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Social Innovations and the Mountain Economy: The Case of 100% Valposchiavo and Its Influence on Small- and Medium-Sized Enterprises

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This article examines how social innovations influence the economic growth orientation of small- and medium-sized enterprises (SMEs) in mountain regions. Social innovations can help mountain regions solve local challenges by creating novel ideas to improve the situation. This, in turn, can have various effects on the mountain economy. However, there is still no consensus on the ways in which social innovations create economic impulses such as economic growth or even economic growth independence. This article aims to improve our understanding of social innovations and their impact on the local mountain economy. We examine the 100% Valposchiavo initiative, which aims to close regional value chains by bringing together economic actors in agriculture, production, and hospitality in a Swiss mountain region. In particular, the article examines the evolution of the initiative and its impact on local SMEs. We employed the novel method of innovation biographies and conducted narrative and guided interviews to examine the ways in which the initiative evolved and what its effects are on participating SMEs. The results show that 100% Valposchiavo induced potential growth effects through its focus on increased collaboration, whereas (re)localization created growth-independent effects. Some companies are growth dependent because of higher demand, junior management, modernization efforts, or a fast-growing market. The growth-independent companies pursue this strategy through personal contacts, their corporate philosophy, their management age, or their business form. Our study adds a postgrowth perspective to the discussion around the role of social innovations in mountain economies.

Keywords: *social innovation; regional development; economic growth independence; postgrowth society; innovation biography; Switzerland.*

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Introduction

Many mountain regions in the Swiss Alps face great challenges resulting from dynamics such as depopulation, an aging population, or a lack of economic development opportunities (Bundesamt für Raumentwicklung 2012). Similar challenges are identifiable in our case region, Valposchiavo (46°19′31.678″N, 10°03′33.508″E) (Figure 1). The remote mountain valley is located in southeastern Switzerland, at the border to Italy. The valley is unique: local actors were able to significantly increase organic production from 60 to 90%, due in part to the success of a local initiative that focuses on increasing cooperation among actors and promoting local products (Luminati and Rinallo 2021). This initiative can be considered a social innovation, as it involves novel partnerships, and it addresses specific local challenges.

One of the region's central challenges is how such a peripheral mountain economy can create sustainable economic development and how this can be achieved through regionalizing its value chains. In 2013, Valposchiavo initiated 100% Valposchiavo, a regional development project aimed at promoting cooperation between agriculture actors, local producers, and actors in the hospitality sector. The goal was to close regional value chains and to increase value creation through the production and consumption of local products. We consider this project a social innovation because it changed the social relationships of the local actors through increased collaboration and it helped to improve the existing economic situation. Social innovations are increasingly discussed in the literature as potential solutions for the challenges mentioned above (Gretter et al 2017; Perlik 2019, 2021). However, little research has been conducted on the economic effects of social innovations, and particularly on the potential transformative influence of the initiatives on the economic actors involved. A recent study suggests that social innovations contribute to a growth-independent society or region (Mayer et al 2021). Growth independence means that a society or even a regional economy can execute its vital functions without being dependent on economic growth. Yet we do not know how these effects are triggered within small- and medium-sized enterprises (SMEs) that are part of a social innovation, such as the one in Valposchiavo. This article seeks to address this research gap, providing empirical evidence on how enterprises change their economic growth orientation. We developed the following research questions: How did

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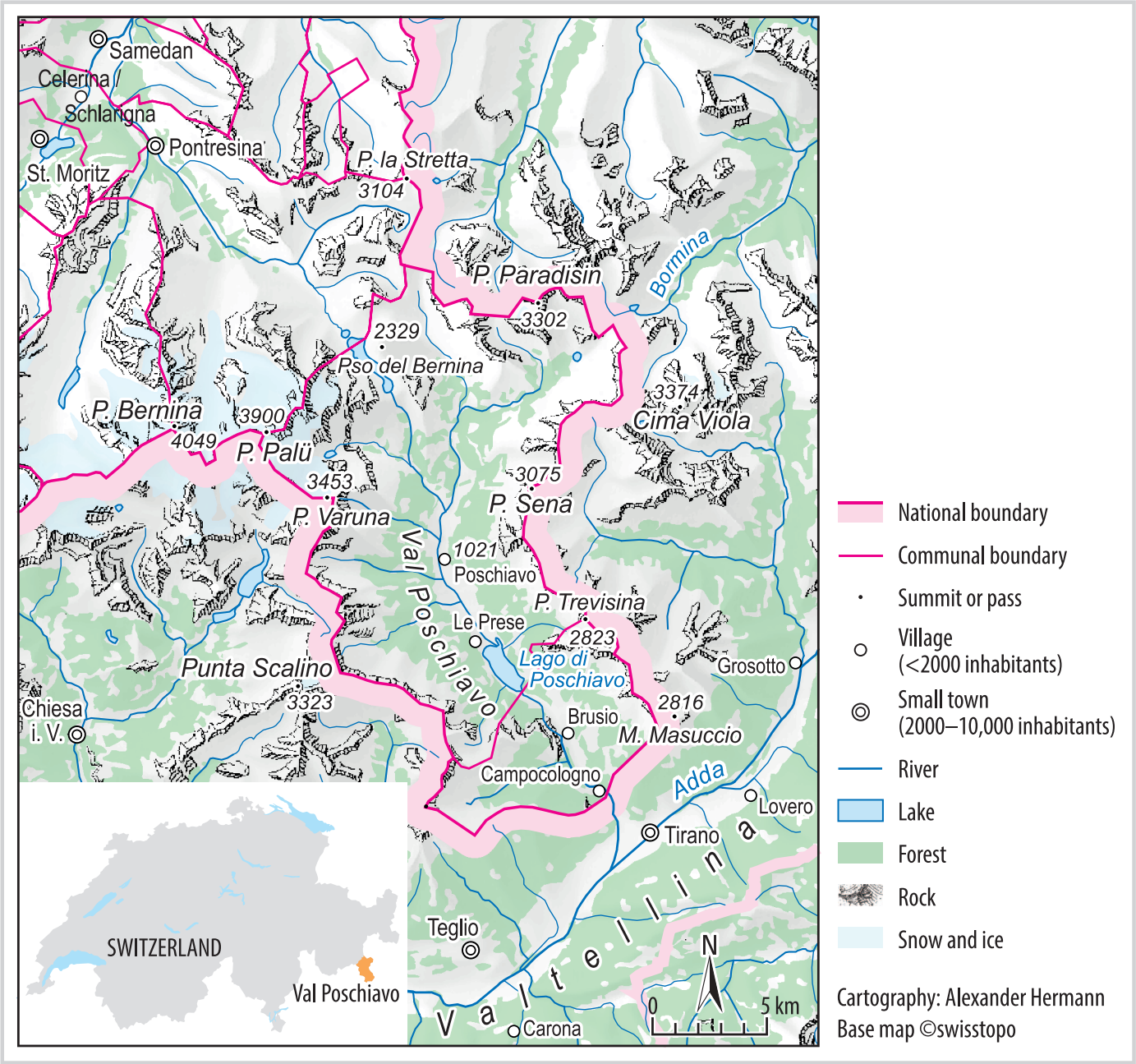
FIGURE 1 Valposchiavo in southeastern Switzerland.



the social innovation 100% Valposchiavo evolve? How does the initiative influence the participating SMEs with regards to their orientation toward economic growth? Can we identify certain types of SMEs in terms of their economic growth orientation?

While the study examines a territorial branding initiative, we do not aim to contribute to the vast and rich literature on place identity and territorial brands. This literature has shown that territorial branding and product labeling increase cooperation between firms (Spielmann and Williams 2016) and regions (Pasquinelli 2012), help with place identity (Kavaratzis and Hatch 2013), have significant economic impact (Knaus et al 2017), and can positively influence sustainable development (Hammer et al 2007; Boesch et al 2008; Kraus et al 2014). Yet the territorial branding literature misses a focus on the transformative potential of such initiatives on the economic growth orientation of participating enterprises. Questions remain on whether the firms involved do indeed change their motivations and practices with regards to economic growth dependence or independence.

The article is structured as follows: Following the description of our theoretical framework, in which we outline the connection between social innovations and the notion of economic growth independence, we present the research methods. We then illustrate a detailed innovation biography of the initiative. The remaining sections cover the results and the conclusion.

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Theoretical framework

In recent years, the concept of social innovations has emerged to describe novel solutions for societal problems. The concept has also been used in studies of socioeconomic change in the European Alps. The focuses of these studies range from migration and integration (Gretter et al 2017) to local responses to industrial change (Perlik 2021) to initiatives in tourism (Wirth et al 2022). There exists a wide range of definitions of social innovations (Moulaert and MacCallum 2019). Yet when focusing on peripheral regions, like mountain valleys, a broad definition of social innovation is useful: "A social innovation consists of new forms of cooperation of individuals or organizations that lead to new ideas, of which the implementation is at least considered. In regional development, such innovations can have a positive impact on society, improve the quality of life, and/or change social or power relations" (Tschumi et al 2020: 118).

This definition is appropriate for studies in Swiss mountain regions as it addresses the multifaceted socioeconomic structures and potentials of social innovations in recent years. Furthermore, the definition fits our context and the variety of challenges that are present in mountain regions, such as demographic changes, economic dependence on resource-based sectors such as tourism, and environmental changes due to climate change. Many social innovations that have emerged in recent years in Swiss mountain regions address these challenges (Mayer et al 2014, 2021; Hossain et al 2020; Tschumi et al 2020).

Growth independence

We were particularly interested in examining the influence of the social innovation on the participating SMEs. Therefore, we utilized the notion of economic growth independence at the level of the enterprise. Growth independence is described as a society's, economy's, and institution's ability to execute their vital functions while no longer being existentially dependent on economic growth. We define economic growth as follows: the ratio of the total output of a national economy to its monetary output. The measure is the rate of change in inflation-adjusted gross domestic product (Seidl and Zahrnt 2010). At the level of enterprises, we consider the ability of a private firm to not focus solely on increasing its size or profitability. In doing so, we follow the definition of Bakker et al (1999), which states that enterprises "do not produce to make a profit (which of course remains a secondary condition), but to deliver useful products and services. They do not produce to grow; rather, they welcome moderate business growth, but do their best to ensure that it does not frustrate their real objectives. In this sense they are growth neutral." Their terminology of growth-neutral enterprises is similar to our growth-independent enterprises.

Growth independence or growth neutrality is closely related to the concept of a postgrowth society. Postgrowth scholars argue that the economy and society must avoid policies that promote economic growth. These arguments are based on the realization that given current environmental challenges and resource constraints, modern economies cannot and should not grow (quantitatively) infinitely, and that even when considering improvements to efficiency (eg green technologies), rebound effects and other negative implications will further increase the problems. Accordingly, postgrowth scholars and practitioners promote alternatives to quantitative economic growth and focus on economic practices that embrace sharing, collaboration, localization, and so forth. As a result, relevant institutions (including enterprises, but also regional development policies, etc) must be oriented toward growth independence. This reorientation can occur through the development and implementation of social innovations.

Relation between growth independence and social innovations

Social innovations not only influence societal outcomes, but can also have an impact on economic aspects, such as the ways in which participating local enterprises interact, or how entrepreneurs engage themselves locally or regionally. In line with increasing interest in the economic impact of social innovations, recent research (Neumeier 2012; Terstriep and Rehfeld 2020; Tschumi et al 2020; Mayer et al 2021) emphasizes that social innovations can have a growth-independent influence on local enterprises that participate in these initiatives. This means that social innovations can influence individual enterprises in such ways that they become independent of economic growth (eg there is no need to take on external capital in the form of debt, enterprises forgo advertising, they limit themselves to local markets). Several authors have studied the peculiar relationship of social innovations to economic growth dependence and independence. For example, Neumeier (2012: 58) states: "In contrast to technological and economic innovations, [social innovations] are not teleological and may not necessarily have an economic impetus." Terstriep and Rehfeld (2020: 856) make a similar statement: "[Social innovations] may contradict economic growth strategies as is reflected in the many cases of [social innovations] that refuse growth." Mayer et al (2021) developed the relation between social innovations and growth independence further to address regional development. In their analysis, they showed how regional development seeks to improve current socioeconomic challenges and opportunities and how stakeholders engaged in the innovation process can prioritize these in their social innovations. Social innovations focus on social and environmental goals while the economic goals are secondary. Yet the economic goals can have a growth-independent character if they are addressed through certain entrepreneurial practices, such as (re)localization, decommercialization, low capital, and self-governance (Mayer et al 2021). It is important to note that these characteristics apply to those entrepreneurial actors who are engaged in social innovations, and such entrepreneurial actors can indeed be SMEs, as is the case in this study.

In the following section, we explain the characteristics that Mayer et al (2021) identified and that constitute elements of the relationship between social innovations and economic growth independence.

(Re)localization: (Re)localization is a strategy by which enterprises concentrate on regional and local markets, and thus consequently shorten their value chains. They can do so by relocalizing value chains from afar or by starting out from the beginning in local value chains. As a result of this strategy, their value chains are more regionally embedded. (Re)localization also means that enterprises engage in close relationships with other economic actors (eg suppliers, partners). Certain social innovations are intended to

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promote the local market and the (re)localization of economic activities. Therefore, social innovations can help keep value chains short, with a limited number of economic actors. Accordingly, the importance of close and stable relationships among the engaged business partners is high. (Re)localization may trigger low price competition, assured demand, consumer friendliness, or trust building with stakeholders/actors and customers.

Decommercialization: Social innovations can induce the decommercialization of products and service delivery. Involving the consumer in the products or services means that consumers become so-called prosumers, which is seen as an essential dimension of decommercialization. Thereby, consumers tend to consume less because of a better fit of the products to their needs, and this practice may lead to a lower waste of resources (Leismann et al 2012).
Decommercialization is linked to limited competition based on prices, guaranteed sales, consumer fit, and building of trust, which leads to growth independence. Limited efforts to advertise/engage in marketing can be a characteristic of social innovations and growth-independent enterprises (Tschumi et al 2020).

Capital: Within a social innovation, actors can reduce or eliminate debt capital, obtain it with low interest, or even eliminate it. This leads to a lower pressure to pay interest, and leverage from external capital providers can be reduced or removed. These characteristics are consistent with those of a growth-independent enterprise (Mayer et al 2021).

Self-governance: Social innovations (particularly in the context of rural/peripheral regions) often involve SMEs rather than large-scale organizations. Usually, their ideas are intended to support small organizations (Gebauer and Sagebiel 2015). Partners involved in social innovations often have governance structures characterized by cooperative management, self-management, and self-reliance. Such structures are better for integrating beneficiaries (Bock 2016). Gebauer and Sagebiel (2015) have shown that certain SMEs have lower growth ambitions and, in turn, are more resilient to crises because of their lower dependence on their market. In addition, members' participation is crucial for the success of a social innovations. Again, this is similar in nongrowth companies, which do not have economic growth as their primary goal (Mayer et al 2021).

Table 1 highlights the aspects of growth independence that were examined in the interviews with the SMEs that are involved in 100% Valposchiavo (Mayer et al 2021).

Growth drivers and inhibitors

The postgrowth literature provides interesting insights into different types of enterprises with regards to their growth orientation. Several studies have examined determinants of growth dependence and independence (Gebauer and Sagebiel 2015; Leonhardt et al 2017; Tschumi et al 2020; Eichmann 2020; Mayer et al 2021). According to Gebauer and Sagebiel (2015), there is a correlation between growth ambition and international presence, fast-growing markets, number of employees, and growth pressure. External capital can trigger growth as well. Furthermore, growth-dependent companies intend to grow economically, which is often associated with high advertising expenditure (Tschumi et al 2020). In contrast, growth-independent companies tend to focus on word-of-mouth advertising (Tschumi et al 2020). The study by Leonhardt et al (2017) showed that corresponding companies operate in a niche market defined by quality, which allows them to distance themselves from growth mechanisms (Leonhardt et al 2017). Growth-independent enterprises also set a focus on financial independence (Leonhardt et al 2017; Tschumi et al 2020). Gebauer and Sagebiel (2015) found that small, older, local to national market–focused SMEs do not raise debt capital and are most likely to not grow. These findings are largely congruent with those of Tschumi et al (2020), who found a growth-independence effect of regional and local markets and the associated short and regional value chains, as regional or local markets allow for less competition and certain sales guarantees. Short and regional value chains have a limited number of economic actors and thus lower growth ambitions (Mayer et al 2021). While joint stock companies have a growth-dependence effect (Gebauer and Sagebiel 2015), there is often a lack of growth ambition in cooperatives. Cooperatives put the community in the foreground and set a focus on personal exchange, which in turn fosters growth-independent development. Such participatory organizational forms or democratic elements have a growth-inhibiting effect, as the demand side can be involved (Mayer et al 2021)

In this article, we use the terminology of Gebauer and Sagebiel (2015), who examined over 700 enterprises and derived 4 different types of enterprises. Due to our lower number of enterprises, we used the following 3:

Nongrowing stability-oriented enterprises: For nongrowing stability-oriented enterprises, the satisfaction of customers and employees and the social or ecological benefits of the products and services are foremost. According to the study of Gebauer and Sagebiel (2015), these enterprises are older, are smaller, and concentrate on local markets.

Growing stability-oriented enterprises: Growing stability-oriented companies show increasing profits, profitability, and efficiency in operations. The quality of products and services and their social and environmental benefits should be increased. Corresponding companies tend to be old and small, have low levels of borrowed capital, and are limited to local, regional, and national markets.

Growing growth-oriented enterprises: This type of enterprise focuses on increasing sales, product quality, and workflow efficiency. Compared with the other categories, the financial and material resource input is increased. Often they are young companies, have a rather high level of borrowed capital, and operate on the international market.

In the following, we present our methods and then, in the Results section, we focus on the analysis of the ways in which the 100% Valposchiavo initiative influenced participating SMEs regarding select economic growth independence indicators. In a second step, we typologize the interviewed SMEs according to the enterprise types developed by Gebauer and Sagebiel (2015).

Methods

We utilized an innovation biography to examine the development of the social innovation (Butzin and Widmaier

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TABLE 1 Economic growth independence indicators of social innovation (SI).

Overall orientation of SI	Economic growth independence indicator	Description indicator	Enhancing economic growth independence
(Re)localization	Regional/local markets	SI aims for local/regional markets and the (re)localization of economic activities	Little competition based on price, certain guarantee for sales, consumer fit, support for SME/initiatives
	Short value chains	SI incorporates short value chains, with a limited number of economic actors in the production/delivery of their products/services	Limitation of number economic actors involved and hence of actors with economic growth ambition; production volumes are adjusted to demand
	Regional value chains	SI aims for local/regional value chains and/or (re)localization of their value chains	Limited price competition, participation of smaller businesses/initiatives, secured demand, production volumes adjusted to demand, and possibly favorable financing conditions
	Close relationships between economic actors	SI aims for close, stable relationships with economic actors/partners such as investors, consumers, suppliers, and other firms/initiatives	Limited competition based on prices, guaranteed sales, consumer fit, the building of trust, lower pressure for returns
Decommercialization	Decommercialization of production/service delivery	SI aims to decommercialize production/service delivery	Limitation of growth dynamics on the consumption side, a higher degree of self-sufficiency
	Limited efforts in advertising/marketing	SI aims for small/no effort to advertise or market products/services	Limitation of growth dynamics on the consumption side
Low capital	Low levels of debt capital	SI aims to reduce or eliminate debt capital or obtain low-interest capital	Lower pressure for returns to pay interest/dividends, low/no heteronomy by external capital providers
	Low levels of capital intensity in production/service delivery	SI aims for or incorporates a low level of capital intensity and/or higher degree of labor intensity	Lower pressure for returns to pay interest/dividends, low/no heterogeneity of external capital providers
Self-governance	SME	SI is organized as SME/initiatives, or their organization leads/supports small size and low organizational complexity	Low growth ambition, low economies of scale, higher resilience to crises, low dependence on market dynamics
	Democratic ownership, equity, and self-governance	SI chooses a participatory organizational form, makes use of prosumers, and thereby incorporates the demand side	Understanding entrepreneurial success that goes beyond economic growth, fostering SME

2016). This allowed us to trace the entire process from the beginning to the realization and implementation of the 100% Valposchiavo initiative. In addition, this approach allowed us to gain insights into the motivations and roles of the actors involved in the innovation process. Such a biography is created exploratively and uses narrative interviews with key persons. We initially conducted narrative interviews with 2 local stakeholders who had been part of the project since the beginning. The 2 interviews were complemented by desktop research. The data we gained through this initial step helped us to create and visualize a comprehensive biography of the social innovation (Figure 2).

After generating and analyzing the innovation biography, we selected a set of SMEs that participate in the initiative for interviews. At the time of the research, 38 SMEs were participating in the initiative. A total of 9 semistructured interviews with local entrepreneurs were conducted in Valposchiavo between March and June 2021. The 9 interviewed SMEs represent a small but diverse sample (Table 2). The interview guidelines (see Appendix S1, *Supplemental material*, https://doi.org/10.1659/mrd.2022.00023.S1) included questions on the potential growth effects that the SMEs noticed because of their participation in 100% Valposchiavo. The interview partners were identified through a snowball sampling technique. Particular attention was paid to the representation of different sectors (hospitality, agriculture, food processing). The interview data were transcribed and evaluated using qualitative content analysis (Mayring 2015) and the MAXQDA program. This study is exploratory and should be seen as a pilot, given the small sample. Yet since the phenomenon of growth dependence and independence has not been examined in this context, we see great potential for the replication of our empirical approach in other mountain regions.

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FIGURE 2 Innovation biography of 100% Valposchiavo. Blue, essential paths; orange, model of social innovation; green, external influences; red, challenges.

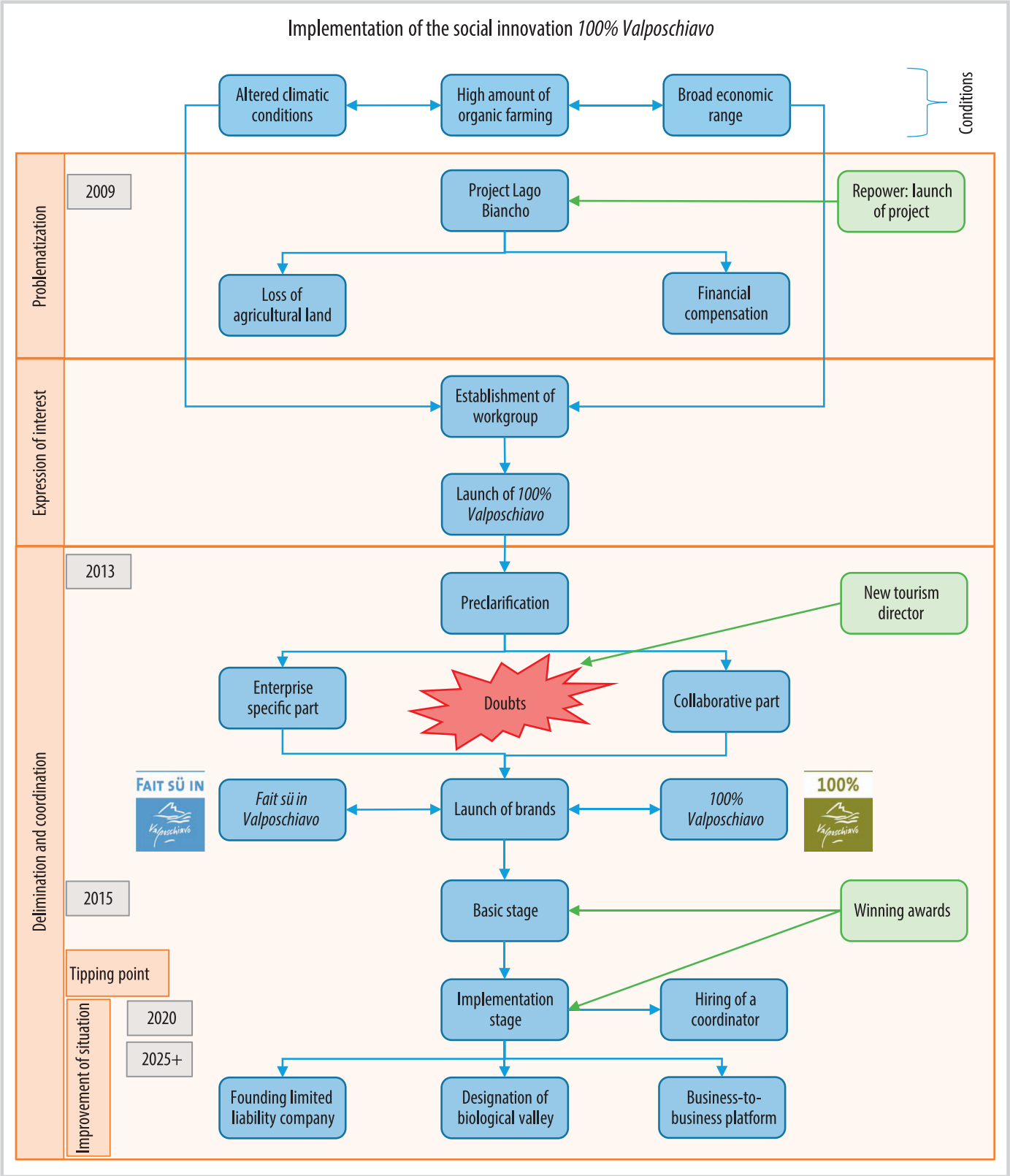

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TABLE 2 List of interviewees.

No.	Enterprise	Sector	Number of employees	Interview style	Interview duration (h:min:s)
1	Initiator of project		NA	Narrative	1:21:18
2	Initiator of project		NA	Narrative	1:11:44
3	Tourism director		NA	Guideline	1:08:09
4	Cheese dairy	Food processing	12	Guideline	0:43:27
5	Restaurant	Hospitality	7	Guideline	0:56:18
6	Slaughterhouse	Food processing	5 (estimated)	Guideline	0:44:12
7	Berry producer	Agriculture	5 (+20–40 during harvest)	Guideline	0:17:11
8	Butchery	Food processing	7	Guideline	0:45:46
9	Bakery	Food processing	7	Guideline	0:44:36
10	Hotel 1	Hospitality	8 (+12 during summer season)	Guideline	0:37:14
11	Hotel 2	Hospitality	18	Guideline	0:28.24
12	Agricultural cooperative	Agriculture	10	Guideline	0:39:25

Note: NA, not applicable.

Results and discussion

The results are exploratory, and highlight effects that can be observed so far that may be attributed to the social innovation. In the following, we present the innovation biography and discuss how 100% Valposchiavo influenced local enterprises in their growth orientation.

Innovation biography

The 100% Valposchiavo project was initiated in 2013 by local stakeholders, such as farmers and entrepreneurs. It is a regional development project that is supported by the Federal Office for Agriculture and is intended to improve agricultural value chains. It aims to promote local value chains by identifying and closing gaps. Gaps are considered in the sense of products that were grown or produced in the past. Gaps can also refer to products that have no tradition in the valley (eg beer). Central to the effort is the promotion of cross-sectoral cooperation among producers, processors, and the catering and hotel industry to create synergies and, where necessary, save resources. Accordingly, as many of the products produced locally as possible are offered to local customers, and the remaining products are distributed outside the valley. For the initiators of the project, it is an attempt to generate a more sustainable economy. Through financial support from the federal government and the canton, targeted investments were made in production (Beti et al 2014; Pola 2020). The project gained attention and acceptance, winning national and international awards.

Through our interviews and analysis for the innovation biography, we identified 3 unique conditions that led to the initiation and implementation of the social innovation. First were the climatic conditions. The valley ranges from an alpine climate at 2234 masl to a Mediterranean climate at the lowest point of the valley at the Italian border (see Figure 1). This allows the cultivation of different plants and the creation of various agricultural goods. The second crucial condition was that 95% of the land is organically cultivated and has been for a long time. Large-scale agriculture cannot be implemented in the narrow valley. One berry producer changed to biological cultivation because of 100% Valposchiavo. Third, because of the region's remoteness and history, there is a relatively broad spectrum of economic actors and enterprises, such as bakeries, cheese dairies, butcheries, and a mill. These conditions provided a good basis upon which the project could be initiated.

The local actors who started the project were triggered and motivated by developments in the valley, which they saw as a major challenge. Specifically, the impetus for the project was a significant infrastructure project that was planned by the local utility corporation. The pumped-storage power plant would have altered the environment of the valley significantly. As a result, there was a real threat that local farmers could lose valuable agricultural land. Agricultural land is already limited in the valley because of construction work, for example, by the railway organization. In response to the infrastructure plans, local actors developed the first ideas for 100% Valposchiavo. Those local actors were mainly farmers, who over time lost a large area of valuable agricultural land. The 100% Valposchiavo project allowed them to increase product quality in a situation where a higher quantity was not feasible.

In 2013, a project outline was submitted to the Federal Office for Agriculture, which supported innovative ideas through a dedicated regional development program. Once accepted, the preliminary development stage started. This phase took surprisingly long, primarily because of doubts of the initiators. However, the arrival of a new tourism director and the definitions of brands helped to overcome this rather delicate stage. The involved actors developed 2 brands: A product is considered 100% Valposchiavo when all the ingredients are locally produced. The second brand is called *Fait sü in Valposchiavo* (in English: Made in Valposchiavo) and can be used if the product is produced in Valposchiavo and at least 75% of the added value is generated in the valley. As

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TABLE 3 Analysis of enterprise characteristics.

Enterprise characteristics	Hotel 1	Hotel 2	Restaurant	Berry producer	Cooperative	Cheese dairy	Bakery	Butchery	Slaughter-house
Sector	Hospitality			Agriculture		Food processing			
Economic growth independence indicators by Mayer et al (2021)									
(Re)localization									
Regional and local market	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled
Regional and local value chain	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled
Close relationship between actors	Partly fulfilled	Partly fulfilled	Fulfilled	Fulfilled	Fulfilled	Partly fulfilled	Partly fulfilled	Fulfilled	Fulfilled
Decommercialization									
Decommercialization	Not fulfilled	Partly fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Not fulfilled	Not fulfilled	Not fulfilled
Small/no efforts to advertise/marketing	Not fulfilled	Not fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled
Capital									
Low levels of debt capital	Not fulfilled	Not fulfilled	Partly fulfilled	Partly fulfilled	Partly fulfilled	Partly fulfilled	Partly fulfilled	Partly fulfilled	Partly fulfilled
Low levels of capital intensity in production/service delivery	Not fulfilled	Not fulfilled	Fulfilled	Fulfilled	Partly fulfilled	Partly fulfilled	Partly fulfilled	Fulfilled	Fulfilled
Self-governance									
SME	Not fulfilled	Not fulfilled	Fulfilled	Fulfilled	Partly fulfilled	Partly fulfilled	Fulfilled	Partly fulfilled	Partly fulfilled
Democratic ownership, equity, and self-governance	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled	Fulfilled
Types of growth dependence according to Gebauer and Sagebiel (2015)	Growing growth-oriented enterprises		Nongrowing stability-oriented enterprises				Growing stability-oriented enterprises		

a result, local enterprises could brand their products. Associated with the brands was a professional and cooperative marketing effort. At the time of researching and writing this article, the project was in the implementation phase. A coordinator was hired who was responsible for the coordination of the activities. As one interviewee noted, a limited liability company will be founded in the future, and a business-to-business platform will be created. According to the interviewee, one of the primary goals is to brand the valley as the first organic mountain valley in the world.

Impact of 100% Valposchiavo on participating SMEs

We examined the ways in which the social innovation initiative 100% Valposchiavo influenced the participating local SMEs in terms of their orientation toward economic growth. To do this, we utilized the indicators developed by Mayer et al (2021) and analyzed the interview data according to these indicators. In Table 3, we summarize our results and differentiate between the types of enterprises. Through the interviews, we were able to create a typology of enterprises based on their economic growth, as they differ being oriented toward no growth, stability, and growth. The judgment of whether an indicator is fulfilled, partly fulfilled, or not fulfilled was made based on the statements by the interview partners. In all enterprises, we saw a trend toward (re)localization. Also, increased collaboration was identified for all enterprises. The 100% Valposchiavo initiative caused an increased capital intensity due to improvements of the infrastructure and expansion of enterprises.

(Re)localization: We identified (re)localization as an essential part of the investigated enterprises. All the enterprises concentrate on the regional and local markets. In the interviews, SMEs generally claimed that they tried to keep the value chains local. A local restaurant owner stated, for example: "Ninety-eight percent of the products are from the

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valley. If I buy products in the shops of our business partners, they then also come and eat dinner in my restaurant."

The entrepreneurs reported maintaining close relationships with their business partners and customers. As a result, the barriers for collaboration were lower. Interviewees also stated that social contacts were of higher value than the price of products. A local farmer emphasized the importance of collaboration: "We need to collaborate because we are far away from other villages . . . If we collaborate, even simple things work better." However, cooperation is not equally prominent everywhere. For example, one enterprise had had recent difficulties selling all its products. Therefore, they sold products to anyone if the client paid a reasonable price; they did not have any other requirements for their clients. Through our interviews, we noted that the awareness of the various aspects of localization of production increased because of 100% Valposchiavo.

Decommercialization: Decommercialization was identified in the interviews with the restaurant, the cheese dairy, and the 2 agricultural farms. Voluntary work was only substantially used in the cheese dairy. The other enterprises did not report volunteer work. Yet often family members supported their relatives in their businesses. In several companies, the concept of prosumers surfaced: guests could take a cooking class or join guided tours or tastings. Hygiene concerns prevented other companies from offering similar services to their guests. However, this involvement can bring additional social value and an awareness of mountain regions and their specific productive economy.

The interviews also revealed that advertising expenses were significant, particularly for hotels. In addition, the initiative itself engaged in marketing, which concentrates mainly on a high-quality website and on close collaboration with a Swiss travel magazine. This enabled the valley to position itself as a niche tourism destination: "We thought that a good product and story is necessary for the people, mainly journalists, to come and write articles. In the meantime, we spent more resources, but it is still the case that we rely very much on word of mouth." The 100% Valposchiavo project professionally marketed the valley, which, it could be argued, leads to more growth-dependent development.

Capital: The research indicated that the enterprises were dependent on debt capital such as mortgages or loans and federal or cantonal subsidies. The managing director of the cheese dairy emphasized: "We are reliant on debt capital. Probably, it will also remain like that. Subsidies financed the building." This statement was applicable to most other enterprises. The 100% Valposchiavo project enabled enterprises to receive funding for renovations of their infrastructure, which, in turn, led to increased debt capital. The debt capital in enterprises that were planning to do renovations and upgrades in coming years was exceptionally high. Our analysis revealed that all enterprises relied on debt capital primarily because they were investing in their operations. This may be the result of the new initiative.

Regarding the capital intensity, our analysis requires a differentiation of the enterprises. While certain enterprises possessed a high capital intensity, others had a lower one. Capital intensity was exceptionally high for the hotels and for the cheese dairy because of their structural requirements. The owner of a butchery shared specific machines with professional colleagues: "If I need a machine once a year and a friend owns it, I use his machine." Others looked for synergies: "We don't share machines with others. Another business partner slaughters for me, and we dry the meat for him." This example shows that enterprises tried to decrease the capital intensity by different measures. The interviews revealed that 100% Valposchiavo helped to increase the collaboration between the enterprises.

Democratic participation of SMEs in 100% Valposchiavo: The local tourism organization was responsible for coordinating the project. The interviewees reported that they were maintaining good cooperation with the organization. Besides the right to have a say, there were opportunities to participate in the governance of the project. For example, a managing director of a hotel was represented in the brand commission, which approves the guidelines of the 2 brands in collaboration with their partners. Regarding the ownership structure of the participating SMEs, all SMEs are local and do not depend on outside ownership. This is important because local ownership increases the degree of embeddedness and loyalty of the firms to the region.

Identification of types of SMEs regarding their growth orientation

Besides describing the extent to which the interviewed SMEs outlined their activities along the economic growth independence indicators, we utilized our interview data to examine the differences in entrepreneurial behavior among the interviewed SMEs. In Table 4, we differentiate along determinants for growth dependence and independence for each interviewed SME. The determinants were created based on the literature (Gebauer and Sagebiel 2015; Leonhardt et al 2017; Eichmann 2020; Mayer et al 2021). Through such a comparison, we can explain why SMEs are growth dependent or growth independent. We divided the enterprises into 3 different types of SMEs: nongrowing stability-oriented SMEs (type 1), growing stability-oriented SMEs (type 2), and growing growth-oriented SMEs (type 3). In doing so, we followed the types developed by Gebauer and Sagebiel (2015), which we described in the literature review above.

Type 1: Nongrowing stability-oriented SMEs: Three of the 9 enterprises we interviewed can be described as nongrowing stability-oriented enterprises: they do not want to grow. These companies restrict their sales to local customers and a few major distributors. The values and corporate philosophy they described align with this nongrowth orientation. The cheese dairy is a cooperative, an organizational form that stands for transformative corporate governance (Eichmann 2020). In this case, the cooperative's president expressed his clear stance against ongoing economic growth. One of the restaurant owners we interviewed also noted that they did not strive for economic growth, and this has to do with the age of their business: the restaurant was managed by an elderly couple who wished to hand over the business to their daughter. Up until now, the parents had desired that she acquire the company. The current owner anticipated an increase in business revenue should the daughter decide to take ownership of the company. This confirms the findings by Gebauer and Sagebiel (2015), who show that one of the important variables that explain a nongrowing orientation is

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TABLE 4 Determinants of growth independence and dependence.

Typology of firms	Interviewed SMEs	Determinants for growth independence				Determinants for growth dependence			
		Management age	Close relationships	Philosophy	Cooperative	Debt capital	Demand	Young enterprise/ management	Modernization
Growing growth-oriented	Hotel		X			X	X		
	Hotel		X			X	X	X	
Growing stability-oriented	Agricultural cooperative		X		X	X		X	
	Bakery		X			X			X
	Butchery		X			X			X
	Slaughterhouse		X			X			X
Nongrowing stability-oriented	Cheese dairy		X	X	X	X			
	Berry producer		X	X		X			
	Restaurant	X	X	X		X			

a company's age. The berry producer can also be included in this group. For him, the nongrowing orientation was also a question of his values, as economic growth is not a priority. He described other, more important values, such as regional identity: "Behind a product, there are people and a region." Such motivations have already been confirmed by Leonhardt et al (2017), who describe the ways in which a high degree of identification with a region and emotional values can contribute to a nongrowing orientation.

Type 2: Growing stability-oriented SMEs: Four companies were classified as growing stability-oriented SMEs, which means that they are growing but, at the same time, they are stability oriented. The decisive factor for the typification of the SMEs to this group is the imminent planned expansion of capacities and the business philosophy stated by the interview partners. This is illustrated by the example of the grain collection center, which was founded in 2015 because of the 100% Valposchiavo initiative. Due to its young age and small size, the enterprise appreciates limited growth. However, its need for capacity expansion is limited by local demand. Young companies, in particular, tend to develop in a growth-dependent way (Gebauer and Sagebiel 2015). In addition to the reasons given here, the managing director of the cooperative mentioned that growth is limited. The situation of the butcheries and the bakery is comparable. The businesses sell their products almost exclusively in the valley. The interviewees emphasized the urgent requirement for modernization. Accordingly, they saw the possibility of slightly expanding their operations because of the increased demand resulting from 100% Valposchiavo. In addition to the reasons given here, the interviewees mentioned that growth was limited. For them, the aspect of cooperation and joint dialogues due to 100% Valposchiavo was even more important.

Type 3: Growing growth-oriented SMEs: Two companies were classified as growing growth-oriented SMEs, which means that they are oriented toward growth. We investigated the reasons why those enterprises have a higher growth dependence. The study by Gebauer and Sagebiel (2015) found a correlation between growth dependence and several indicators, such as growth targets, international presence, larger management, raising of external capital, fast-growing markets, public companies, number of employees, and perception of growth pressure. We found that both firms had a minimal international presence, had no effective management, were not public companies, and had only a few employees. As mentioned above, 100% Valposchiavo situates the valley in the tourism market as a niche destination (Pola 2020). This positioning and the call for homebound vacations in Switzerland due to the COVID-19 pandemic resulted in enhanced demand (KOF ETH Zurich 2021). This resulted in a substantial increase in overnight accommodation, which consequently led to the possibility of expanding the offerings of these businesses. When demand is present, growth-dependent companies will consider expanding their operations (Gebauer et al 2017). Due to increasing demand, one hotel manager was considering growing even further in the future. The other company was also pleased with higher sales and planned a major renovation next year. Renovations tend to correlate with growth because of the need to obtain credit or mortgages (Gebauer et al 2017). In addition, this tendency was favored by the son's entry into the management of one hotel, which brought a new impetus for more business growth and thus a higher degree of growth orientation.

Study limitations

Our study has several limitations: We analyzed 9 companies and the interview partners for these cases were selected through snowball sampling. Additionally, we selected enterprises for interviews that cover a broad range of sectors and subsectors. We may have missed some extreme cases and we cannot make generalized statements.

Conclusions

In this study, we examined the emergence of a social innovation and its effects on participating SMEs regarding their economic growth orientation. This study shows that

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100% Valposchiavo was initiated by local actors in response to emerging challenges such as the building of a large infrastructure project, which would have endangered their economic activities. The initiative led to increased cooperation and dialogue among SMEs in the valley. It also increased entrepreneurial activity and higher engagement of the local economic actors in the local community, thus improving the quality of life from an economic and social perspective.

What is most interesting, however, is the effect the social innovation has on the participating SMEs regarding their economic growth orientation: Our research shows that 100% Valposchiavo enables enterprises to become less dependent on growth by promoting short, regional supply chains and increased collaboration. Nevertheless, the 100% Valposchiavo initiative also triggered effects in terms of economic growth: 100% Valposchiavo allowed infrastructural improvements and business expansions, which favor growth dependence for some businesses (not all). In sum, different orientations toward economic growth exist and can be triggered by a social innovation. Postgrowth discussions in the literature do not forbid economic growth outright. Rather, they emphasize the negative effects of growth, and they focus on the types of growth. Thus, encouraging local enterprises to engage in social innovation initiatives such as 100% Valposchiavo regardless of whether such participation encourages growth can have positive effects on a mountain economy. By encouraging growth, certain businesses that may fill a value-chain gap are strengthened and can grow. Encouraging growth independence, on the other hand, will help other businesses become more resilient, enabling the mountain economy to increase its overall resilience. Such considerations also raise the question of transferability of our results and of the topic of social innovation in general, for example, to another mountain region. Our interviewees noted that the central elements of the initiative, namely the increased collaboration between economic actors and sector, is indeed transferable. The fact that many agricultural actors engage in organic production in Valposchiavo is probably harder to imitate. Yet the hallmarks of social innovation in terms of its economic growth effects can be replicated in different contexts and applied to different sectors. In sum, our research can improve the understanding of potential economic effects of social innovations in the mountain economy. Based on our results, policymakers might want to consider supporting such innovations.

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Supplemental material

APPENDIX S1 Interview guidelines.

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