims to achieve as high a level of trustworthiness as possible. Thus, our study follows the four aspects of trustworthiness presented by Guba and Lincoln (1985).

To assure *credibility* (or internal validity), we explained thoroughly that nothing was to be published without the respondent's consent. Further, we let the participants consider the presented quotes before publication. Using respondent validation (Bell et al., 2019), we assured our perception was not biased but the participant's words and implications. This further mitigated the risk of value getting lost in quote translation from Swedish to English. To erase misinterpretation further, all interviews were recorded and transcribed. All participants were informed beforehand about our anonymity policy to ensure they could answer without hesitation.

A case study is subject to difficulty in replicating exactly, and thus the level of *transferability* (or external validity) is considered low. Having conducted ten interviews, and though believing empirical saturation is reached, we can not guarantee identical results of a likewise sample. With personal interpretations at the center, a qualitative study can impossibly be replicated. The weaker transferability is not considered a threat to the study's trustworthiness since the chosen method is suitable when conducting a qualitative study like ours.

Our work throughout the term has been documented, and the process can be followed in retrospect. With numerous meetings with discussion groups and our supervisor and interview notes, recordings, and transcriptions, the study holds a good level of *dependability* (or reliability).

The above-stated factors further influence the study's *confirmability* (or objectivity) for the better. Further, both authors have worked through each part of the empirical material to increase objectivity and reduce the risk of misinterpretation.

4.2.2 Ethical Consideration

Direct contact was applied with the candidates, without intermediaries, with the ambition throughout the data collection to maintain anonymity among interviewees and to minimize the use of identity revealing information.

To maintain anonymity, all candidates were informed of the data usage and that interview recordings and transcriptions will be deleted. Without mentioning our specific interests, we further provided the respondents with a short background to our study and interest in them as individuals and their role, to emphasize the importance of their participation, not providing

information for their answers to be biased due to pre-construction but only to make certain the respondents contribution was of amassed value.

All participants have participated voluntarily and been informed continuously that they could withdraw their participation or the material provided. Before the thesis final version was presented, all participants were given the possibility to approve the material.

4.2.3 Limitations

The goal is to do a ‘generalizing’, not a ‘particularizing’ study, stated the social scientists Lipset, Trow, and Coleman (1956) when describing their single case study. It responded to the common hesitancy regarding case studies’ possibility of being scientifically generalizable. Our case study does not aim to provide a statistical generalization (Yin, 2008) but to reach an analytical generalization not representing a specific sample but rather expanding the understanding and use of chosen theories.

One limitation of the case study presented by Bell et al. (2019) is the results not applying to others than the examined organization. However, since organizations vary, we have not aimed to present a specific result following several criteria but simply to deeper understand a phenomenon that has to be further explored to apply to other cases.

Our interpretive approach can contribute to biased findings since we anticipate things that we later are going to investigate. However, this is partly countered with a neutral set of interview questions combined with a non-fixed set of participants.

5. Empirical Data

5.1 Initial Opportunities

Discussing if there are any specific opportunities for entrepreneurship within Järvsö respondents mentioned a long tradition of entrepreneurship, often exemplified by Järvsölyftet. The work to create year-round activities, which especially during the past 10 years has resulted in an increasing tourism business, was also said to give momentum to increased business within hospitality.

“Then we have this “arena” with a lot of people already here as visitors, and in that perspective it provides lots of opportunities” (HT4)

The competitiveness within the community is stated as low. The retail and industry companies have a niched competence which allows them to become one of few actors on the regional or international market. For the hospitality sector direct competition is avoided, partly by adopting varying or complementary services, and as a natural result following the current excessive demands within the tourism segment.

“The competition is unrepresent. I believe there are enough guests for everyone, at least as of now. Since we [Järvsö] develop and grow, the competition is not that high” (HT4)

5.2 Governmental Policies and Procedures

“The municipality should focus on a couple of things; school, child- and elderlycare, care for disabled, building permits, land exploitation and construction.” (E3)

Swedish municipalities have a clear set of responsibilities, which should be of high standard. Especially permits and access to buildable land was stated as most relevant for entrepreneurs. The attitude toward the municipality was positive at large. However, the slowness following bureaucratic procedures was experienced to contrast the desired growth rate by the entrepreneurs resulting in the municipality being avoided or worked around if possible.

“We have a good relationship with the municipality and region, but there is an inertia that as an entrepreneur you would wish to disappear” (HT3)

Conflicts could arise when governmental procedures were experienced as a direct hindrance. One entrepreneur, when applying for funding to proceed with an investment, needed help from the municipality as necessary for the application but experienced that there was no sense of initiative from the municipality, it was rather a question of persuasion and stress to get the help that they needed. Another found it hard to find additional premises.

“We were looking for some land and it was not interesting for them [the municipality] to try to find for us. If they sell an industrial plot for SEK 15 per square meter, they sell cottage plots for SEK 1,000 per square meter” (RT1).

“In messy times [the local companies] can express a hesitation to stay in the region, when it is a “political circus” as they call it, people do not want to move here and the companies then discuss if they should relocate” (E2)

A former politician agreed that the most efficient way to create growth was for the municipality to start working proactively creating opportunities for entrepreneurs. One example was, how if the municipality would have understood the growth strategies within Järvsö earlier, could have started to create exploitable plots that today would have had a big possibility to curb rushing housing prices and, by doing so, reduce forced relocation.

“The municipality should not seek to satisfy the demand, but to create opportunity for actors to do so” (E3)

5.3 Entrepreneurial and Business Skills

Interviewees from all three verticals emphasized finding competent labor as a crucial factor for further business development. The problem was rooted both in respondents worrying that a bad elementary school in combination with the non-existence of universities hindering the possibility to produce skilled labor locally.

“A crucial thing for our survival as a community is the supply of competency. It is acute” (E2)

“The hardest thing right now is to find special competence, that is the problem with not having a higher education within the region” (RT2)

However, no matter the educational efforts, the age-skewed population makes it impossible to fully rely on local labor making externally recruited labor a necessity. To be able to attract external competence, Järvsö must be considered an attractive place to live, and there is often a need for diversified job opportunities, since in-movers often consists of couples and families, which will not move if not both can make a living.

“Yes it is possible to recruit people from Stockholm, but two jobs are needed, one for each partner. So each industry is dependent on the other industry employing as well.” (RT3)

During the last years Järvsö has experienced a growing population, and of the in-movers interviewed many state the closeness to activities, feeling of community and the nature to be

reasons for moving. Järvsö's ability for year-around activities also allows for periodic employment where people got a feeling for the area to later move to Järvsö full-time.

"We have been good at attracting people with the competence needed. We have both seen younger coming back for multiple seasons, or older, above the age of 27, to move back to live here year around" (HT3)

The recruitment of external business skills was seen as something positive, and many expressed a sense of excitement over the mix of people in Järvsö. This phenomenon seems to replicate among the local people as well, where you move away after high-school to study and receive new perspectives, but hopefully move home again when it is time to settle and start a family.

"With that relocation comes educated competency from the bigger cities, and the ones from here that has moved for educational purpose might move back again" (HT4)

Furthermore, the low supply of labor also has effects on the culture. One entrepreneur emphasized the same phenomenon of employers dissatisfaction getting to know about employees exploring other opportunities.

"Around here it is rather usual to get told off when resigning" (RT1)

However, for the entrepreneurs we interviewed their reaction to the competitive labor situation was instead to become the best and most sought after employer possible.

5.4 Socioeconomic

Even though few of the respondents had personal experience of entrepreneurship before their current ventures or position, they all had a positive attitude towards it. In Järvsö having multiple jobs, or being self-employed is perceived as normal and the general view on entrepreneurship is positive.

"Growing up, looking out on the street, maybe every seventh car was a company car. So there is nothing special about it. It creates a courage, if you can, so can I" (E2)

"I think we identify very strongly with being like a strong entrepreneurial community" (E3)

Also in-movers adapt to this environment right away.

“You can see a incredibly engagement right away, they are 110% all in this new love for Järvsö” (RT3)

Respondents describe a ‘doer-culture’. The majority seems to be of the impression that if you want something done, you have to do it yourself. One recalls their experience of Järvsölyftet:

“When you could buy a share to enable the survival of the ski slope, then there was this community in the village, everyone contributed to accomplish things together” (HT1)

One added that a lot of services would not be provided in the village if it wasn’t for the entrepreneurs, and that in Järvsö the startups are not a pure monetary incentive, but to actually provide a service needed for the community.

“Here you become an entrepreneur to solve a problem, while in the big cities you view it as an opportunity to make money off of others. Here that would not be accepted, because here you need to perform a direct function” (HT1)

The entrepreneurial spirit being closely tied to the community also results in spiraling effects, positive role models inspire, whereas dishonesty and taking short-cuts gets remembered and can limit the possibility for future ventures.

“It is a positive spiral as well, you influence one another, if you can do it, so can I. That inspires and lowers the threshold for others.” (RT3)

“It’s not that many hindrances. It’s probably an old grudge. That someone previously took a shortcut.” (HT1)

Positive role models are further exemplified through autonomous groups where weekly meetings such as breakfasts, manchester-mondays and bicycle-tuesdays are organized to create an informal way for people to meet and for people to ask questions or get inspiration.

“If you look at the networks that you yourself try to be involved in, then they are all unofficial. (...) But they all fulfill the same function, to inform what is going on and draw in the right people.” (HT4)

One respondent felt that the spirit many identified within the village, was not as present now as it was in the earlier days.

“It has weakened [the spirit]. People talk about a Järvsö spirit, and I ask them - what is that? Most answers are that it is when we do things together, but then I wonder when we do that nowadays?” (RT1)

5.5 Financial Assistance

The municipality does not offer any financial aid, but the municipal organization for non-financial support, can help to inform about available governmental aid, and how to apply.

“We work as advisors within available financial support. These are then applied for by the entrepreneurs at Region Gävleborg, Tillväxtverket, Länsstyrelsen, Jordbruksverket, Energimyndigheten och Naturvårdsverket” (E2)

Financial contributions, even though utilized in some cases, are not a necessity for the survival of entrepreneurship within Järvsö. A common case was to apply for financial support, to potentially minimize personal risk, but not being dependent on it being approved.

“Of course nothing is easy. Like when we [were realizing the investment] we got no financial support” (HT3)

And continues,

“Then we invested ourselves, a leap of faith. We have done it quite some times over the years. You have to risk your own money, even though you do not know what might happen” (HT3)

To take risks, slow down growth in order to save and reinvest was common trends within both the industry- and the tourism sector. Notable was also the difficulties to attain loans for new venture creation.

“I needed SEK600,000 for the company (...) I had received several letters of recommendation but the bank denied this anyway.” (RT1)

The same respondent stated that when the loan was finally approved they deemed the local presence of the bank as crucial.

The community has also joined together to co-finance larger projects benefiting the community. Both through private investments such as with the hockey stadium and Järvsölyftet, but also through the creation of a destination company.

“The Destination re-invests all its profits. All profits are invested in either marketing- or development projects where these projects are too big for one single actor, and they also are beneficial for many. Then they provide means.” (E1)

Three respondents were granted financial support in the multi-million SEK category, which was a necessity for the investments in question to be carried out. This was in the later stages of their ventures, where bigger investments were to be done in order to expand. All three had positive experiences, but also described the time burden that followed extensive application processes.

The municipal organizations for non-financial support are constantly working with prompting entrepreneurs to take the time and apply since when they are eventually granted support, it can be a game-changer for the company's finances.

“We spread the information about, and play down [the application process], and clarify that these supports are available for entrepreneurs, and we push them to apply, because in the end it is worth it” (E2)

5.6 Non-Financial Assistance

The municipal organization for non-financial support offers counseling and supportive services for all business related matters. They are tasked to inherit all potentially valuable information to entrepreneurship, perfectly exemplified by the Covid-19 pandemic.

“During the pandemic we also made sure that we stayed updated with the latest restrictions, and the potential financial aid there was” (E2)

Even though most respondents were aware of their existence, only one had utilized their services. As for the entrepreneurs' view of this support function, they expressed explicitly them being a driving factor for the success of the entrepreneurs financial support application.

“[The support function] was involved and helped us regarding contact with Tillväxtverket and that process, but not with financing or anything” (HT4)

A representative from the municipal organization for non-financial support explained that they differ from other municipalities' similar organizations, since they aim to be present already when the thought of pursuing a business venture is present, not just when the decision to start a business is taken.

“We want to be present even earlier, already by the thought of a business venture, and then we want to help all along the way” (E2)

5.7 The Importance of Networks

The notion to inform and be updated about events taking place within the community is mentioned of high importance, and both seem to be a natural part of the smaller interconnected society as well as something to leverage to create change.

“Since we know each other here in the village, it is so easy to speak and get to know things about one another” (E3)

Growth and development is an ambition shared among most of our interview objects, and change is stated to become less frictionless through transparency. It helps attract the competence needed, inspire others, and to limit competitiveness as with each new initiative the benefits for the community can be brought forward.

“All companies and organizations in the village have been important to reduce resistance [towards the development and growth of Järvsö]” (HT3)

There is also a notion on how to connect supporting infrastructures and increase opportunities for new venture creation.

“If we get the industry, associations, and politics with us, then we have great conditions to succeed. You need all three parties, and nothing that counteract initiatives” (RT1)

Networks further seems to be founded on a base within the community where you want to act and work for something bigger than your own winning, one entrepreneur explained

“So I started to engage in all associations and forums. To be part of making this a place where you want to live, if others want to live here as well it is easier to attract people”(HT1)

5.8 Implications of Network Failures

An encounter within this perspective was when asked about networks, one of the entrepreneurs immediately interrupted,

“What networks? I do not know of any networks” (RT1)

While other entrepreneurs had been emphasizing the importance and variety of networks available to join. We continued investigating what type of networks or forums that would be appreciated if existing, the respondent continued,

“Like helping each other out under organized circumstances. I have raised this with [the municipality’s support function], to maybe host a employee-tuesday, or law-wednesday, and have a lecture with some good tips” (RT1)

Information silos became visible where communication between government, industry and tourism was lacking.

“There is a symbiosis between tourism and the rest of us within industry. It is important that everyone understands that there is a mutual dependence” (RT3)

The representative for the support function, for example, explained they had been experiencing budget cuts and re-organization without a clear motivation from decision makers. A reorganization the division argued was harmful for entrepreneurs’ access to their services, explaining the difficulties in a small town, where rumors travel fast, to have permanent employment and parallelly pursue an entrepreneurial opportunity, since employers might not welcome it. Thus, meeting slots were offered outside of ordinary office time, so that the environment would be calm and the potential entrepreneur would feel more safe exploring the option. Now, with the budget cuts, this was no longer available.

6. Analysis

6.1 Järvsö has Created a Conducive Environment

Even though the effects of Järvsölyftet and the joint development of Järvsöbacken have been a driving force for entrepreneurship within Järvsö, our research deems the initial opportunities created by this to be a superficial level of change, even though important, to why Järvsö is entrepreneurial. Instead our analysis argues that many of the possibilities for entrepreneurship are created through the synergies and networks within the community, and the conducive environment this creates (Gnyawali & Fogel, 1994).

6.1.1 Strong Socioeconomic Factors Limits Dependencies on Other Supporting Infrastructure

For Swedish municipalities financial assistance and governmental policies and procedures become intertwined due to the rural development program (Landsbygdskommittén, 2006). To note is that entrepreneurs have stated the municipality and access to financial aid to have a limited influence on their venture creation. Even though project or investment support, when utilized, has shown to have a positive effect, similar to Lindberg & Franzén (2013), the absence of support has not hindered further investments. Instead, private investment and increased personal risk-taking made continuous growth possible. Risk-taking is connected to socioeconomic factors and the strong presence of role models, similar to what Anderson and Gaddefors (2016) concluded.

Gnyawali and Fogel (1994) also argue that Financial Assistance first becomes important when the likelihood of an enterprise is high. This became especially evident within the industry sector, where both the lack of space (Government Policies & Procedures) and labor (Entrepreneurial & Business Skills) inhibit further growth or the possibility to create new and similar ventures, rather than lacking financing.

At large the entrepreneurs themselves contain the ability to enterprise both due to their own technical education, and through the efficient networks providing information (Smeltzer et al., 1991). For example entrepreneurs can avoid being hindered by the slow-moving bureaucracy of the municipality by acting proactively, taking processing time into consideration, and turning directly to the correct institutions.

The municipal organization aimed to provide non-financial support, even though trying to be part early in the journey of venture creation, is mainly contacted by entrepreneurs already involved in entrepreneurship or with an idea of what to create (Gnyawali & Fogel, 1994). However, it is not only practical counseling that is important but also emotional support, being available as a sounding board. This fact might explain why the entrepreneurs in Järvsö barely utilized the municipal support as the support functions arise locally instead following the positive culture surrounding entrepreneurship.

6.1.2 Culture is of High Importance in Smaller Communities

This takes us to another key aspect highlighted by the study. All of the supporting infrastructure tied to the Integrative Model of Entrepreneurial Environments is present within Järvsö (Gnyawali & Fogel, 1994). A positive public attitude toward entrepreneurship, where experienced entrepreneurs both act as role models and mentors which are exemplified through informal networks. There is a notion that “if they can succeed, so can I”. This can also explain the increased entrepreneurial activity within Järvsö as this encourages individuals to pursue opportunity entrepreneurship, usually less common in rural areas (Eliasson & Westlund, 2012).

Secondly, an entrepreneur does not solely run a business but also has a function within the community, similar to Wigren (2003) studies on community-based entrepreneurship. The local embeddedness is partly exemplified by a type of social control where violations are not accepted, and old disputes can remain a hindrance for a long time (Kalantaridis & Bika, 2006). But even more importantly, community-based entrepreneurship creates unity. This is both exemplified by the branching phenomenon, where one actor will lose out on a potential revenue stream by allowing another actor to specialize on it, in the end creating a better product or service.

Within the industry sector the branching phenomenon results in actors with niched competence able to compete nationally or even internationally. For the tourism industry this has resulted in a unique selling point that increases the supply of services, activities and diversifies risks among a number of actors. This can be tied to localisation and the reliance on local resources (Kalantaridis & Bika, 2006) and how the reputation of Järvsö is their unique local resource which they try to preserve by creating high-quality products and services.

7. Discussion and Conclusions

7.1 Networks has an Increased Importance for Rural Entrepreneurship

Contrary to the Integrative Model of Entrepreneurial Environments our data shows how networks are utilized even before the likelihood of enterprise is high (Gnyawali & Fogel, 1994). Larson and Starr’s (1993) network model could be an explanatory factor for these circumstances, where in the first two stages the entrepreneur relies heavily on existing

business contacts, family and friends. Within a smaller community local networks are limited and there is a greater dependency on personal business advice (Kalantaridis & Bika, 2006). Therefore one could argue that for rural communities the actors within the networks do not change between the stages. Instead, new entrepreneurs can directly join a third-stage network as these already include friends and existing business contacts. Similar to what our data has shown with “in-movers” being directly integrated with the informal networks, being included early in existing networks can be concluded to speed up new venture creation as entrepreneurs do not have to spend time establishing networks, which Aldrich (1986) argues usually is a large initial focus.

However, the governance structure and the possibility to leverage the networks for exploitable opportunities takes on the structure of the latter stages (Larson & Starr, 1993). The social control discussed earlier goes in line with the governance structure being based on maintaining reputation and establishing trust (Kalantaridis & Bika, 2006; Larson & Starr, 1993). Whereas as Pruitt (1992) concluded increased trust allows for more valuable information to be shared. Therefore entrepreneurs dare to act in the spirit of goodwill (Dore, 1983) and talk about future initiatives as they for example know that no one will utilize this information to become a direct competitor.

Secondly, the interactions become routine, as with Manchester-Monday or Bicycling-Thursdays. By having these meetings routinized, a transparent and effective way to share information emerges. Spillover effects are attained as entrepreneurs utilizes the networks to “get the right people ” involved.

7.2 Network Failure; a Possible Hindrance for Future Development

The networks within Järvsö show tendencies of network failure. Network devolution arises as the social networks lessens the utilization of the networks offered by the municipality (Schränk & Whitford, 2011). On its own it does not have to be troublesome for new venture creation if the entrepreneur can find the supporting functions in other networks. However, the governmental institution is directed to obtain in depth information about specific regulatory demands, financial grants and, perfectly exemplified with the Covid-19 pandemic, information on how to tackle un-for-seen events. Networks consisting of entrepreneurs only obtain the knowledge generated by their shared experiences, possibly limiting valuable support and aid (Kalantaridis & Bika, 2006).

Secondly, network devolution can be damaging for the indirect network as the local support function is meant to be the link between entrepreneurs and the municipality (Hoang & Antoncic, 2003). The disconnection limits information flows and the governmental institution's possibility to be the voice of Järvsö's entrepreneurs toward decision-makers.

The lack of networks between entrepreneurs and the municipality also exemplifies network stillbirth (Schrack & Whitford, 2011). Even though most of our data shows no specific issues with the municipality, it also doesn't exemplify any efforts to implement joint networks and shared strategies. Lacking understanding of the municipal procedures results in frustration, whereas the municipality's lacking understanding of entrepreneurs limits initial opportunities (Woolley, 2017). This is also in accordance with Svenskt Näringsliv's (2021) report on the business climate within the Ljusdal municipality.

The non-appearance of profitable networks with the municipality limits initial opportunities (Gnyawali & Fogel, 1994) as it restricts the possibility of proactive services. Exemplified by the inability of the municipality to grasp the expansion strategies of the entrepreneurs, and therefore not investing in the exploitation of potential land areas within the region. Consequently, increasing housing prices as skilled competence moves to the region, limiting the possibility for young adults to afford to stay in Järvsö.

The stillbirth is also apparent between the two industries, where the benefits stated in part 7.1. mostly concerns the hospitality and tourism sector. Actors within the industry sector were either unaware of the existence of networks, even if interest in creating similar networks was expressed, or decided not to participate as they were perceived as irrelevant. This network failure complicates the possibility of attracting external labor, as for getting one person to move, a job for their partner is also needed. An improved network could aid to emphasize available positions cross-industry and attract more people to the region.

7.3 Adding to the framework

When starting to look into why Järvsö is entrepreneurial one quickly sees the complexity that makes this possible. Rural communities seem to be more dynamic where the subcategories of the Integrative Model of Entrepreneurial Environments rarely can be seen in isolation. For example, the ability to enterprise is connected to the phenomenon of branching, which in turn is possible because of socioeconomic factors such as the spirit of goodwill. If we also take footing in Larson and Starr's (1993) network model we see that networks are more than an

addition to Non-Financial Assistance only relevant when the likelihood to enterprise is high (Gnyawali & Fogel, 1994). Networks should instead be seen as an underlying framework, and both signs of network failure inclusive third-stage networks should be identified if one wants to understand the entrepreneurial activities within a smaller community.

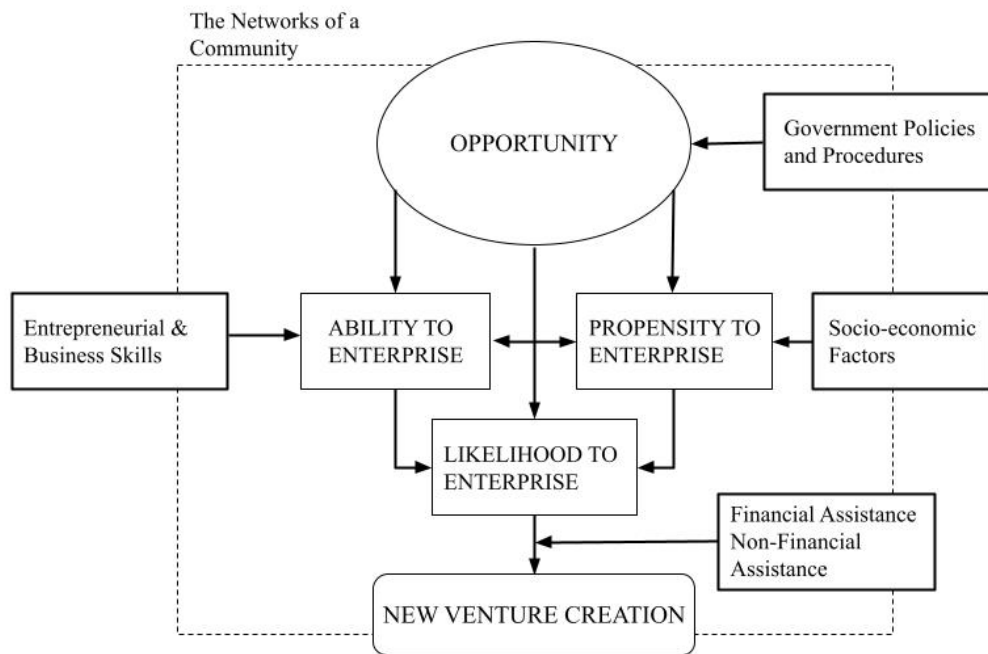


Figure 3: The Integrative Model of Entrepreneurial Environments and the networks of a community

7.4 Reflecting About the Study

One gap is the lack of active politicians and official municipal involvement in our study. Even with multiple efforts to get in contact they have opted out of participating or simply not responded. At large this creates a subjective view on the impact of government policies and procedures, and especially for the discussion on possible future implications of network failure the municipal point-of-view would have been interesting to evaluate.

As we have had a holistic approach the gender gap in itself does not have an impact on our final result, as gender is not something taken into consideration. However, it could have given an extended understanding of the advocacy of networks, particularly if certain biases limit females' access and utilization of supporting infrastructure.

We also understand that the significance of our findings could have been increased by a longer observation of the community in correlation with increased sample size. However, with the aim to get an in-depth view of the existing entrepreneurial environment and the networks tying them together we believe that our study achieved its overall purpose, and by doing so contributes to existing literature and lays the foundation for future research.

7.5 Future Research

Our study in line with previous research strengthens the argument that rural and urban entrepreneurship differs (Berglund et al., 2016). To be able to work towards a more innovation-driven countryside, as is the goal of the government's rural development program (Landsbygdskommittén, 2006), studies focusing on rural entrepreneurship must continue.

Secondly, as stated by Gnyawali and Fogel (1994) the current studies on entrepreneurship is very fragmented and much of previous research focuses on a certain aspect of entrepreneurship. Even though this is of value, for example to receive a deeper understanding of the risks of network failure or the drivers of strong socio-economic factors, we also argue that by adopting a holistic view future research would be able to depict unanticipated connections and synergies. By conducting similar studies on regions as Järvsö, interesting correlations depending on the existence or nonexistence of certain supporting infrastructure can result in explanatory conclusions on how to best promote rural entrepreneurship.

7.6 Conclusion

The overall purpose of this study was to, by investigating the village of Järvsö, reach a deeper understanding to why this particular case is an outlier to the urbanization trend and why the rural community of Järvsö have fostered a positive attitude towards entrepreneurship not found in most similar regions. With a qualitative approach to answer the question *why* Järvsö is entrepreneurial, we aimed for the results to conclude *how* other similar regions could adapt in order to try to counteract the ongoing depopulation, and change the fundamental attitude to entrepreneurship.

The research reveals many possible drivers for entrepreneurship within selected observation, but revealed that the existence of, and accessibility to, networks overall is a driving factor both regarding attitude towards entrepreneurship as well as the actual creation of new ventures. Within this rural community, it seems that networks have formed locally under

more informal circumstances somewhat due to the absent need of being part of networks formally constructed by the municipality. Moreover, it is the municipality's representatives that now instead want to access the networks within Järvsö due to its higher presence of local entrepreneurs. The networks formed within the observed community also seemed to have become a state of habit regarding attendance, actors within the networks had it more of a habit to partake in network activities rather than a perceived obligation to do so. A strong presence of entrepreneurial role models also seem to contribute to fostering an attitude towards entrepreneurship being something good and beneficial for the community as whole.

Even though networks are an identified driver to Järvsö's entrepreneurial trend, it may also be the failure of those networks that can trouble the community's growth. Examples were found of network devolution, where local actors found themselves withdrawing from networks initiated by the municipality, as well as of network stillbirth, when certain actors that might benefit from an increased number of relationships can not find a network allowing for relationship creation.

Furthermore, the study found that even though different support functions are available within rural areas, their existence is not equated with the utilization of them. Though financial support seems significantly helpful when approved, the process and time burden of the applications hinders entrepreneurs from using them, and instead they pursue different options to reduce time inefficiencies.

To conclude, our findings implicate that there is a gap between supply and demand regarding the governmental support functions, hindering entrepreneurs to utilize these, and instead a growth is seen in the importance of networks available. However, the growth and value of these networks is only optimized if a view on entrepreneurship is adapted with a positive attitude.

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9. Appendices

9.1 Appendix A: The Supporting Infrastructure of the Integrative Model of Entrepreneurial Environments

Government Policies and Procedures	<ul style="list-style-type: none">● Restrictions on imports and exports● Provision of bankruptcy laws● Entry barriers● Procedural requirements for registration and licensing● Number of institutions for entrepreneurs to report to● Rules and regulations governing entrepreneurial activities● Laws to protect property rights
Socioeconomic Conditions	<ul style="list-style-type: none">● Public attitude toward entrepreneurship● Presence of experienced entrepreneurs● Successful role models● Existence of person with entrepreneurial characteristics● Recognition of exemplary entrepreneurial performance● Proportion of small firms in the population of firms● Diversity of economic activities● Extent of economic growth
Entrepreneurial and Business Skills	<ul style="list-style-type: none">● Technical and vocational education● Business Education● Entrepreneurial training programs● Technical and vocational training programs● Availability of information
Financial Assistance	<ul style="list-style-type: none">● Venture Capital● Alternative source of financing● Low-cost loans● Willingness of financial institutions to finance small entrepreneurs● Credit guarantee programs for start-up enterprises● Competition among financial institutions

Non-Financial Assistance	<ul style="list-style-type: none"> ● Counseling and support services ● Entrepreneurial networks ● Incubator facilities ● Government procurement programs for small businesses
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Table 1. The supporting infrastructures of the integrative model of entrepreneurial environments Source: Gnyawali & Fogel (1994)

9.2 Appendix B: List of Interviews

No. in order	Name (coded)	Origin	Vertical (HT = hospitality & tourism) (IR = industry & retail) (Enablers= relevant for others possibility for entrepreneurial activities)	Duration of int.	Date
1	HT1	Local	Entrepreneur /HT	01:10:10	21/2-2022
2	HT2	In-mover	Entrepreneur /HT	54:48	21/2-2022
3	RT1	In-mover	Entrepreneur /RT	01:01:23	21/2-2022
4	HT3	In-mover	Entrepreneur /HT	44:24	22/2-2022
5	E1	In-mover	Enabler	54:03	22/2-2022
6	E2	Local	Enabler	1:02:29	22/2-2022
7	RT2	Local	Entrepreneur/ RT	28:06	7/4-2022
8	E3	Local	Enabler	46:22	10/4-2022
9	RT3	In-mover	Entrepreneur /RT	55:37	3/5-2022
10	HT4	Local	Entrepreneur / HT	34:28	3/5-2022

Table 2. Summary of conducted interviews

9.3 Appendix C: Sample Criteria

Vertical	<p>The interviewee must be active within at least one of the three selected verticals; tourism industry, retail/manufacturing industry an/or aiding supporting infrastructure</p> <p>The supporting infrastructure both includes governmental institutions and informal or social networks</p>
Businessarea	<p>Interviewees active within tourism and/or retail/manufacturing should be classified as an entrepreneur or conducting entrepreneurial activities</p>
Geographical	<p>The samples will be collected from Ljusdal municipality where the actors must conduct their business in Järvsö or take part of networks actively trying to increase entrepreneurship within Järvsö</p>

Table 3. Sample Criteria

9.4 Appendix D: Interview Guide

9.4.1 Formalities

- Short background about ourselves (the authors) and this project
- Your participation in this project is voluntarily and you can anytime during the process withdraw your participation and material provided
- All material provided will be used exclusively for our Bachelor's thesis
- All information used will be anonymized
- It will be mentioned that the study has taken part in Järvsö, Sweden
- We would like to record the interview and transcribe it afterwards. All recordings and transcriptions will be deleted as soon as the thesis is finished. Is this okay with you?
- Before we begin, do you have any questions?

9.4.2 Personal Questions

1. Have you always lived in Järvsö?
 - a. Have you ever considered moving and what has been the reason why you have not?

If not

- b. When did you move to Järvsö?
 - c. What was the reason for you moving to Järvsö?
2. How would you describe Järvsö?
3. Apart from your current entrepreneurship commitment, how would you describe your historical connection to entrepreneurship?
4. How would you describe the overall view on entrepreneurship in Järvsö?

9.4.3 Company Related Questions

1. Please describe in short, the business model and vision of your company
2. Can you further explain your role at the company?
3. Could you briefly describe the process of founding and start-up phase of your business?
4. Which obstacles have you faced?
5. Were you able to get support from
 - a. the municipality or other institutes?
 - b. other organizations, networks, or forums?
 - c. other individuals?
6. Did you experience any specific possibilities for entrepreneurship connected to Järvsö?
7. How did you finance your business?
8. Do you see any possibility for expanding your current business or founding a new one?
9. How would you describe the competitive situation in Järvsö?

9.4.4 Enabler Related Questions

1. Please describe in short, how you and/or the organization which you represent help to promote entrepreneurial activities?
2. Can you further explain your role at the company/institution?
3. Could you briefly describe the process of founding and start-up phase of this institution?
4. Which type of actors turns to you and for which services?
5. Which obstacles have you faced?
6. Did you experience any specific possibilities for entrepreneurship connected to Järvsö?
7. How would you describe the competitive situation in Järvsö?

9.4.5 Ending

- Is there something that you would like to add?
- Is there any information you have provided us with that you want to change or withdraw?
- Is it okay if we contact you via phone or email if questions would arise?