Place-Based Corporate Social Entrepreneurship:
A Case Study of Whole Foods

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Chapter 1: Introduction

The national media often portrays Detroit, Michigan as a symbol of post-industrial urban decline. Built for a population of roughly 2 million people, it is now home to only 700,000. Its auto industry is not what it once was, racial problems of the urban underclass persist, jobs are scarce, and it seems eons ago that the city was once hailed as the “Arsenal of Democracy.” The narrative is of Detroit’s tragic fall and decline.

In contrast, there are Detroit loyalists who tell a remarkably different, and positive story. They see the possibility of using the vast urban canvas as a place to rebuild the city through innovative entrepreneurial projects. There are urban farmers plowing community gardens, small businesses popping up along major corridors, a growing investment in tech start-ups in the downtown area, and an influx of young professionals and artists, lured by cheap rent and the “new frontier” of the blighted American city (Mehta, 2011). To some, Detroit seems destined to regain some of its former glory.

The reality, pieced together from the stories of those living and working in the city, is that the situation in Detroit is too complicated to fit neatly into a easily accessible narrative. Both the extreme positive and negative narratives contain some truth, but tend to oversimplify the situation on the ground. There are certainly major challenges facing the city, but there are also those who are dedicated to continuing the success of existing local institutions, and creating new and exciting opportunities within the local economy, each in their own way. The people working in Detroit are local residents, new and old, but also outsiders moving in from across
the country, temporarily or for the long-term. And although there may be disagreement as to what is best for the city, a stubborn local pride seems to be a pervasive and unifying force.

Amidst the large problems and growing success within the city, no one claims that Detroit is a thriving urban area on the scale of cities like New York or Chicago. This is undisputed. Even if the city is on the rise, it has not yet reached a tipping point where businesses are actively competing to enter the city, as investing in Detroit comes with considerable risk. And so, when billion-dollar grocery retailer Whole Foods Market, announced that it planned to open a store in Detroit, people across the country took notice, then began to ask questions. What is a big corporation doing in an underserved community like Detroit? Is this just a public relations scheme? Will it drive local grocers out of business? Who will be able to afford its products? Although the idea of the Whole Foods Detroit (WFD) project was met with skepticism, it gained enough political traction to continue forward. In July of 2011, Whole Foods signed the lease to the property and broke ground at the construction site less than a year later. They expect to open the store in the summer of 2013. The broad goal of my research project is to conduct an in-depth exploration of this development process.

Like many, I had my own doubts about WFD when I began this project, mainly based on assumptions about large for-profit companies how they have historically interacted with underserved populations. My impressions were largely negative. Consequently, I made a conscious attempt to challenge those assumptions throughout the research process, and put aside my biases to learn from the various
perspectives of those directly or indirectly involved with the WFD project. It is my goal in this honors thesis to dig beneath the opinions of casual conversation and uncover deeper truths about this particular development and how it interacted with the city of Detroit.

This thesis is a case study of the WFD development process, leading up to but not including the store opening in the Spring of 2013. It pieces together the narratives of the individuals who represented organizations involved in this project. To explain their role in the development, I collected qualitative data from semi-structured, in-depth interviews with employees of Whole Foods, the real estate development company, the construction company, and members of the local social sector community. I also collected newspaper articles and viewed online news reports as secondary sources for statements from the local businesses, non-profit partners, and local public officials. (A list of the interviewees can be found in Figure 1 attached at the end of the document).

From my first interview, it became clear that there was enough information surrounding this case to fill several honors theses. To find a reasonable scope for my research, I needed to find a theoretical framework that would focus my thesis on a specific aspect of the WFD development. This framework was derived from a theme that came up often in the interviews I conducted. Many of the interviewees explained that their involvement with the WFD project was, to paraphrase, based on a desire to help Detroit. This common motivation centered on what initially appeared to be a common concept of “place,” but when I looked closer I found that
the idea of “Detroit” meant different things to different individuals and organizations.

The conceptions of place ranged from an abstract notion of the city with its social and economic circumstances, to a much more grounded conception of place as a single property and its physical characteristics. Moreover, depending on the organization for which they worked, different interviewees “helped” their specific notion of place in different way. As would be expected, for-profits, non-profits, and government agencies all interacted with the place of Detroit in distinct ways throughout the development. Most notably, when people expressed their desire to “help Detroit” they were describing an abstract social goal of urban redevelopment, serving as an umbrella concept to encompass many different understandings of the city as a distinct place. The notion of place as a social goal was key for bringing together disparate actors behind a common cause.

To make sense of the situation, I draw from the human geography literature on the theory of place, fleshing out the similarities and differences in how the concept of place was used. This theoretical framework helps to focus my research on understanding in detail a specific aspect of the complex social interactions surrounding the development. In addition to the theoretical framework of place, I also explore how the WFD project relates to the literature on social entrepreneurship. Socially entrepreneurial behavior can be understood on a spectrum of organizational forms, ranging from non-profits whose sole mission is socially-oriented, to a purely profit-motivated company – and everything in between (see diagram in the literature review section).
I do not mean to suggest that Whole Foods is *primarily* a socially-oriented organization. It is a for-profit company with a financial obligation to its shareholders. However, in addition to its profit motivations, the organization pursues numerous social objectives, and its decision to open a store in Detroit could be considered an example of what scholars have called “Corporate Social Entrepreneurship” (CSE). It is the social orientation of the development that connects this case to the broader literature on social entrepreneurship. Furthermore, noticeably absent from this academic field is an in-depth account of how place impacts the social entrepreneurial process. Because place seemed to play such an important role in the WFD project, filling this gap in the literature became a central focus for my honors thesis.

Taken together, the frameworks of place and social entrepreneurship provide the theoretical backdrop for my honors thesis research. These theories help develop the following research question: Is the WFD development a case of *place-based Corporate Social Entrepreneurship*? In other words, the data analysis below attempts to rigorously assess whether the development’s use of the concept of place is enough to consider the project “place-based,” and whether its social orientation is enough to justify the label of CSE. Contained in both theoretical frameworks is an inherent complexity that doesn’t lend itself to cut and dry analysis. From the relevant literature, I use each framework to establish criteria on which to judge the WFD development, set against a contrasting concept.

To judge the place-based argument, although there were numerous other ways to use the concept of place, my conceptual focus is on the difference between a
corporation engaging in the local community, versus the “placeless” multinational corporation that operates largely irrespective of geography. To judge the claim of CSE, I contrast the WFD development against examples of pure for-profit motives, pure non-profit motives, as well as its distinction from Corporate Social Responsibility (CSR). The theoretical component of this research is discussed in further detail in the literature review section, as well my own development of place-based CSE as a theory. In the conclusion, I argue that due to its efforts of community engagement, and subsequent commitment to improving the place of Detroit, the case can reasonably be considered a case of place-based CSE.¹

The conclusions from my research are limited to this specific case within the context of Detroit in the past several years. Lessons from this case are not necessarily applicable to all development scenarios in all contexts. However, Detroit is also not alone in its social and economic circumstances as post-industrial cities nationwide face similar challenges. Neither is this project unique in its desire to help rebuild economic bases in such locations. The conclusions of this research speak to the larger discussions on the role of for-profit companies in having a positive social impact on society, and the potential of creating social value through a commitment to improving places like the city of Detroit. In this way, the value of the research lies in the detail of the case, in the hopes that the specific conclusions here can help inform other development processes facing similar circumstances across the country.

¹ It is important to clarify that my research does not make a claim about the actual social impact of the store, given that it has not yet opened. The focus here is on the development process itself, which include projections of how the store will eventually function.
Chapter 2: Literature Review

My honors thesis draws from and builds upon the scholarly literature on the field of social entrepreneurship and the concept of place. Each area of study provides theoretical frameworks with which to analyze the WFD development and determine whether it is indeed a case of place-based CSE. The two subsections below provide a summary of the relevant literature and then an explanation of how this honors thesis is situated in relation to that literature.

Literature on Social Entrepreneurship

Summary: Despite its growing popularity in practice, a widely accepted theory of social entrepreneurship is difficult to find (CASE, 2008). In fact, defining social entrepreneurship has been a central focus of this scholarly field almost since its inception, as described in the 2006 article, “Framing a Theory of Social Entrepreneurship,” by J. Gregory Dees and Beth Anderson. Dees and Anderson explain that current conceptions of social entrepreneurship come largely from two schools of thought: the “Social Enterprise” or “Social Innovation”—as defined by both the theories of academics and the behavior of practitioners.

The Social Enterprise school refers to the work of Edward Skloot and others, who, in the 1980s, established methods of income generation for non-profits (Skloot, 1983). The goal was to help these organizations, which had relied on donations and government support, to become more financially self-sustaining and thus more independent and effective in achieving their social missions. Skloot would go on to
found New Ventures, a prominent consulting firm that worked with non-profits to accomplish the above goal.

At the same time, William Norris, the founder of Control Data Corporation, argued that social issues were also tremendous business opportunities (Norris, 1981). He and others were of the belief that for-profit companies could be forces of positive social change in society. Arising from their work, in conjunction with Skloot and New Ventures, the term social entrepreneurship was used to describe the use of business methods, across different sectors, to address social problems (Emerson and Twersky, 1989).

In contrast, Dees and Anderson describe the school of Social Innovation as being based in the literature of entrepreneurship. This field begins with the French economist Jean Baptiste Say, who described in 1803 how entrepreneurs were those in society who took resources from low to high productivity and yield. In the 20th century, the literature on entrepreneurship was revisited by Joseph Schumpeter, who wrote of “creative destruction,” and the role of the entrepreneur in finding innovative ways to create new value for society (Schumpeter, 1912). Here, the focus of scholarly attention was not on organizational form, but the innovation of individuals.

These theories in turn, influenced the work of social entrepreneurship pioneers in the later decades of the 20th century. In 1980, Bill Drayton founded Ashoka, an organization that was devoted to finding and supporting “public entrepreneurs,” or people around the world who were finding innovative solutions to social problems (Dees and Anderson, 2006). Others, including Peter Drucker and
Charles Leadbeater, began to write on the emergence of these socially conscious innovators, who were eventually labeled as “social entrepreneurs” (Drucker, 1985, Leadbeater 1997). In the writing of these scholars, and the actions of organizations like Ashoka, the school of Social Innovation looks at the entrepreneur’s creation of positive social impact.

As Dees and Anderson discuss, although these two schools of thought and practice are distinct, it does not necessarily follow that the field of social entrepreneurship should be limited to one or the other. This argument is reiterated in the 2008 report from the Center for the Advancement of Social Entrepreneurship (CASE) at Duke University entitled, “Developing the Field of Social Entrepreneurship.” This report covers the two schools already discussed, and also other disagreements regarding the proper definition of social entrepreneurship. For example, some scholars tend to see the field as consisting of individual entrepreneurs, as opposed to an organization, or groups of people and organizations. Additionally, a more rigorous definition of social entrepreneurship may include finding solutions for social problems at a systemic, or structural level as opposed to behavior that causes incremental change (Martin and Osberg, 2007).

In these disagreements, the authors of the CASE report argue that there is value in acknowledging the distinctions in definition but ensuring that the overall concept of social entrepreneurship is inclusive of both sides in each disagreement. The counter-argument is that if the definition is too broad, there will be no way to conduct rigorous social research on the field, because it will become an “umbrella term,” used to describe almost any socially-oriented activity (Martin and Osberg,
For this research project, I side with the CASE report and adopt their inclusive definition, conceptualizing social entrepreneurship as: *innovative and resourceful approaches to addressing social problems.*

In response to the worry that social entrepreneurship has become an “umbrella term,” I would stress that although the definition is broad, it does have limits that distinguish the term from other similar concepts. For this work, the most helpful aspect of the above definition is in distinguishing a type of socially oriented activity from the work of a pure charity or for-profit. This type of behavior occupies a “hybrid” space with both a profit motive and a social objective.

In the introduction, I noted that the WFD development falls within a such a spectrum of socially-oriented activity as shown in the diagram below.

![Hybrid Spectrum Diagram](http://www.4lenses.org/)

As the diagram suggests, social entrepreneurship behavior can take place in a variety of organizational forms, and falls somewhere between the traditional non-profit to the traditional for-profit. On this spectrum, Whole Foods would likely be considered a Socially Responsible Business or a Corporation practicing Corporate Social Responsibility. Although the company is a for-profit, publicly-traded
corporation with the primary goal of acquiring market-rate financial returns for its investors, it also has a commitment to having a positive social impact (Whole Foods Mission Statement, Online). The social focus of Whole Foods, in addition to its for-profit characteristics, places this case study within the scholarly field of social entrepreneurship.

Referring back to the Dees and Anderson article, the WFD development can be seen as an example of the Social Enterprise school, looking at the business potential in finding solutions for social problems. The extent to which Whole Foods is behaving in a socially conscious manner is discussed in greater detail in the following chapters. In addition, one could also look at WFD as a case related to the Social Innovation school, with the company’s development team finding innovative ways to engage with the local community. It is important to note that although this case may not fit neatly into a narrowly defined understanding of social entrepreneurship, it is certainly not a case of charity, or of traditional for-profit activity. There is a complexity to objectives of the WFD development that makes it easiest to understand within a broad definition of social entrepreneurship.

More specifically, the WFD development can be considered an example of Corporate Social Entrepreneurship (CSE), which is defined in a 2009 working paper by James Austin and Ezequiel Reficco as “the process of extending the firm’s domain of competence... through innovative leveraging of resources... aimed at the simultaneous creation of economic and social value.” The authors explain that the theory is based on Joseph Schumpeter’s work, Dees’ definition of social entrepreneurship, and more recent work on the theory of Corporate
Additionally, they state that, “The fundamental purpose of CSE is to accelerate companies’ organizational transformation into more powerful generators of societal betterment.”

Based on the for-profit nature of the WFD development, one could argue that this case study would be better situated within the literature of Corporate Social Responsibility (CSR). In his 1999 article, “Corporate Social Responsibility: Evolution of a Definitional Construct,” Archie Carroll presents a thorough history that shows how the concept of CSR has evolved over the past several decades. Of the many definitions that he covers, Carroll presents one of his own definitions that describes true CSR as being made up of economic, legal, ethical, and philanthropic components (Carroll, 1991). He summarizes that, “The CSR firm should strive to make a profit, obey the law, be ethical, and be a good corporate citizen.”

Within the literature on CSR, a 2006 article by Michael Porter and Mark Kramer entitled “Strategy and Society: The Link Between Competitive Advantage and Corporate Social Responsibility” explores how discussions on CSR tend to pit for-profit companies against society. The authors argue for a contrasting approach that views companies and society as being interdependent. From this starting point, they develop three categories of social impact that a company may have on society: 1) Generic Social Issues: Social issues that are not significantly affected by a company's operations nor materially affect its long-term competitiveness; 2) Value Chain Social Impacts: Social Issues that are significantly affected by a company's activities in the ordinary course of business; and 3) Social Dimensions of
Competitive Context: Social issues in the external environment that significantly affect the underlying drivers of a company’s competitiveness in the locations where it operates (Porter and Kramer, 2006). Later in the thesis, the third category plays an important role in my definition of CSE as used in this case study, looking at how companies can create social value in way that also helps maintain their competitive advantage.

Porter and Kramer, as well as Austin Reficco, acknowledge that although CSR is gaining widespread acceptance in theory, there are few examples of how a growing number of companies can successfully pursue such strategies in practice. Both author pairs see their work as attempting to move beyond the theory of CSR and engage in a more active pursuit of how companies can pragmatically approach the goal of having a positive social impact. In a similar way, this case study of WFD aims to provide empirical evidence towards that same goal. I have chosen to situate this research in terms of social entrepreneurship instead of CSR for many of the same reasons above. First, CSR tends to imply an oppositional relationship between companies and society, which is often inaccurate and downplays the great potential for companies to work with the broader society in which they are situated. Second, CSR, in theory and practice, is often perceived as a company maintaining a façade of good intentions while doing little or nothing substantial to address social goals. While is undoubtedly the case with many companies, I chose to focus on CSE because it shifts the focus of the organizational behavior to companies that are actively trying to have a positive social impact, and are committed to finding new, entrepreneurial ways to achieve that goal.
To be clear, in my presentation of this case study, I do not mean to make the normative argument that for-profit companies should engage in socially conscious activities. The body of literature devoted to this subject, with communitarian protests against a neoclassical idea of the private firm, is a lively debate, but not relevant to this particular project (for a review of this literature, see Bradley et. al., 1999). Instead, this thesis takes the pragmatic stance outlined in the 2003 article, “Misery Loves Companies,” by Joshua Margolis and James Walsh. Drawing from the pragmatic philosophy of William James, the authors view the normative debate on the proper role of for-profits as being unproductive. Instead of asking whether private firms should create social value, they take as a given that some companies do create social value, and then proceed to ask whether such activities are effective. In the same way, this thesis is not concerned with whether Whole Foods should be engaged in social behavior, but instead the descriptive reality that there are social implications of their behavior regardless of ethical considerations.

Furthermore, in my exploration of the theory of CSE, this research aims to build upon the CASE report’s inclusive definition of social entrepreneurship. The three following areas are ways in which my thesis aims to address a gap or underdeveloped portion of the relevant literature: 1) entrepreneurship as a group and not individual process; 2) the entrepreneurial process as opposed to case studies on organizational effectiveness; and 3) social value as a holistic instead of issue-specific concept.

**Group vs. Individual Process:** In many studies of social entrepreneurship has an individual-based conceptualization, or what scholar Alex Nicholls calls the “hero”
model (Nicholls). Although the hero entrepreneur works within an organization and larger community, the focus of scholarly attention is on the characteristics and motivations of the individual. Entrepreneurial behavior is understood primarily as the will of an individual to use resources in an innovative manner in order to create value for others. Although my research draws most of its data from interviews with individuals, it looks also at the social interactions between numerous individuals and organizations related to the WFD project. This focus aims to add to the literature by understanding how entrepreneurial activity can occur in an “ecosystem” of different stakeholders all interacting in the presence of a social goal.

**Entrepreneurship vs. Organizational Effectiveness:** Within the Social Enterprise school, there are a growing number of empirical studies on the effectiveness of social ventures that lie along the social entrepreneurship spectrum. These studies often look at established organizations with social missions, and establish quantitative criteria for determining the degree to which those missions are successful – e.g. the success rates of microfinance institutions in raising people out of poverty (Westover, J. 2008). While it is true that some studies do look at the effectiveness of collaborative efforts such as public-private partnerships, it is generally in terms of an already established group organizations and quantitatively measuring the impact that they have (PriceWaterhouseCoopers, 2010). In other words, the studies largely focus on pre-established groups of organizations but not on the entrepreneurial activity that allowed for such partnerships to form in the first place. My research follows the main stages of the development process, which
were entrepreneurial in the sense that they creating new value in an innovative manner.

**Social Value as Issue-Specific vs. Holistic:** Finally, social entrepreneurship literature, especially in the quantitative assessments of social impact, tends to focus on specific social issues. In order to accurately measure the causal link between a social venture and its intended impact, there must be a tangible and specific indicator that can be quantified and analyzed. For example, to study the effects of microfinance, scholars measure the incomes of the intended beneficiaries, the number of jobs and enterprises created, and whether the beneficiaries escape a threshold standard of poverty (Westover, J. 2008). As a result, many of the criteria for funding social ventures, and the very definition of social enterprises center around their focus on a specific social issue. Non-profits are focused on the environment, public health, education, poverty, or other such issues.

In contrast, while my research will touch upon specific social issues, it will also present a conceptualization of how various social problems may be interrelated and can be addressed as such through a more holistic notion of social goals. As discussed in greater detail below, I will argue that the improvement of a place should be considered a holistic social goal. Within this broad notion, there may be a number of different specific social issue, including, as explored in this case, access to fresh food and community development. This concept has certain strengths and drawbacks which will be described below. I draw attention to the idea here to highlight that there is little talk of holistic social goals in the current literature on social entrepreneurship.
Literature on Place

Summary: The concept of place is central to this research primarily because it played such a prominent role in the interviews I conducted, specifically in relation to the city of Detroit. Also, as I mentioned above, this thesis was in part a reaction to a gap that I found in the literature on social entrepreneurship. Noticeably absent from the review of the literature above is any mention of place. I was interested in taking what I learned from my interviews to help better define the relation between place and social entrepreneurship. More specifically, one of the main goals of this research is to define a theory of place-based CSE.

The existing literature on the concept of “place-based” is primarily in relation to government policy, in areas of development, education, the environment, and urban policy in general (Kraybill and Kilkenney, 2003, Orszag et al. 2009). However, there is little discussion on the theory behind what it means to be “place-based.” In relation to policy literature, the concept is contrasted against “people-based” policies. For example, the term is used to describe government economic development funds being targeted in a specific troubled neighborhood, as opposed to providing unemployment relief broadly to a subsection of the population.

In this research, I use the term place-based to refer to organizational behavior. The concept is contrasted against the tendency of large corporations to operate irrespective of where they may be located. In short, place-based CSE behavior speaks to a corporation’s commitment to engaging with a given locality, a theory which I develop fully in a later section. To develop this theory, I found it necessary to look beyond the limited place-based policy literature to the broader
literature on place. My purpose in looking through this literature was to gain a deeper understanding of place as a concept so as to be better equipped to develop a theory of what it means to place-based.

For this goal, I have relied largely on Tim Cresswell's *Place: A Short Introduction*, written in 2004, which provides an excellent overview of the concept and its evolution over time. The difficulty with using place as a concept is its deceptive simplicity. As Cresswell describes, in everyday life we use the word “place” casually and effortlessly; it is a seemingly common-sense word. However, when one attempts to find a rigorous and bounded definition for the concept, the illusion of simplicity fades rather quickly. Place can be as small as the corner of a bedroom, and as large as the solar system. And despite this broadness in scale, it remains a useful concept in our everyday lives. Later in the research, I will explore how this very complexity is at the heart of why place is an important concept to illuminate the practice of social entrepreneurship.

First, it will be helpful to provide a summary of how different scholars have understood and used the concept as explored by Cresswell. Some of the main categories that he covers are: Regional Geography, Humanistic Geography, Politics of Place, Openness, Change, and the End of Place. A brief recapitulation of this work will be helpful in setting up the thesis that follows. In my research, the intent was to use the varying ideas of place as starting points for better understanding the WFD development, and how place could inform the literature on social entrepreneurship.

*Regional Geography:* The work of geographers like Richard Hartshorne looked at what distinguished one region from another, which became the precursor for
scholarly discussions of place. This work was concerned with the creation of a place, and the affects of culture and the natural environment in shaping, for example, New England as opposed to the Midwest. The resulting view of place is a birds eye perspective of a given region, looking at its unique characteristics in terms of demographics and other such labels.

**Humanistic Geography:** The work of Yi-Fu Tuan and Edward Relph took the discussion of regional geography and enlivened it with discussions of how humans actually perceive different places. Their distinction was between the objective, lifeless reality of space and the lived-in, subjectively perceived notion of place. Whereas space was the realm of physical scientists, place was the realm of human geographers. The latter began to conceive of place not just as a location with certain characteristics, but the origin of human experience. A home, for example, is a place because of one’s experience within it, the memories associated with it, and the value one places in it. It is, as Tuan puts it, moments of “pause” in life, where experiences are created and remembered, unique to each individual. In contrast, place-less locations from this perspective are marked by transience and homogeneity, like an airport or a highway.

**Politics of Place:** One critique of humanistic geography came from the feminist scholar, Gillian Rose, who argued against the tendency to conceptualize place as a comfortable “home.” She acknowledged that not all places are welcoming, that in many situations they are places to escape from, in situations of abuse, tyranny, or simply emigration. And nor are they always permanent, as a homeless person’s
camp may be uprooted by others who do not recognize the value of that place. This point raises the possibility of place as being confined by cultural boundaries, and using the concept as a way to define insiders and outsiders. Some aspects of these cordon-ed-off places are positive, such as solidarity within an ethnic neighborhood such as Chinatown. But disputes over territory are all too familiar, when people and groups disagree over who deserves to occupy a given place.

**Openness, Change, and the End of Place:** In his book, *Justice, Nature and the Geography of Difference*, David Harvey has a chapter titled ‘From Space to Place and Back Again,” which was published in 1996. In this chapter, Harvey presents a conception of place along the lines of the human geographers, as a fixed place at tension with the increasingly mobile and global world. For him, there is a tension between the positive values of a given place, and the homogenizing forces of global capitalism. Globalization, with its mobile capital, mass communication, and rapid transportation, is characterized as heading towards the elimination of place. In contrast, Doreen Massey’s paper, “A Global Sense of Place,” published in 1991, presents an argument for a new, modern conception of place that is not reactionary in nature. For Massey, the forces of globalization do not necessarily represent the elimination of place, but rather a transformation of how we should *understand* place. Places are no longer static locations with single, bounded identities, but rather unique points of human connection that are occurring on an increasingly global scale. They are both fixed in some way, and still connected to an increasingly mobile world. Although I cannot do justice to the full arguments of either author here, these ideas will be revisited throughout the thesis.
In sum, Cresswell divides the themes above, as well as additional themes covered in his book, into three major categories. First, a **descriptive** approach to the concept of place looks at place as a distinct entity with specific, identifiable characteristics. Second, place can be understood as a **social construction**, as the lived reality of groups of people, including all of the harmony and discord of social life. Third and finally, place can be understood from a **phenomenological** perspective, which looks at how individuals interact with the philosophical idea of “Place,” as opposed to the specific characteristics of different places. The last concept is difficult, but it can perhaps be understood, for example, as how one relates to and thinks about one’s home in all its nuance, and how that experience is similar how one relates to all other places to a greater or lesser extent. All three of these categories, and the more specific themes above, will be touched upon in describing and better understanding the WFD development process below.

**Chapter 3: Research Methodology**

My honors thesis research uses a case study approach to examine the Whole Foods Detroit (WFD) development process. I collected qualitative data for this case by conducting semi-structured, in-depth interviews, obtaining written documents relevant to the project, and consulting secondary news sources. The nature of my research question and its relation to the scholarly literature of place and social entrepreneurship helped to determine the manner in which I conducted this study. Choosing a single qualitative case study allowed me to explore in greater detail the complex social behavior related to the concepts of place and CSE.
The population for my study included individuals who represented organizations or community groups involved in the development process. This population included not only the firms directly responsible for initiating the development – Whole Foods and Ram Real Estate – but also the stakeholders that had any significant relation to the project, such as the general public and oppositional groups. The stakeholders represented include: Whole Foods, Ram Realty, construction firms, community groups, non-profits, small businesses, government agencies, and the general public (See Figure 2 for a chart of the stakeholders). When possible, I spoke with individuals in high-level positions within their respective organizations who were in charge of making the decisions at hand, or were knowledgeable of the decisions being made by subordinates. Because these individuals were speaking about their professional activities, not revealing information of a personal nature, my research was exempted from the International Review Board’s human subject approval process.

I began the interview process with a convenience sample. As an intern at an urban policy non-profit in Washington DC, I was connected by a coworker to a number of foundation presidents in the Detroit metropolitan area, as well as Peter Cummings, the owner of Ram Real Estate. In the winter of 2011, I conducted exploratory research on public-private partnerships, the original focus of my project, through informal conversations with these contacts. From these conversations, I gained a deeper understanding of the development activity in Detroit and found the Whole Foods project to be widely regarded as the city’s highest-profile development.
I also identified several other cases of public-private partnerships that could serve as contrasting studies.

By the Spring of 2012, I applied for and was awarded a Major Grant through Stanford’s Undergraduate Advising and Research program to study public-private partnerships in the form of several case studies. That summer I conducted my first main interview with Mr. Cummings, one of the leaders of the WFD project. By talking to Mr. Cummings, I was alerted to a rough list of the numerous parties involved in the process, and the complexity of the project beyond the accounts of newspaper items. Based on that conversation and guidance from advisors at Stanford, it became immediately clear that there was more than enough information from the single case of this development process to constitute a full research project. From that conversation, my sampling took on a snowball method, as each conversation brought up new names of people involved in the development process. My interviews in the summer were largely exploratory, asking broad questions of the individual’s involvement with the WFD project. Throughout these initial interviews, a common theme that occurred in several conversations was the importance of the place of Detroit in the development process. This theme would provide the main framework for situating my research theoretically.

The majority of my analysis is based off of the transcripts of the interviews that I conducted. When possible, I transcribed entire conversations. In other circumstances, such as visiting the construction site of the store, my conversations were recorded more as field notes, documenting what seemed to be the most salient information at the time. From the initial transcriptions and field notes of
conversations during the summer, I open coded the data by hand to identify themes within the responses. From the initial conversations, I established a set of codes that were variations on how the concepts of place in relation to the creation of social value came up during interviews. The main categories of codes that occurred were notions of place as: City, Community, Property, Experience and Environment – which are explained in greater detail in the next chapter. These codes were then used for the focused coding of subsequent interviews. It was from this coding that I gradually pieced together the story of the WFD development, and conducted a deeper analysis of the social behavior at hand.

Although I have conducted research in accordance with social scientific standards, there remain limitations to my methodology. One important issue is the degree to which my results can be generalized to other cases. My focus on a single case study, although it allows for more depth, also limits my conclusions specifically to the WFD project and to the particular context of Detroit. As a result, I cannot make a fully justified claim that my conclusions apply to other development processes in other locales. However, it does not necessarily follow that none of the conclusions can be generalized. My aim is to explore, in great detail, this particular case in the hopes it can be judged against other cases in the future to obtain an even deeper understanding of the role of place in social entrepreneurial behavior.

Additionally, it is important to mention that I arrived at the decision to study the WFD project largely due to my pre-established connection to Mr. Cummings and his willingness to have the process documented. Through informal conversations with family and friends, as well as newspaper articles, it became clear that many
were skeptical of Whole Foods’ intent in opening up a store, a sentiment that was echoed by Detroit’s independent grocers and many of its community members. By studying this particular case, I do not meant to suggest that the development in itself is an objectively positive example of a for-profit company engaging in socially-entrepreneurial behavior. Rather, it is an example of a development process involving many different stakeholders with varying beliefs. Although I began my research by speaking to those in favor of the development, I have also made an attempt to acknowledge the dissenting voices related to the project. My thesis aims to better understand the development process given that it has already occurred, as opposed to making a normative claim that it should occur in the first place.

Chapter 4: Background Information

Research Setting

This research project is primarily situated in Detroit, Michigan a city that has come to represent the urban decline of the nation’s former industrial core. In its heyday, Detroit was known as the “Arsenal of Democracy,” home to almost 2 million people. By the turn of the 20th century, following the decline of the auto industry, more than half of the population had deserted the city. Now, only 700,000 people, almost 80 percent African American, live in an area larger than San Francisco, Boston, and Manhattan combined. The result is a strikingly desolate urban landscape, marked by blighted neighborhoods and abandoned buildings.

2 On March 14, 2013, while this thesis was nearing completion, Michigan Governor Rick Snyder an emergency financial manager for the City of Detroit. The manager is Kevin Orr, a former bankruptcy
And yet, it is the city’s bleak situation that has drawn an increasing number of young urban pioneers to the city. To them, Detroit is not a symbol of decay, but opportunity, a vast urban canvas on which to find innovative solutions to the city’s social and economic problems. With high unemployment rates, more and more are starting small businesses of their own. Dan Gilbert, founder of Quicken Loans, is buying real estate in the downtown area in the hopes of cultivating a regional information technology hub. And an increasing number of college grads are streaming into hip new neighborhoods, lured by cheap rent, urban farming, and a burgeoning arts scene. To many residents, new and old, there is still hope for the city to rebuild itself in a new image. As the city motto states, translated from the Latin: We hope for better things; it shall rise from the ashes.

Despite promising new efforts to revitalize Detroit, there are still major hurdles to confront. One of the largest is that the city government faces the near impossible challenge of providing utilities and services to such a sparsely populated area, and to do so with continued budget problems. Since the auto industry largely left the city, the private sector’s involvement in efforts to better the local community decreased dramatically. Several large foundations now serve as the most politically powerful organizations in the area, working and sometimes competing with the local government to provide public services. In sum, no single entity has the resources or political power to take a singular leadership role in turning the city.

lawyer. This position grants Orr control over the city’s finances, with the power to nullify labor contracts and sell city assets. Residents and spectators who oppose the measure argue that the emergency manager is a direct affront to democracy, and amounts to a local dictatorship. Those in support generally view these harsh measures as a painful but necessary step for turning the city around. Due to the recent nature of the news at the time of writing this thesis, this particular story in the context of Detroit will not be discussed in full detail here.
around. Instead, development projects must take advantage of many different sources of human capital and other resources. These days, a successful project in Detroit often depends on the ability to collaborate with multiple stakeholders.

Once completed, the Whole Foods store will be city’s only major nationwide grocery retail chain, located in the Midtown neighborhood (See Figure 3 for map). Midtown runs along Woodward Ave, a major boulevard that extends from the heart of downtown, and is home to several of the cities largest institutions, including Wayne State University, Detroit Medical Center, the Detroit Public Library, and the Detroit Institute of Art. It is within this context that I have conducted research on the development process of Whole Foods in Detroit.

**Whole Foods Profile**

This case study will not cover the entirety of the business and socially-driven efforts of Whole Foods, but a brief profile on the company will be helpful in understanding the specific development in Detroit. In 1980, the original Whole Foods Market opened in Austin, Texas with only 19 employees. Since then, the company has grown to have sales of almost $10 billion, with 318 stores across the country and in the United Kingdom, and around 64,000 employees.

Co-CEO Walter Robb describes Whole Foods as a, “Mission-driven company ... [that] exists to create change in the world in a better way.” According to the website, the core values of the company are the following: 1) Selling the highest quality natural and organic products available; 2) Supporting team member

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The bulk of this information comes from the company website and an event put on by the Detroit Economic Club at which Whole Foods Co-CEO, Walter Robb, was the feature speaker.
happiness and excellence; 3) Creating wealth through profits and growth; 4) Satisfying and delighting our customers; 5) Promoting the health of all our stakeholders through healthy eating education; 6) Caring about our communities and our environment; 7) Creating ongoing win-win partnerships with our suppliers.

The company has also been consistently ranked as one of the top 100 best places to work according to Fortune magazine, though it has recently dropped from #31 to #72 between 2011 and 2013. Whole Foods offers health coverage to all of its employees (known as team members within the organization), and 87% of employees are currently paying $10 for health coverage, or no premium at all. Furthermore, almost 40% of employees currently hold stock options in the company, and 92% of the equity awards granted under the company's stock plan since its inception in 1992 have been granted to team members who are not executive officers. In addition to the company's grocery retail functions, it also runs two non-profits: Whole Planet, which uses microfinance to fight poverty in the developing countries from which the company purchases product; and Whole Kids, which works to put gardens and salad bars in schools.

Whole Foods is often criticized for being too expensive – earning it a nickname of “Whole Paycheck” – and catering to upper class urbanites. Price comparisons to similar grocery stores have yielded no conclusive evidence to show that the store is significantly more expensive (e.g. Anderson, 2011, Boston.com). In response to criticisms about pricing with regards to opening a store in Detroit, Robb said, “I think it’s all about bringing choices to the city. I think the ‘expensive’ [criticism] is overstated. I think we’re going to be incredibly competitive. We
understand where we’re opening the store, and what adjustments need to be made.”

It is important to note that this research does not address to the company as a whole, but rather the specific development in Detroit, although this case should be understood as one part of a much larger organization with a wide variety of business and socially-oriented efforts.

**Chapter 5: A Theory of Place-Based CSE**

Before examining the data below, I first must develop the theories necessary to answer the research question and judge whether the WFD development is a case of *place-based Corporate Social Entrepreneurship*. This claim in question is based on two closely related theories explained below. To begin, I will establish a set of criteria for CSE. The place-based nature of the development, explained subsequently, would be a qualifier of the CSE; if WFD is not CSE in the first place, then it cannot be *place-based* CSE. Within each of these subsections are also themes pertinent to the respective theories that are later used to identify patterns in the data. The criteria established here should not be understood as inarguable, objective standards by which to judge place-based CSE. Such standards would certainly be helpful in the further development of similar research, but in this thesis, the goal is to establish the initial abstract frameworks one can use to begin to understand the unique characteristics of the WFD development.

**Corporate Social Entrepreneurship**

As covered in the literature review, my research draws from the work of Austin and Reficco on CSE, as well as Porter and Kramer’s work on shared value.
The theory of CSE used here is a synthesis of their research, and is comprised of two main components: 1) the organization uses innovative methods to maintain or improve its competitive advantage; and 2) in doing so, simultaneously creates social and private value. In this case, the organization in question refers to a for-profit company, but it can easily be imagined that a similar definition could be applied to other social enterprise forms. The “innovative methods” refer to the entrepreneurial nature of the behavior. As Austin and Reficco argue, CSE is distinct from CSR for this reason. CSE is not about making minor changes to an organization in order to appear more socially conscious, but instead overhauling entire systems within an organization. For CSE, the goal of such a radical change must be geared towards bettering the organization in some way, specific to its various characteristics, such as size, industry, or core values. This improvement would be for the purpose of distinguishing its competitive advantage as well as creating social and private value.

The concept of private value is what is typically thought of when considering a market transaction in the economy (Litvak, 2013). In looking at the function of a traditional for-profit company, in theory its sole motivation is maximizing the financial return for its shareholders in terms of the creation of private value. Given that Whole Foods is a for-profit company, and that this status is not in question for this particular thesis, most of the analysis of the interviews below will assume that implicit in the opening of a new store is the company’s intention to create private value. Therefore, not all instances in which the creation of private value is present will be noted, as it would not be helpful in answering the research question. More
important to the determination of CSE is whether or not, and in what ways the WFD development creates *social* value.

In addition to private value, there are many things that people value outside of the marketplace. This limit to the bounds of private value is often referred to as a market failure. The provision of public services, environmental preservation, and limiting inequality are all examples of activities that result from values not met by the normal functioning of the marketplace (Litvak, 2013). For the purposes of this research, such activities are considered examples of creating *social* value. In the data below, I will highlight aspects of the WFD development that could be considered cases of creating social value, and then later assess whether such activities justify the claim of calling this a case of CSE.

It is important to note that the two components of the CSE theory defined above are closely interrelated. Drawing from the concept of shared value, the innovation to create social value should occur in tandem with the company’s efforts to create private value. As noted in the literature review, Porter and Kramer explain that a company’s social objectives can be part of three categories. First, the company may make charitable contributions to a cause completely separate from its business goals. Second, the company may reduce its negative social impact in its everyday operations. While both of these types of social value creation should be considered part of CSR, I do not include them in the theory of CSE.

The reason is that these two types are reactive in nature and don’t necessarily require an innovative, entrepreneurial approach to the creation of social value. If one accepts the criteria of innovation in the definition of CSE, then there
must be evidence to suggest that the company is actively attempting to create social value in new and evolving ways. However, it would not be reasonable to expect each individual company to be responsible for addressing the many and varied social problems that exist. Just as in the case in the non-profit world, each organization is structured to deal with a particular set of social issues. Porter and Kramer argue that it would be more effective to expect companies to address social issues that are aligned with their competitive landscape. For this reason, the definition of CSE as used in this thesis includes the innovative creation of social value in such a way that fits within the specific profile of a given company.

**Place-Based**

The determination of whether the WFD development is a case of *place-based* CSE depends heavily on how one understands the concept of place. Based on the theory from the relevant literature, there are few preexisting frameworks to judge whether this case can be called place-based. In urban poverty literature, the term “place-based” refers to the focus of the policy, and is generally contrasted against “people-based” policies. However, the focus of this thesis is not government policy, but rather the behavior of organizations, with the specific focus on social entrepreneurship. Therefore, it is necessary to develop in greater detail a theory of “place-based” as it refers to organizational behavior.

As discussed previously, the concept of place is far more complex than it first appears, especially given its casual usage in everyday conversation. I argue that a determination of place-based activity should do its best to incorporate and not shy away from such complexity. However, given that the concept of place can refer to
such a wide array of ideas, it is necessary to limit the definition in some regards for it to have any practical use. For this research, I will narrow the bounds of the definition as being a qualifier of CSE. In the section above, it was shown that the theory of CSE depends heavily on a company’s creation social value. My definition of place-based is therefore limited to place-based activity as being a type of social value within the theory of CSE.

To develop the concept of place-based organizational behavior, it is first necessary to explain the basic categories of the concept of place that I use to better understand the qualitative data from the WFD case study. From the interviews that I conducted, the five main conceptions of place that arose were: City, Community, Property, Experience and Environment. The themes that I use are based off of Cresswell’s three categories, but are more specific to this specific research case. The first four themes can be mapped out on a matrix in the following in the table below. Place-as-Environment is dealt with separately, as it does not fall neatly into this particular system of categorization.

<table>
<thead>
<tr>
<th>Themes of Place:</th>
<th>Aggregate</th>
<th>Individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Descriptive</td>
<td>City</td>
<td>Property</td>
</tr>
<tr>
<td>Experiential</td>
<td>Community</td>
<td>Experience</td>
</tr>
</tbody>
</table>

The two columns differentiate between a place being defined in relation to a group of units, whether people or institutions, as opposed to individual units. In other words, I treat place defined by a group of local grocery retail businesses as being fundamentally different than place as defined by an individual store owner’s
relation to the locality. A single property within a location like Detroit, is similarly
different from the collection of various types of properties that make up the city as a
whole. Creswell does not make this distinction in his three categories, but it was
helpful in this case for better understanding how people used the concept of place in
the WFD development. The difference between the two rows reflects Cresswell’s
distinction between place as described from an external perspective – “Descriptive”
– versus place as described from within – “Experiential.” The differences between
these themes are explored in greater detail below.

By “City,” I refer to an abstract notion of place as the city of Detroit in terms
of its broad social and economic characteristics, such as its unemployment rate,
poverty levels, and other such aggregative measures. Place-as-City is a distinctly
descriptive notion, drawing from Cresswell’s categories, which stems from the work
of regional geographers in defining a location based on its defining characteristics
from an external point of view.

In contrast, the concept of place as a “Community,” refers to a neighborhood
level collection of institutions and social groups who interact in a common physical
space. This notion is based on Cresswell’s social construct category, because it is
defined by the lived experience of those within the given place. It is not a description
of a neighborhood from an external perspective, but rather the shared conceptions
of place between a group of people. For example, although the WFD development
took place in the abstract notion of the city of Detroit, it was specifically located in
the neighborhood of Midtown, the character of which was created by those who live,
work, and interact there.
At a more specific level is the notion of place as “Property,” or the physical characteristics of the store itself and the plot of land on which it stands, as well as the relation of that physical site to the surrounding neighborhood. Again, this is a *descriptive* notion of place, where the Property is being distinguished from other places based on distinct characteristics determined from an outside perspective. It is similar to the City conception but on the smaller scale of, for example, the single store of Whole Foods being built.

In addition, the concept of place as a concept of “Experience,” or an individual’s direct relation to a given location. While Community referred to the interaction amongst groups of individuals in defining a concept of place, Experience refers to the definition of place at the individual level. According to Cresswell’s categories, Experience is related to the social construct notion, but is more closely connected to the *phenomenological* concept of place. In other words, when an individual is actually at the WFD development site, or the community engagement office, the notion of Experience refers to the direct relation to one’s surroundings as being the distinguishing characteristic of a given place.

Finally, interviewees also used place to refer to the Environment, by which I mean the natural resource base from which the human activities of the development process draw form. The environmental conception of place does not fall neatly into one of Cresswell’s categories. On the one hand, it is descriptive, referring to the physical characteristics of a place and distinguishing it from others based on the availability natural resources. However, it is also a social construct in the sense that the concept depends on the human behavior of interacting with the physical
landscape. The case in which Place-as-Environment shows up in the WFD development is the brief mention of local farmers. The concept is thus grounded in the direct experience of the farmer’s relation to the land.

Drawing first from these concepts of place, the definition of place-based depends heavily on the distinction between descriptive and experiential categorizations. Descriptive notions of place take an external perspective in defining a location based on its distinctive characteristics. An example of using this conception of place as an example of social value would be in promoting the economy of one locality over another, or one neighborhood versus others. In the policy world, this happens often, with government agencies providing more money for underserved communities as opposed to economically successful areas. Despite this example, I argue that the descriptive conception of place cannot reasonably be thought to warrant the label of place-based.

The reason is that by the nature of this conception of place, it is necessary to take an external, objective – to the extent possible – perspective on the location in question. From this perspective, it is not immediately clear why one place should be inherently more valuable than any other. There are necessarily other factors, unrelated to the concept of place, that go into the decision of which place out of many places should be chosen. Therefore, it would not be a rigorous definition to claim that any activity in which the support of a struggling local economy is deemed to be place-based creation of social value. Such activity may be better described as the acting for the purposes of addressing inequality, or humanitarian – as in providing a base level of resources for the underserved.
In contrast, the experiential notion of place offers a more viable option for the definition of this theory. Because place as experience refers to the internal perspective of individuals and groups within a specific location, it may seem as if this concept suffers from the same inability to form a generalized theory. The difference is that although each experience is unique to the given location, it is precisely that unique experience that is universal in all locations. In all places, its temporary and permanent residents have a distinct connection to the local surroundings. An example of social value creation based on this notion of place would be community engagement, or a company reaching out to and working with the local community.

By itself, community engagement as the basis for a theory of place-based CSE does not add much to existing concepts such as license to operate, a type of CSR that can be understood a company’s willingness to respond to certain government or community concerns. To build upon the idea of community engagement, and solidify a theory of place-based behavior, it is necessary to take a closer look at the innovative nature of CSE, as well as the complexity of place as a concept. I argue that engaging with the community is a necessary but insufficient step towards justifying the label of place-based CSE. In other words, building trust by behaving as a responsible corporate citizen within a broader community is only the first step towards pursuing the holistic social goal of improving a given place. Improving a place is an intentionally broad idea. There are innumerable different ways to improve a place, from just as many individual and organizational perspectives. There is, however, a particular usefulness to this broad notion. In any place, and
especially in struggling cities like Detroit, there is enormous complexity to the social issues and economic problems at hand. Furthermore, many of these problems may be interrelated, and attempted solutions should be designed accordingly.

By this reasoning, place-based CSE consists of listening to a local community about the specific problems that they face on a daily basis, and then adjusting company behavior in response to the lessons learned. The use of improving a place as a holistic social goal allows for the flexibility of a company to be open to addressing an array of different social issues that may be present. Their functions may not be as broad in practice, and will be focused according to the specific characteristics of the company, but the starting point of the intent to create social value will be holistic and inclusive. In this way, the various conception of place above become helpful in understanding the many different ways in which a company can help improve a local community. Further research will help to catalogue the various approaches that different types of companies may take, but for this thesis, it will suffice to judge whether the WFD development uses the lessons from the community engagement to inform how the company addresses various social issues present in the city of Detroit.

**Data and Analysis**

The data below, collected from interviews and secondary sources, is organized into four main stages of the development: Planning, Funding, Construction, and Store Operation. These stages occurred chronologically over the course of the development with minor overlap (explained in Figure 4). I have also
included a section on the Political Discourse surrounding the development that occurred throughout the stages above. This section looks at the opposition to WFD from the Detroit Independent Grocers, the sentiment of the general public, and also the steps that Whole Foods took to actively engage in the political conversation. For each of these sections, I describe and question how aspects of the development used the concept of place and created private or social value. At the end of this section, I assess whether the data supports the conclusion that this development is a case of place-based CSE.

**Stage 1 – Planning:** The planning stage began the process of turning the idea of WFD into a physical reality. Between 2010 and 2012, the primary and support stakeholders (See Figure 2) began to work together, taking the first step to determine the possibility of opening a new store. The idea of WFD originated when George Jackson, President of the Detroit Economic Growth Corporation (DEGC), attended a conference featuring United States Secretary of Agriculture, Tom Vilsack as its keynote speaker. After the event, Jackson spoke of the potential for grocery retail in Detroit with Vilsack, who then encouraged an interested Whole Foods in getting to know the city of Detroit.

To contextualize this conversation, the DEGC is a non-profit, but because of its strong connection to the local government – its staff members work closely with public entities and its board members are appointed by the Mayor – the organization may be more appropriately labeled a quasi-governmental agency. Their goal is, “to support existing businesses and to bring new companies and
investments to the city” (DEGC, Online). Within this goal, and subsequently the work of Jackson, there is both a concept of place as a City and as a Community.

First, attracting businesses to Detroit uses the idea of Place-as-City, with this locality’s particular economic characteristics. The initial goal of attracting Whole Foods to Detroit is not about the specific details of where a store would be located or how it would operate in a particular location, which would use other concepts of place. Rather, it depicts a company that is entering an urban location defined by a set of broad economic problems. This definition is not experiential, but rather looking at the city from an outside perspective and using aggregate statistics to distinguish it from other places.

The concept of Place-as-City is also intimately related to the creation of social and private value as a result of opening the store. A main selling point for attracting Whole Foods to Detroit was that the company could potentially have significant social impact in a city with a struggling economy. The new store would have the potential create private value for the company, contingent on the store’s success, and would also serve the social goal of helping the local economy.

Admittedly, in a successful local economy like New York City, for example, helping the local economy may not seem like a believable social goal. In this case, however, it is fairly straightforward to make the argument that the for-profit marketplace, at the national and global levels, have not favored Detroit of late. And yet, within the city there is an undeniable desire to reboot the local economy. From the perspective of those who want to see the city succeed, including Whole Foods with its decision to open a new store, helping Detroit’s economy can be considered a
social problem that can be addressed in a way that is in many ways at odds with the functioning of the national economy. I will deal with the question of whether it is justified to consider this a social goal in greater detail below.

Another important statistical characteristic of Detroit was the issue of access to healthy fresh food. Based on largely anecdotal evidence, Detroit is often characterized as a food desert with a dearth of full-size grocery stores. From these accounts, there are often claims that residents are limited to buying their food from drug stores and small mom and pop shops. However, a 2010 report from the non-profit Data Driven Detroit identified 115 full-service grocery stores within the city limits. There are even the national chains of Spartan Stores and Save-A-Lot, as well as the international chain Aldi. In press statements and interviews, Whole Foods employees and others involved with the development spoke about how the WFD development would address issues of healthy fresh food access in Detroit. While there may be no widely recognized grocery chains in the city, such as Krogers or Walmart, the myth of the food desert in Detroit appears to be overstated. To be clear, Whole Foods Co-CEO, Walter Robb, and other company employees acknowledged that there were other fresh food options in Detroit. Their stated goals were instead to provide another option for buying healthy food, given that there is an estimated $200 million of grocery retail leakage out of the city (Social Compact, 2010). As discussed in greater detail below, this claim of WFD bringing fresh food to the city, although a legitimate business decision in the efforts to create private value, appears to be a problematic argument for the creation of social value.
Moving forward in the narrative of the development, after the conversation with Jackson, the next task for Whole Foods was to identify a suitable location for the store. At this point, Jackson recruited the help of Sue Mosey, known by many as the unofficial “Mayor of Midtown,” who came up with three site options. From their options, Whole Foods picked the property owned by Ram Real Estate (RRE). The identification of the site location uses a concept of Place-as-Property. Under this idea, Detroit is divided up into individual neighborhoods, and each has its own identity based on various physical characteristics.

For Whole Foods, it was important that their store be near to Woodward Ave., one of the main thoroughfares extending through the Midtown neighborhood from the center of downtown Detroit. The store would thus be near to a relatively busy part of town, increasing the store’s exposure to residents and visitors. Here, it is evident that in this use of Place-as-Property, Whole Foods acted as a for-profit company with the purpose of creating private value.

In addition, Midtown was seen to have the economic and social characteristics suitable for a store, with long-term residents tied to well-established institutions in the neighborhood such as the hospital system, cultural centers, and the university system. These are large institutions that are less likely to pack up and leave Detroit. The conception of place was not just the physical characteristics of the location, but also the social structure of organizations that define the neighborhood of Midtown; in sum, taking the Place-as-Community viewpoint.

While it is true that being located in a stable neighborhood will likely be better for business, this decision is also closely related to the creation of social value.
Part of the decision to open a store in Midtown was based on the social relations
that it could forge with surrounding institutions. Place-as-Community, in the
example of locating a store in Midtown, refers not only to the group of businesses
and their interactions, but also a variety of cultural institutions. The store can be
seen as creating social value by taking part in a larger network of local organizations.

Moreover, the connection between Whole Foods and Place-as-Community,
and the consequent creation of social value, is not just an abstract idea. Amanda
Musilli, the WFD Community Liaison, explained that it is common for a company to
come into a city like Detroit without interacting with the businesses that are already
there. “The business owners encouraged us... to know the community a little deeper.
So we took that advice.” As a result, the planning stage included numerous meetings
between members of the WFD team and local business owners. Whole Foods
Regional Vice President, Red Elk Banks, explained that:

The biggest consensus that we've got from residents and business owners is
that you should respect the city, that you should get to know us, and
understand what are some of the good things that are going on in the city,
what are some of the challenges. And then they asked us to think carefully
about how we can be good partners in the city. In some ways, it’s no different
than any other community that you want to be a part of. They want you to be
respectful, they want you to have an idea of how you can contribute to the
mix of the city. And they want to know what kind of service you can offer.
And they're gonna want you to live up to the high standards that you say
you're going to live up to (Interview, 1/13).

Again, it is clear that the WFD team is using the concept of Place-as-
Community, aware that their relation to Detroit and to the Midtown neighborhood is
in part defined by how they interact with the local business community. One could
also argue that voluntarily eliciting the opinion of Detroit business owners is in itself
an example of creating social value. While this behavior may ultimately result in
greater success for the store, there is no immediate and direct creation of private value. Meanwhile, there is an argument to be made that the company is creating social value by building relationships with members of the local business community and thus making a tangible commitment to supporting the local economy.

Also in the planning stage, Whole Foods signed the lease under the condition that RRE would take the lead in figuring out how to secure funding and obtain the permits for the development. As Peter Cummings, the owner of RRE, explained, his company does not usually provide development services for third parties, but they agreed to these terms because it was, “important for the city.” Here, Cummings uses the notion of Place-as-City, suggesting that the success of the development would help Detroit as a whole. It is also an example of RRE creating social value, in that it is acting beyond what would be a typical economic decision for the company with the hopes of helping Detroit’s local economy.

Although RRE is based in Florida, Peter Cummings, its owner, is a well-established developer in Detroit, who has decades of experience leasing and building properties in the city. Whole Foods identified him as being familiar with the resources, legal issues, and political issues necessary to complete a project such as WFD. The choice to have RRE take the lead in developing the site was a reflection of Whole Foods’ belief that because of Cumming’s experience working in Detroit, he would be best suited to accomplish the job. In this case, place was understood as Experience, with an individual’s knowledge of the conditions and resources.
necessary to complete a development project. This example shows that place can be understood not only as a City, Community, or Property, but also as an individual’s direct experience and subsequent history with a given location.

**Stage 2 – Funding:** Following the planning process, the goal of the funding stage was to secure the financial resources necessary to complete the project. To begin the process, Whole Foods presented RRE with a financial model outlining the contributions expected from each of the two organizations as well as the additional funding needed from the government. In total, the two organizations provided roughly two thirds of the funding, with the remaining amount coming from public entities. With the help of Mosey, RRE found and applied for four different grants and tax credits from the government (For details on government funding see Figure 5). Cummings explained that for the typical for-profit development, public funding options are not available, and projects are usually financed with bank loans and equity contributions from owners.

The funding process, specifically involving government agencies, relied heavily on the conception of Place-as-City, referring again to the broader economic situation in Detroit. In order to receive funding, the criteria for the tax credits and grants largely depended on the narrative of bringing fresh food to the city as well as the statistics on the local economy. As was mentioned previously, the idea of fresh food access being an example of social value creation is doubtful at best. From the information that I collected, there was no direct explanation as to why this issue was overlooked. Based on the evidence available, it may reflect the political power of
those in charge of the development, or that the economic benefits were enough to
warrant the subsidy regardless of the food issues. To my knowledge, at the time of
the government funding process there was no public question as to whether the
food access claim was legitimate, and the contention has not been raised since. In
contrast, the economic requirements for subsidy were relatively straightforward,
looking at a variety of statistics that included whether the neighborhood or city had
a certain percentage of the population under the poverty line, if median incomes did
not exceed a given threshold, or if the property was located in a physically blighted
area. The government support of the WFD development suggests that these public
entities saw social value in bringing a store to Detroit, at least for the economic
reason of helping a struggling economy, and thus deemed it worthy of financial
support from the taxpayers. To be sure, the government is choosing to support a
private company that will be creating private value by its very definition. Whether
this support is justified is the topic of the political discussion section below.

Government involvement brings to the forefront another perspective from
which the concept of Place-as-City originates: the public. At least nominally, the
decision to fund the WFD development represents the general interest of the public
at the local, state, and federal level. This is not to say that all citizens of the country
are in favor of this project. Rather, filtered through the democratic representation at
each level of government, this project was deemed by those in control of funding to
be beneficial to the public. The concept of Place-as-City is thus not just a collection of
economic statistics, but can also be understood as an aggregate of citizens and the
democratic institutions within which they participate.
The funding process also brings to light a scalar distinction in the concept of place. In this research, I primarily focus on the aggregate, descriptive concept of place in terms of Detroit as a City. However, the funding stage brings to light that place can also be understood at the state and federal levels. Financial support came from all levels of government to support this project. It is interesting that although the federal and state governments purport to pursue projects at the scale of their respective jurisdictions, the money they provide ultimately ended up, in this case at an urban level on the specific property where the Whole Foods is being built. On an everyday basis, one may think of a city, state, and country as distinct places, but this case illustrates that the ultimate effects of funding trickle down to specific, tangible projects as small as a single property in a single neighborhood. Any place larger than that directly experienced by those working on the ground is necessarily an abstraction inclusive of smaller, physically and socially distinct places.

**Stage 3 – Construction:** This stage features the construction of the physical structure that will house the WFD store. Beginning with legal matters, RRE worked with local government agencies to acquire the permits necessary to begin construction at the site. The political support behind the project was so strong that the permitting process happened within the span of a few months. Cummings said that he had “never worked on a development with so much political wind power behind it.” Here, the concept of place is as a Property and a City, but from a legal perspective. The WFD development, taking place on the Property of the construction site, was understood not just as a physical location, but as a legal entity within the
jurisdiction of City of Detroit, subject to specific rules and requirements, as opposed to just an economic entity in relation to its customers, as described earlier. The permitting process used the notion of Place-as-Property in relation to City, as understood in terms of the legal framework established by the local government.

In early 2012, with the permitting process underway, the construction plans were developed by the architectural firm, WD Partners, in conjunction with the Sachse Construction company and representatives from Whole Foods. In coming up with the initial architectural renderings of the store, Musilli explained that the WFD team presented the initial drawings from WD Partners at several community meetings around the city, open to anyone who was interested. People offered input on a variety of details, including the color of the brick, the style of the windows, what the awning was like in the outdoor seating area, and where the front door was located. The suggestions were then sent to back to the architects, who incorporated many of the changes.

“And so, through two or three months of doing that, in the end, we had a store that was designed from a collaborative process through the community,” said Musilli. “The initial store design that we took out to those community meetings looks completely different from the store that we’re building.” Another example of engaging the community in the design process is the competition for Michigan artists to submit proposals for four large murals that will be featured at the new store. These examples of collaborative processes within the construction stage further emphasize the conception of Place-as-Community as well as the creation of social value. The WFD team understood the placemaking process as not solely for
the benefit of Whole Foods, but for all Detroit residents who were interested in taking part.

Following the design stage, the development began to take root in the physical location of its Midtown location. Consequently, the conception of place that was relevant to the development was more concrete in nature. Instead of understanding the store in terms of its impact on the city as a whole, it was now being conceptualized as a physical structure with a specific relation to the people and places around it. The store needed to be situated according to the city’s water lines, the electrical grid, the nearby streets and buildings, and have enough room for a 21,000 square-foot building and accompanying parking spaces. What was once an empty property began to take on an identity of its own.

For the first time in the WFD development discussed this far, the construction marked the process of creating a new place, in this case used as a concept of “Property.” It is a private location owned by Whole Foods, but it also has the potential to be a public space where local residents can shop, eat, and gather. Within this Property there is the hope that the physical structure will allow for meaningful individual relations to the store, or Place-as-Experience, which is discussed in the store operations stage below. This concept of “placemaking” is central to the development philosophy of Ram Real Estate, and closely tied to the social goals of Whole Foods. Placemaking is noticeably oriented towards the public benefit – as opposed to constructing a building that solely benefits a single organization – and can be considered an example of social value creation.
For the construction stage, Whole Foods set a goal that at least half of the people hired must be from the Detroit area. These standards were implemented beginning when RRE opened up the project for bidding from different general contractors. Additionally, the firm Sachse Construction was chosen for its reputability, and because it was a locally-based business. The construction process also included the temporary hiring of various local contractors to do smaller jobs such as electrical work and installations. In this way, the construction stage featured numerous examples of the creation of social value by supporting local businesses.

The construction stage presents another example of how place was used as a concept of Community, as it largely featured companies in the local for-profit construction industry. It is worth pointing out, however, that the hiring of WD Partners, based in Ohio, shows that although the development features many relations to the Community within Detroit, it is not exclusively local. One could interpret this non-local action as working against the business community in Detroit, as it is conceivable that a local architecture firm could have been hired instead. It could also be argued that drawing from outside resources and skill sets was actually beneficial to Detroit as a whole because it brought in necessary outside expertise. Such arguments will be explored in greater detail in the following chapter.

**Stage 4 - Store Operations:** With the construction of the store underway, Whole Foods also began to plan for how the store would function once completed. Due to the time limitations on this research project, the exploration of the Store Operations stage is based off of those plans as opposed to documenting the function of the store.
when it opens. Describing and assessing the WFD store while up and running will certainly provide fruitful material for research but is beyond the scope of this thesis. The primary goal of the Store Operations stage was to lay the groundwork for a successful business that will have a strong connection to the people and place of Detroit. These decisions include the provision of non-retail services within the store, food sourcing, as well as partnerships established with local businesses.

Upon the completion of the store, the building will contain a mezzanine level that will serve as a community engagement space. This space will be a continuation of the function of the Whole Foods office that has been up and running near the construction site since the planning stage of the development. The office has been open to the public during workdays, and has served as a point of connection between the WFD team and local residents. Banks explained that people have come into the office for a variety of formal and informal reasons: to ask questions about the store, use the internet, grab a cup of coffee, or thinking that the store is already open. “Just the dynamic of having and office here has given us a connection, a day-to-day presence in Detroit that changes us every day,” said Banks. “It’s served as a good platform for us to get people excited about the store.”

Musilli, and Dr. Akua Woolbright, the Senior Healthy Eating and Wellness Educator, are the two employees who were based in the office throughout the development. Musilli initially handled most of the business, resident, and community organization outreach, then shifted to handling the store opening itself. Woolbright has been in charge of the various classes that are free and open to the public, which will continue once the store opens. Class topics range from healthy
eating, cooking lessons, to how to shop Whole Foods on a budget. Woolbright explained that the classes have been very well received, and that people will leave work early to attend classes in the late afternoon. The relation to between the WFD team and the community is not just in the office. Woolbright explained that:

> What has happened as a result is that they have started to invite me out to their locations. So I’m out in the community, going to where people are, churches, community centers, after school programs, wherever to offer classes. I can really do this every day of the week because demand is so high. ... I think the thing that encourages me the most is when I see repeat people, people who come back to take the same classes. (Interview, 1/13).

In addition to the classes geared towards the public at large, there are some tailored to potential vendors that explain the quality standards that determine whether a product can be sold at a Whole Foods store. For these classes, the WFD team would bring in company employees from elsewhere in the state who specialize in this issue. Some vendors have come into the office hoping to sell their products in the Detroit store, and have gotten their products approved to be sold all over Michigan. Towards the end of February, the WFD team will be hosting a local vendor fair, where company employees who are responsible for purchasing from vendors will meet one-on-one with local producers and provide support for getting the products sold within the store. Musilli explained that in vendor fairs in other stores across the country, around 90% of the vendors who are interviewed have their products accepted for sale in Whole Foods.

The interaction between the WFD team and the local community features a strong conception of Place-as-Community and -Experience. Local residents and vendors are treated not as aggregated statistics, but as business partners, students, and customers whose input matters. The office space, and eventually the store itself,
is treated not as a building solely where people buy food, but as public space where people can interact. Each individual person who takes a class has the chance to engage with the place of WFD as a meaningful Experience and not just a building to walk through. Hand in hand with the conception of place is the creation of social value, both in the forging of strong social relations and the support of local vendors. The community engagement seems to go beyond what is expected of a traditional for-profit, although that fact does not necessarily mean that the creation of social value is unrelated to the creation of private value as well.

In addition to the efforts within the store to directly engage with local residents, the store operations depend on partnerships formed between Whole Foods and local businesses in the area. In normal business situations, many of the stakeholders affected by a new store opening would interact with this large grocery retail as competitors. In this case, with such a strong social need for economic development in the city, several organizations have overlapping interests and agreed to partner with Whole Foods. Most new Whole Foods stores have a full scale bakery on the premise, both in larger suburban and smaller urban store models. However, because of size constraints and a desire to establish connections with local organizations, the company decided to downsize the Detroit store’s baking operations and fill that void by purchasing directly from Avalon International Breads, a local bakery.

This decision made sense from a business perspective for Whole Foods in terms of working within the size constraints of the store, and also created social value by supporting businesses in the surrounding community. From the
perspective of Avalon Bakery, acting as a supplier greatly increased its exposure to potential customers. It is easy to imagine that if Whole Foods was making development decisions based only on concerns of creating private value, it would have entered the Detroit food retail landscape competing with Avalon for customers. Instead, both parties were able to find some common benefit for their businesses, as well as a shared desire to better the grocery options in the city.

While City, Community, Property, and Experience refer to concepts of place that center around social structures and the physical structures that humans create, the idea that the WFD store will work with local farmers to source food locally also depends on a notion of Place-as-Environment. The entire function of Whole Foods as a grocery retail depends ultimately on the natural resource base from which food is grown, processed, and eventually sold. Moreover, in its effort to source locally, Whole Foods acknowledges the importance of the company's relation to the Environmental conception of place which it inhabits. The WFD team has even supported local urban farmers by appearing before the City of Detroit’s Planning Commission to support the City Planning department’s proposed ordinance change to allow local farmers to sell through a retail outlet. At the time this thesis was written, there was no agricultural zoning code that will allow retailers to buy locally-grown produce. The support of local farmers can be seen both as the creation of social and private value. As Banks put it, “It’s a business commitment for us to source local products. We believe strongly in local food economy... You could look at it form a whole host of perspectives. It’s an environmental decision, a business decision, a community decision. And often times it’s just a great food decision.”
**Political Discourse:** The political landscape surrounding the project began to take form when, in the summer of 2011, Whole Foods publicly announced that they would be opening a store in Detroit. Their plans drew national attention with an article in the Wall Street Journal, and stirred up a debate about the company’s intentions as well as doubts as to whether the store would be successful. This discussion continued on through all of the stages discussed above. Both the opinions of those skeptical of, or in direct opposition to the project as well as the response from Whole Foods provide an interesting example of how the concept of place was publicly discussed.

Although those directly involved with the development believed they were working to help Detroit, not everyone shared their optimism about the project. The only organizational voice of opposition to WFD were the Detroit Independent Grocers (DIG), an affiliate of the Chaldean American Chamber of Commerce who stated that although they welcomed the competition, they believed the project did not warrant government subsidies (Gallagher, 2012). DIG argued that local grocers were operating on an uneven playing field, as they had been in the area for much longer, providing grocery services to local residents without receiving similar support from the government. Their complaints were made public through interviews with local newspapers, but the DIG did not pursue any institutionalized form of opposition.

This conflict centered on the proper role of the local government to incentivize businesses to locate inside the city. Another way to frame this argument is in terms of competing conceptions of place. In their opposition, the DIG used place
as a notion of Community that was comprised of relations between local businesses, residents, and the government. To them, this conception of place should have been of primary importance in determining the actions of the local government. The City of Detroit, as the representative of body of its citizens, has an obligation to the local organizations and residents before outside companies. In this argument, there is a belief that outside organizations should not be disproportionately favored by the local government.

In response during a newspaper interview, Whole Foods CEO, Walter Robb, made an appeal to the opposition to “get past the stereotype of a corporation coming into a community” (Gallagher, 2012). In this response, Robb did not directly address the issue of proper use of government subsidies. His argument seems to suggest that although Whole Foods is headquartered outside of Detroit, that does not necessarily mean that it cannot integrate itself into the local community. The concept of place is not determined by where a company is based, but rather the relations it builds within a given location. Furthermore, as the section on the Funding Stage suggests, proponents of the WFD development argued that the government financial support was justified due to the effect that the store would have not on a specific Community, but on Detroit as a whole. In their opposition to the development, the DIG focuses on the Community in which they operate, and not the economic impact of the store on the broader conception of Detroit as a City. Whether it is the local government’s role to support local over nonlocal businesses, or to focus on a Community or City conception of place, is beyond the scope of this
research project. For the purposes of this thesis, I find it interesting to note that conflict can at least in part be attributed to conflicting notions of place.

In addition to the DIG’s direct opposition, some local residents voiced skepticism about the development, fearing that Whole Foods would parachute in with outside workers and make money without actually helping economic situation in Detroit. Furthermore, it wasn’t clear how the new store, with its relatively expensive products, would help the underserved residents of the city. If the motivations of the company were sincerely socially-oriented, local residents could not see how specific social problems were actually being addressed. Individual residents were largely wondering how they specifically would benefit from the development, whether through a job opportunity or as a consumer.

The local residents’ concerns about Whole Foods coming into their community represents another example of Place-as-Community. This neighborhood and city “belongs” in some sense to its residents, and the arrival of a nationwide grocery chain marks a challenge to that territorial claim. The concept of place here is directly linked to the social structure formed by the local residents. From their perspective, the place of Detroit excluded Whole Foods in part because it is not a locally-based business, and as a large nationwide corporation, it has questionable incentives to make a concerted effort to help the city as a whole.

In response, Whole Foods set up the community engagement office described above and hosted town hall-style outreach sessions to draw attention to the 75 permanent jobs created directly within the store and the 70 temporary jobs created during construction. The critiques of WFD often came when thinking of the store
from a consumer’s perspective. Through their community outreach, Whole Foods tried to shift this perspective to explain that their store was a provider of goods and services that were largely dependent on a complex network of food suppliers. Before the consumer even enters the store, there are a variety of economic opportunities for food-related entrepreneurs in the local area, from farmers to packagers to distributors. More than simply buying food from local businesses, Whole Foods pledged to actively support the culture of food entrepreneurship in the area, as explained in the preceding section.

The WFD team often referred to the development as a process of listening and responding. Referring to how the team has approached this development, Musilli said that:

> We’ve learned a lot from this project that we’ll take to the next one. We’re constantly learning and evolving our approaches as we come into a community. We think that coming into a community with all of those things front of mind – listening to what the community wants or needs—[and not] just a top down approach of, ‘this is what we’re going to do, we hope that you like it.’ We think that this is the right way to come into a community. (Interview, 1/13).

Whole Foods emphasized a different framing of Place-as-Community, looking at it as a resource base of potential employees and food entrepreneurs that could work with and for the company. In essence, they made the argument that although place can delineate “insiders” and “outsiders,” those effects can be mitigated by reaching out to the local residents as much as possible and establishing common ground; that Place-as-Community could actually include a nationwide company like Whole Foods. This conception of place served to break down the divisive notions of in-groups and
out-groups and replace it with a more inclusive notion that Whole Foods, although a large corporation, can still act local in some sense.

Results

Is it Corporate Social Entrepreneurship?

From this data, the task remains to determine whether these aspects of the development represent sufficient evidence to judge the development as place-based CSE. It is important to note that making this judgment necessarily compares the empirical evidence of this case study to the abstract ideal of CSE as a theory. Just as it is impossible to label any company as an “ideal” for-profit firm, or an “ideal” non-profit organization, it would be similarly unrealistic to hold this case study to the standard of being a perfect case study of CSE. Instead, the standards that I follow in this research are to judge whether there is sufficient evidence to show that the WFD development meets the standards discussed earlier, namely the use of innovative methods to create social and private value.

Regarding the creation of private value, it is clear that the WFD development is a case of a for-profit company engaging in the furthering of its organizational purpose. There was no evidence that I collected to show that Whole Foods claimed to act as anything other than a for-profit business, with responsibilities to maximize financial returns to its shareholders. While an argument could be made that focusing on the creation of social value may divert resources from revenue-generating activity, the social aspect is so central to the company’s business philosophy that doing anything else could reasonably be called into question as
potentially harming the business. Furthermore, although the decision to open a new store in Detroit had social implications, it was still a business decision according to representatives of Whole Foods. The local economy in Detroit, though it may carry significant risk, remains an untapped market for the company to benefit from.

Accepting the criteria for private value creation as satisfied, the more important question of CSE is to ask was whether this case was innovative in its attempts to maintain or improve its competitive advantage. Speaking on this issue, Banks noted that there is tendency on the part of those looking in on the project to want to label it as new or unique, and to make that claim the focus of the story. Although some aspects may indeed be unique, it would be oversimplifying the matter to claim that what occurred in the WFD development has never happened before. In fact, many aspects of this particular case were common practice for Whole Foods long before the idea arose to open a store in Detroit. As Banks explained, if this development was unique, it was because this particular set of company team members drew from such a wide array of experience working on similar projects. Their efforts represented the forefront of the Whole Foods philosophy of how best to open a new store in a community.

In her quote from the section above, Musilli described how the company’s approach to development is continually evolving as they learn more about what works and what does not. I argue that this is the strongest piece of evidence to suggest that the WFD case is innovative in its approach to development. Unlike in other “superstar” cases of social entrepreneurial behavior, the innovation does not come in one fell swoop. This case is not equivalent to Muhammad Yunus pioneering
microfinance and opening Grameen bank. The innovation here, and even in the case of Yunus, is gradual but consistent. Determining the location of the store, the construction process, and other such aspects may not have been particularly innovative. But the decision to listen to and respect the community of Detroit, with all of the small and seemingly minor adjustments that were made, represents a broader philosophy of innovation on the part of Whole Foods. Because the innovations in place are relatively small, and many of the aspects of the WFD development are also true for the company’s store openings elsewhere, one could argue that the company is not engaging in radical changes within the company. The evidence to the contrary is that the company approaches each new store opening with a fresh perspective about how best to enter the community. Although the company retains best practices, each development process has the potential to be innovative in comparison to previous efforts.

These smaller innovations reflect a willingness within the company to constantly change their approach to development, a distinctly entrepreneurial trait. As the WFD team alluded to, this particular case of entrepreneurial activity was not confined to a single individual, but rather a group of individuals within the organization, working with many others outside of Whole Foods. This type of innovation is not arbitrary in terms of the company’s philosophy. It is a conscious attempt to better their approach to entering new communities and building new stores. This evidence of constant improvement speaks to the company’s desire to maintain its competitive edge as a grocery retail store.
Finally, the criteria for CSE requires that the WFD development create both private and social value simultaneously. From the argument above as to the for-profit nature of this project, it is clear that the creation of private value is a central motive and result of this development. Whole Foods intends to generate profit from the opening of this new store, and there is no evidence from my research to call that fact into question. The more interesting question is of whether the claim can be reasonably made that the development created social value. As noted earlier, this is a difficult claim to make objectively, as social goals may be clearly valued by some, but not others. Therefore it is my goal to show that if there was social value created, it was not so questionable or controversial such that the average observer would disagree.

First, it may appear that the mere presence of a new healthy food option in Detroit could be considered social value creation. I argue that such an argument is fraught with complications. The idea of a food desert is that there are no healthy food options in an economically disadvantaged area. While Whole Foods certainly provides a fresh food option, there is little reason to believe that the store’s produce will be within the economic reach of the city’s underserved population. The company’s target customer remains the upper middle class and above, even though the store is located in Detroit. Inarguably, the new store will make fresh food more available to those who can afford it, but there was no evidence to suggest that this activity was or should be considered a social goal. It can be understood as an economic goal, however that claim no longer speaks to the issue of creating social value.
Another piece of evidence to consider was how the development helped the local economy of Detroit. On this matter, there are strong arguments to be made on either side of whether this is a sufficient example for the creation of social value. In support, one could argue that due to the severe economic circumstances of the city, there are numerous ways in which the support of the local economy created social value, including: the creation of jobs for store employees, sourcing from local vendors, partnerships with local businesses, and the economic signal that a reputable grocery chain is willing to invest in Detroit. While the store’s products may be geared towards a middle class customer, Whole Foods has certainly made a concerted effort to hire locally and source from small local vendors. Seeing the store as part of a larger regional food economy does suggest the potential for the development to have increase local economic activity.

Furthermore, there is a strong argument in support of how the WFD team forged strong social relations with the local community, coming into Detroit willing to change their plans based on what input they received from residents, community groups, and business owners. A typical for-profit would view the time and resources spent on community outreach efforts as contrary to business goals. With no immediate economic gains to be had, these efforts could reasonably be considered the creation of social value.

However, there is one large question that remains as to whether the development’s support of the local economy and community outreach can reasonably judged as the creation of social value. The standard for judging whether this case constitutes CSE relies on the average person’s belief of whether the WFD
development can be reasonably understood to have created social value. Through the data and analysis above, it has become clear that the evidence for the creation of social value depends on a notion of place. To argue that this is a case of CSE is to accept that there is intrinsic social value in the support of a local economy, or the engagement with a local community. The average person may not agree that helping the city of Detroit, on its own, is a reasonable social goal. However, the same person could be expected to believe that this development is a case of CSE if the social value referred to the support of any place, and not just Detroit. To explore this question in greater depth, one must consider the concept of place in relation to the WFD development.

**Is it Place-Based?**

From the data collected on the WFD development, the examples of descriptive instances of place – labeled as City or Property in the section above – dealt primarily with the question of whether supporting a local economy should be considered the creation of social value. When Whole Foods was deciding whether to open a store in the city, an important factor was the positive impact it would have on the struggling local economy. However, for the reasons described earlier, using a descriptive notion of place is problematic. Helping the city of Detroit simply because it is Detroit does not have merit as a place-based example of creating social value. There are numerous other struggling localities across the country and world which were not chosen as development sites for a new Whole Foods store.

I do not suggest that choosing the city of Detroit was a completely arbitrary decision, or a bad one. The argument is not about the decision of Whole Foods, but
of the relation between that decision and the definition of place-based as a theory. There were other, non-place considerations that were made in order to decide where to locate the store. In the case of the WFD development, there is evidence to suggest that the reason Detroit was chosen as a suitable location, of various options, was because of the presence that Whole Foods already had in the state of Michigan, and the conversation between George Jackson of the DEGC and US Secretary of Agriculture, Tom Vilsack. I do not argue that these reasons are inadequate for opening a store in Detroit, but that they are not adequate examples of place-based creation of social value.

Using a descriptive notion of place, the WFD development’s support of the local economy could be considered place-based only if one takes a perspective that puts the city of Detroit over all other options. And yet, such a stance would be logically inconsistent with the very concept of place as a descriptive notion. This concept is able to describe what makes one place different from, but not better than another – in, for example, a business decision. To make a claim of whether a locality is worthy of economic support requires a judgment beyond the notion of place, which delegitimizes the claim of calling such activity place-based on these grounds.

The last piece of evidence for place-based CSE is the example of community engagement on the part of the WFD team. Again, this aspect of the development appears to be a case of creating social value in way that depends on the concept of place. In this case, the concept is an experiential notion of place, in that the community outreach efforts were directly tied to the lived experiences of local residents and their relation to the store. The manner in which Whole Foods
connected with the locality was by listening to and engaging with the residents who live in Detroit. However, for a rigorous definition of place-based activity, it is not enough merely to contain the idea of place.

Like the example above, it appears as if the example of community outreach is specific to the locality of Detroit, in which case this may not be an example that can be generalized, and thus be suitable as a foundation for this theory. I argue, however, that this example is different in a particularly important way. The problem with the example of helping the local economy was not just that it was specific to Detroit, but it was specific in a way that contradicted the very notion of place at hand. In this case, the notion of place being used is experiential, dealing with an internal perspective on how people live in and engage with a given place. Here, it is the very specificity that is important. Each place is unique precisely because of the people who live there, the groups they make up, and the organizations they create. In this way, the example is not confined to Detroit. What makes this a universal case is that one could imagine a similar outreach being conducted in any locality, in a way that is unique to that specific place. There is no contradiction within the concept of place, and an average observer could be reasonably expected to see community engagement as a place-based example of creating social value.

The theory described earlier dictates that the necessary condition in judging CSE as place-based is the way in which the company interacts with the unique collection of residents in a given locality. But this condition is not sufficient. The development featured discussions between Whole Foods and the local residents, but also evidence of actions taken that were based on those conversations. From the
developers, to the partners, to Whole Foods itself, all parties involved in the development seemed to share a common goal of wanting to help Detroit. From each perspective, this meant something a little bit different. The place of Detroit was one set of experiences for Sue Mosey of Midtown Inc., another for Peter Cummings of Ram Realty, and another for the WFD team. But although helping Detroit had various meanings, it was the very flexibility of that goal that allowed for these disparate actors to work together. The holistic social goal of improving a place served to catalyze the involvement of many different parties that may not have been otherwise involved. Moreover, each party brought a slightly different perspective on the problems that faced Detroit, and the various ways in which the development could help to address those problems.

Furthermore, although the community engagement is an integral part of the definition, it was certainly clear that many of the decisions made throughout the development were not based on the community decisions. They were made by the developers, or by Whole Foods, or other related parties. This fact may seem to contradict the notion of place-based CSE described thus far, but such an argument would be based on a reactionary notion of place. By place-based, I do not mean to suggest that the WFD development was a purely local operation. It involved skill sets and resources from across the region, and a successful corporation that has spread across the country and into the United Kingdom. However, I believe that the non-local aspect of the development can be seen as supplementing and not contradicting the local aspects. The reality of today’s global economy is that even locally-based development efforts draw from many different locations. To say that
the WFD development is a case of place-based CSE is therefore not a claim that it is
purely local, but rather that it is an example of a company making a concerted effort,
for business and social reasons, to engage with and improve a city like Detroit.

**Conclusion**

The theory of place-based CSE developed in this thesis reflects a company’s
efforts to pursue the holistic social goal of improving the place in which they are
located. To answer whether the WFD development was an example of such a theory,
I collected and analyzed data showing that through community engagement, the
company did make a concerted effort to take into consideration the local
perspective regarding the ways that the company could help improve the city. The
local dialogue, in addition to non-local perspectives, helped inform how the
development proceeded, and different people and groups had various conceptions
of how the store would exist within the place of Detroit. Moreover, the social value
created by addressing the concerns of the local economy helped to maintain the
competitive advantage of the company; the organization’s core values, which
include a focus on socially conscious operations, remain a strong differentiating
factor that draws and retains a selection of customers. In this way, Whole Foods’
business and social goals were complementary. For these reasons, I argue that the
WFD development is a case of place-based CSE.

To be clear, to make this claim does not imply that this specific development
was perfectly executed, or that Whole Foods as a company is immune to critique.
From the perspective of local grocers, and many local residents, there remains a
healthy skepticism about the presence of the store in Detroit. There is no guarantee that the store will succeed, or that its presence will have an overall positive impact on the city. Furthermore, from a social justice perspective, there are questions as to the role of high-end grocery retail in a city well known for its economic problems.

While all of these concerns have their legitimacy, and are perhaps fodder for future research, they do not detract from the central argument of this thesis. The claim of place-based CSE is not intended to describe a large company that devotes all of its resources to answering every concern of the local public. Rather, this thesis argues only that large for-profit companies, in contrast to the typical portrayal of a self-interested firm, are capable of doing more to help improve a given place through place-based CSE, and that this case is a useful empirical example of such a theory.

Due to the limitations of a single case study, there are many questions left unanswered as to the lessons here that can be generalized to other cases. I make no claim that what occurred in the WFD development must necessarily apply to other for-profit or social entrepreneurial behavior. Instead, this research is intended to be exploratory in nature. If scholars, companies, and policy makers are interested in the possibilities of place-based corporate behavior, this case study provides a specific example of how such activities can be better understood. From this foundational research, there are many other research paths that could be considered. In the process of writing this thesis, many additional questions came to mind that were beyond the scope of this project.

For example: can place-based CSE be effectively applied by a company whose competitive advantage is not based heavily on social goals? Do large non-profits face
similar issues with engaging local communities and how could they learn from the theories developed here? What are the most effective incentives to encourage place-based CSE behavior within a company? What would industry-specific place-based behavior look like for companies with business models outside of grocery retail? What is the best way to measure the holistic goal of improving a place? In sum, although this thesis provides an initial look at the relation between corporate activity, social value creation, and place, there are many more questions still to be answered.

Finally, moving beyond the specific details of this case, there remains the question as to how this research, and specifically the theory of place-based CSE, represents issues of broader importance to scholarly literature and society as a whole. To answer this question, it is helpful to again handle separately the ideas of place and of CSE. Beginning with CSE, this research takes as its starting point that a for-profit company is a corporate citizen, and part of a larger community, whether that is a locality like Detroit, a region, nation, or even the globe. Thus, to optimize the function of the company, it would be narrow-minded to look only at the perspective of the organization itself, and its own benefit – as has been the case in the past. Instead, as a corporate citizen, companies have the tremendous capacity to generate both private and social value in order to optimize its functions as one part of a broader society. I will not go so far as to argue that all companies should engage in socially responsible, much less social entrepreneurial activities. Instead, I claim only that companies can choose to actively improve the societies in which they operate, and that they have the potential to cause positive change on an immense
scale. For this reason, I find it particularly important to explore the variety of ways in which companies can engage in CSE, using the WFD development as an example.

In addition, there is similar importance in relating CSE activity to the concept of place. As the literature suggests, there is an increasingly popular notion that place is becoming less and less important in a globalized world. In reaction, some scholars present a notion of place that reacts against the forces of globalization, arguing in favor of the persisting importance of unique local locations that resist the homogenizing effects of global mobility. My thesis attempts to instead build off of Massey's more progressive notion of place that understands the concept in a more positive relation to globalization. In other words, place still matters in the modern and increasingly mobile world, but not in the same way as centuries past. With this case study, I argue that companies like Whole Foods may not be fully grounded in one locality, but that does not preclude the possibility of the organization behaving in a place-based manner.

As described throughout the thesis, the way in which a large corporation can be place-based is in committing to the social goal of improving a given location. This commitment begins by engaging with the local community and taking the time to learn the expected role of the company within a city like Detroit. From these conversations, it is then possible to identify and act upon the many and varied ways by which a company can help improve a place. The reason why the concept of place is useful in this regard is that it allows for a comprehensive, holistic approach to addressing social problems. Whole Foods can engage with the concerns of local residents, vendors, and partners, all with a different perspective on the problems
facing Detroit. While some groups and individuals may value the globalized society over all else, it is impossible to deny that there is value in a place for those who live there. Such value was immediately apparent in the interviews I conducted, and the commonly held desire to help rebuild the city of Detroit. The exploration of this local pride, when brought out into the open through the effective outreach, allows for a stronger relation between a company and its surrounding community. In turn, this relation can help the company more effectively achieve the social goal of improving the place in which it is situated.

Accepting that for-profit companies are capable of having a positive social impact through CSE, and that one such focus of social value creation can be the goal of improving a place, it is my intent that this thesis can help inform the discussion on how companies can address social issues in communities across the country and around the world. When considering problems of poverty, public health, economic downturns, the environment, food access, and many others, the scale and complexity can easily become overwhelming. Consequently, although these problems may be interrelated, for practical reasons it often makes more sense to address each issue separately. The theory of place-based CSE provides an alternative framework to this approach. It suggests that organizations and individuals can address the complex interrelations of these problems, but on a manageable scale, by approaching various socially conscious activities within the bounds of a given location. Further exploration of such an approach could provide a fresh perspective on how to systematically address the many social problems that
we face as a society, creating positive change at the intersection of place and Corporate Social Entrepreneurship.

References


Center for the Advancement of Social Entrepreneurship (CASE), "Developing the Field of Social Entrepreneurship," Duke University, June 2008.


### Fig. 1: List of Interview Subjects

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organization</th>
<th>Location of Employment</th>
<th>Relation to Whole Foods Detroit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peter Cummings</td>
<td>Owner</td>
<td>Ram Real Estate</td>
<td>Palm Beach Gardens, FL</td>
<td>Managed development services for WFD, main point person for RRE.</td>
</tr>
<tr>
<td>Larry Marantette</td>
<td>Senior Vice President</td>
<td>Taktix Solutions</td>
<td>Detroit, MI</td>
<td>Represented RRE for on the ground operations in Detroit.</td>
</tr>
<tr>
<td>George Jackson</td>
<td>President</td>
<td>Detroit Economic Growth Corporation</td>
<td>Detroit, MI</td>
<td>Worked with Whole Foods in the earliest stages of planning the WFD store.</td>
</tr>
<tr>
<td>Dean Albright</td>
<td>Project Manager</td>
<td>Whole Foods</td>
<td>Chicago, IL</td>
<td>Represented Whole Foods throughout the design and construction process.</td>
</tr>
<tr>
<td>Red Elk Banks</td>
<td>Executive Operations Coordinator</td>
<td>Whole Foods</td>
<td>Ann Arbor, MI</td>
<td>Led outreach for Whole Foods to the Detroit community and general public.</td>
</tr>
<tr>
<td>Amanda Musilli</td>
<td>Community Liaison</td>
<td>Whole Foods</td>
<td>Detroit, MI</td>
<td>Led outreach for Whole Foods to the Detroit community and general public.</td>
</tr>
<tr>
<td>Akua Woolbright</td>
<td>Senior Healthy Eating and Wellness Educator</td>
<td>Whole Foods</td>
<td>Detroit, MI</td>
<td>Leads community classes on healthy eating and a variety of other topics.</td>
</tr>
<tr>
<td>Rip Rapson</td>
<td>President</td>
<td>Kresge Foundation</td>
<td>Detroit, MI</td>
<td>(Provided background information on Detroit for research)</td>
</tr>
<tr>
<td>David Egner</td>
<td>President</td>
<td>Hudson-Weber Foundation</td>
<td>Detroit, MI</td>
<td>(Provided background information on Detroit for research)</td>
</tr>
<tr>
<td>Philip Fisher</td>
<td>Founder</td>
<td>Mission Throttle</td>
<td>Southfield, MI</td>
<td>(Provided background information on Detroit for research)</td>
</tr>
</tbody>
</table>
Fig. 2: Chart of WFD Stakeholders

**Primary Stakeholders**
- Whole Foods
  - (Publicly-traded for-profit company)
- Ram Real Estate
  - (For-profit development company)

**Support Organizations**
- Detroit Economic Growth Corporation
  - (Economic Development Non-profit)
- Midtown Detroit, Inc.
  - (Community Development Non-profit)

**Government Agencies**
- Detroit Brownfield Redevelopment Authority
  - (Local government agency)
- Michigan Economic Development Corporation
  - (State government agency)
- Community Development Financial Institutions Fund
  - (Federal government agency)

**Construction Firms**
- Sachse Construction
  - (For-profit general contractor)
- WD Partners
  - (For-profit architectural firm)
- JGA
  - (For-profit interior design firm)

**Business Partners**
- Avalon International Breads
  - (For-profit bakery)
- Eastern Market
  - (Non-profit farmers market)
- Food Entrepreneurs
  - (Self-employed farmers)

**Opposition**
- Chaldean Independent Grocer's Association
  - (Non-profit advocacy group)

**General Public**
- Detroit Residents

**Fig. 2: Chart of WFD Stakeholders**

The Development

Whole Foods Detroit
Fig. 3: Map of Stakeholder Locations

Map in relation to city of Detroit:

- Eastern Market
- WFD Development Site
- Avalon International Breads
- Midtown Detroit, Inc.
- Detroit Economic Growth Corporation
- Sachse Construction
- Takltx Solutions
- WFD Development Site
This diagram depicts the chronology of the four main stages of the WFD development process as well as the accompanying political discussion. It shows that later stages cannot have occurred without the preceding stages being in place. However, in the real-time chronology of the development, there was some overlap. For example, some of the funding details were still being worked out as the construction process began, although the bulk of the financial planning had been completed. Furthermore, beginning with the 2011 announcement that Whole Foods would open a store in Detroit, a public discussion around the political implications began, continuing throughout the duration of the project.
### Fig. 5: Government Sources

<table>
<thead>
<tr>
<th>Types of Funding</th>
<th>Issuing Entity</th>
<th>Original Source of Funds</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Credit</td>
<td>Detroit Brownfield Redevelopment Authority</td>
<td>Department of Environmental Quality, State of Michigan</td>
<td>Brownfield redevelopment refers to the process of taking property that is underused, polluted, or located in underserved communities and constructing new commercial enterprises or residential dwellings in that location. The state of Michigan provides grants for local authorities to facilitate such redevelopment.</td>
</tr>
<tr>
<td>Tax Credit</td>
<td>New Markets Tax Credit Program</td>
<td>Community Development Financial Institutions Fund, US Department of Treasury</td>
<td>A tax incentive for institutional investors to contribute to community development projects in underserved areas. The government effectively pays for a portion of a private firm’s investment if it is located in a struggling area like Detroit.</td>
</tr>
<tr>
<td>Grant</td>
<td>Detroit Economic Growth Corporation</td>
<td>City of Detroit</td>
<td>DEGC grants are awarded for a variety of projects intended to spur economic growth in Detroit.</td>
</tr>
<tr>
<td>Grant</td>
<td>Michigan Strategic Fund</td>
<td>Michigan Economic Development Corporation</td>
<td>The Strategic Fund grants go towards a variety of economic development projects in the state of Michigan.</td>
</tr>
</tbody>
</table>