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ISSN: 1286-4692

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■ Sylvain BUREAU 2013
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How can entrepreneurs destroy in the process of
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M@n@gement, 16(3), 204-237.

M@n@gement est la revue officielle de l'AIMS



M@n@gement is the journal official of AIMS

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Entrepreneurship as a subversive activity: How can entrepreneurs destroy in the process of creative destruction?

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Abstract

This article reverses the traditional perspective on creation in entrepreneurship: rather than ask how entrepreneurs create, we focus instead on how they destroy. Using an abductive approach, we surmise that to create breakthrough innovations, entrepreneurs engage in subversive activities that enable them to destroy some of the rules and values preventing their project from expanding. Subversion rests on four components: (1) an interplay between three actors – activists, a system and the masses; (2) the intent of the activists to destroy the system; (3) their use of efficient techniques and (4) their provoking of a public scandal. By grounding our analysis in the case studies of Hustler and PayPal, two emblems of entrepreneurship in the United States of America, we show how the destructive intent of entrepreneurs has a structuring role in entrepreneurial ventures. Far from defending a romantic vision of entrepreneurship, we show that destruction, which is an essential component of creation, can be managed and harnessed through subversive techniques.

Key words: entrepreneurship, creative destruction, subversion, breakthrough innovation.

INTRODUCTION

“Major works (...) are always subversive, questioning all the values, ideas, models, images of man, society and civilisation.”

(Duvignaud & Lagoutte, 1974)

The notion of creative destruction, according to which entrepreneurs create innovations that destroy a traditional supply by rendering it obsolete (Schumpeter, [1942], 1994), is an essential point of reference in the field of entrepreneurship (Bruyat & Julien, 2001). For Schumpeter, the issue lies not so much in assessing how capitalism governs existing structures as it does in “how it creates and then destroys these structures” (Schumpeter, [1942], 1994: 118). Yet, although this apparent paradox has been quoted in many works (Chiles, Bluedorn, & Gupta, 2007), researchers have not focused much on destruction (Diamond, 2007; McGrath & Desai, 2010). The creation of an organisation, the development of an innovation, the generation of new resources, new skills or expertise: these are the issues that get researchers’ attention. While novelty, creativity and originality are objects of fascination, destruction is left virtually unexplored.

In this article, we examine how entrepreneurs succeed in destroying. Rather than take a macroeconomic approach, as Schumpeter does, we focus specifically on the activities developed by emerging firms. Using the framework of the institutionalist school to address the tension between creation and destruction (Hargadon & Douglas, 2001), we put forward the hypothesis that, to create breakthrough innovations, entrepreneurs develop subversive activities that destroy some of the rules and values which are limiting the growth of their project. Although some authors have pointed to this subversive component of creative destruction (Bonnafeous-Boucher, Cuir, & Partouche, 2011; Hjorth, 2003; Smilor, 1997), it has never been studied in depth, as we propose to do here.

To begin, subversion can be defined as a behaviour, attitude or activity that seeks to destroy the established order. The term, which carries strong historical connotations and usually brings to mind a revolutionary or artistic context, is seldom used in management science. By thinking of entrepreneurship as a potentially subversive activity, we change our understanding of entrepreneurial dynamics and revise the ideology that underpins the current discourse (Ogbor, 2000: 619). From this standpoint, does it not seem surprising that states, large firms and international organisations increasingly support entrepreneurs, claiming them to be essential to a country’s development (Armstrong, 2005; Perren & Jennings, 2005), even when these entrepreneurs, if they succeed in their ventures, disrupt certain traditional rules and values, and thereby undermine these dominant institutions? Google and Facebook offer two examples of entrepreneurial activities that from the start challenged founding principles of our societies such as privacy laws. Among renowned cases, one could also mention the free software movement, whose leader, Richard Stallman, has endeavoured to open access to the source code of software since the beginning of the 1980s (DiBona & Ockman, 1999). The core idea of this is expressed in these few words from Stallman’s Manifesto published in 1985: “proprietary modifications will not be allowed” (<http://www.gnu.org/gnu/manifesto.en.html>). The project thus calls into question one of the founding principles of capitalism, the state regulation of intellectual property rights (Rao, Borg & Klein, 2008).

This article presents exploratory research that aims to better understand how this type of entrepreneurial activity destroys established rules and values. Firstly, we explore the meaning and use of the expression creative destruction in the field of entrepreneurship, and the relations between creative destruction and subversion. We then define subversion as a form of 'ideal type', an intellectual construction which allows us to deliberately emphasise certain characteristics of the object under study to better apprehend the complexity of the relevant empirical phenomena. We illustrate this ideal type with the case of a highly subversive artistic and political movement: the Situationist International (Russell, 1982; Suleiman, 1990). Lastly, we describe two subversive entrepreneurial dynamics stemming from two distinct areas: Hustler, a firm created in the United States at the end of the 1960s that soon became the unchallenged leader in the porn sector, and PayPal, an online payment solution that was developed at the end of the 1990s and remains a key player in the field. In the first case, the entrepreneurial activity contributed to destroying Puritan values and all forms of "bourgeois censorship", and in the second, the monopoly states possess on the issue of money was called into question.

Basing our demonstration on these two emblematic cases, we show how entrepreneurs must not only focus on what they intend to create, but also have a clear view of what they want to destroy in order to clarify the exploration process and give their project a new scale. We shed light on this dynamic using the concept of subversion, examining the process followed by entrepreneurs to destroy all or part of the existing system. We explore in detail the techniques used to do this and explain in what way it is, to a certain extent, possible to learn subversion.

CREATIVE DESTRUCTION AND THE ENTREPRENEURIAL DYNAMIC

An overview of the notion of creative destruction

"The problem that is usually being visualised is how capitalism administers existing structures, whereas the relevant problem is how it creates and destroys them." (Schumpeter, 1942, p. 118)

Schumpeter's idea of creative destruction is essential to the field of entrepreneurship (Bruyat & Julien, 2001; Diamond, 2006). This process "that incessantly revolutionises the economic structure from within, incessantly destroying the old one, incessantly creating a new one" (Schumpeter, [1942] 1994: 83) is the essential, central dynamic of capitalism (op. cit.). For Schumpeter, strategy cannot be approached independently from this phenomenon (op. cit.: 84). According to this evolutionary conceptualisation (Elliott, 1980), entrepreneurs develop innovations that make the traditional supply obsolete in a mechanical way. If established companies do not adapt to the emergence of new products or practices (Andersen, et al., 2006) their profits progressively decrease and they are eventually supplanted in the market (Acs & Audretsch, 2010). This change, which is endogenous to capitalism, operates continuously (Swedberg, 2006): "creative destruction constantly sweeps out old products, old enterprises, and old forms of organisation, replacing them

with new ones” (McCraw, 2007: 352).

The process was linked first and foremost to breakthrough innovations (Acs & Audretsch, 2010). The idea was to show how the invention of the steam engine or of electricity had generated new economic activities while destroying many others. This process is still underway today. The case of the Web and its impact on the press illustrates this phenomenon of simultaneous destruction and creation (Bygrave & Zacharakis, 2010: 11). Yet, if “the destructive part of creative destruction has always been quite real” (McCraw, 2007: 257), it is seldom mentioned in the relevant literature. The focus is put on the creative dimension to such a degree that we forget the importance of the destructive dimension (Diamond, 2006: 139) and some authors even come to ask what has become of destruction in creative destruction (McGrath & Desai, 2010: 647).

Destruction in creative destruction

“Every act of creation is first an act of destruction.” (Pablo Picasso)

A number of studies have already measured the destructive effects of creative destruction on growth and on the job market (Andersen & al., 2006; Norton:1992). Several works focus specifically on breakthrough technologies and their effects on competitive dynamics (Suarez & Utterback, 1995). Such research sheds light on the processes involved in destruction, showing how, when new technologies emerge, some established firms disappear and others survive (Hill & Rothaermel, 2003). Existing companies’ level of investment, technological capacities and ownership of complementary assets are all variables that have to be taken into account to assess the destructive effects of breakthrough technologies (Tripsas, 1997). These works adopt a macro-economic approach centred on the impact on competition, and address the question of how established organisations in a traditional market are attacked and gradually destroyed (Utterback & Acee, 2005). The main issue is the destruction of competencies (Utterback, 1994) or strategic knowledge (Henderson & Clark, 1990) among competitors.

Another branch of research addresses destruction from a more institutional angle, shifting the viewpoint from the obsolescence of technology or products to that of ‘schemas’. Schemas can be defined as cognitive frameworks which allow us to apprehend the complexities of the world using implicit hypotheses that are no longer questioned in routine actions (Hargadon & Douglas, 2001). In this case, destruction operates on an intangible level: it challenges the meaning conveyed by products and services (Verganti, 2009), or to put it in other words, the identity of objects (Le Masson, Weil & Hatchuel, 2006). The question of diffusion is not restricted to an objective level of performance, but also encompasses the interpretation of consumers and, more widely, of institutions. The success of an innovation lies here in the destruction not so much of competition, but of the schemas of some institutions that establish what is legitimate and what is not and thereby constrain the way people apprehend novelty (Hargadon & Douglas, 2001).

Subversion as a catalyst for creative destruction

"I am a subversive being at all times." (Salvador Dali)

Whether approaching the question of destruction from the angle of competencies or institutions, the entrepreneur has to alter and transgress some of the operating rules of an industry (Brenkert, 2009; Burgelman & Grove, 2007, p. 315; Zhang & Arvey, 2009) so as to change the status quo (Chell, Haworth & Brearley, 1991: 22) and thus allow innovations to emerge (Dyer & al., 2011). To do so, the entrepreneur must be prepared to overcome his inhibitions and fear of being labelled an iconoclast (Goss, 2005: 206). He must be prepared to take on the role of the diverging figure (Danns, 2008) or even that of a rebel (Fayolle, 2004: 447; Hagen, 1960; Moody, 2001). In some cases, he can even find himself marginalised by society and driven to build pirate organisations (Durand & Vergne, 2010). An example of this would be the free software movement (op. cit.). For the process of creative destruction to take place, the entrepreneur, or rather his activity and/or organisation, must challenge, destabilise and discredit the social order, so that a new normality can emerge (Hjorth, 2005). In other words and in sum, he must be subversive. This fundamentally subversive component of destructive creation has already been highlighted¹ (Bonnafeous-Boucher et al., 2011: 34; Bonoma, 1986; Hjorth, 2003) and one author, Smilor, even considers entrepreneurship to be a "subversive activity [that] upsets the status quo, disrupts accepted ways of doing things, and alters traditional patterns of behaviour." (Smilor, 1997: 341). However, in spite of these claims, this subversive dimension has never been studied in depth.

The word 'subversion' stems from the low Latin noun *subversio*, which means overthrowing or destroying², in both the literal and figurative sense. In old French, the word *subvertisseur* designates the person who overthrows³. In the 20th century, the word was used in a variety of historical contexts, including The Cold War, decolonisation, the period of May 1968, avant-garde artistic movements and the sexual revolution. While there is no legal definition of the term *per se*⁴, the word is used as a conceptual notion in many different fields, including law, political science, history, sociology and literature. Despite this diversity in usage, meaning, and occurrence, the field of management rarely uses the term other than in an anecdotal or casual fashion. In order to better understand the meaning of the word and the way it is used, we must take a detour and explain the notion outside the field of management.

To speak of subversion, of subversive behaviour, or of a subversive attitude without specifying the context makes no sense. Subversion is an eminently contingent notion (Cochet & Dard, 2009: 8). To have meaning, the term subversion must be situated. To subvert is indeed a transitive verb: "if subversion does not subvert something specific at a specific moment, it does nothing at all" (Eribon, 2010). Consequently, unlike the connotation usually ascribed to it, the word "subversion" is "axiologically neutral" (Dufrenne, 1977: 10), that is, it takes on a positive or negative value, depending on the views of the person uttering it. The authority that embodies a system and the actor who wishes to destroy it through subversive action will naturally have differing opinions on subversion.

To say that subversion is a contingent notion does not mean that it is impossible to define a context in which a subversive activity is likely to emerge. We surmise that subversion rests on four components: (1) an interplay between three

1."For Schumpeter, the "subversive" character of the entrepreneurial act depends upon the entrepreneur's capacity to break with the existing social order within a market by introducing an invention and producing risk and uncertainty" (Bonnafeous-Boucher, M., Cuir, R., & Partouche, M. 2011).

2.<http://www.cnrtl.fr/etymologie/subversion>

3.<http://micmap.org/dicfro/chercher/dictionnaire-godefroy/subversion>

4.Though they do not possess any legal authority, official documents sometimes attempt to define subversion. Thus, in the early 80s, the Canadian Security Intelligence Service whose role is to "warn and advise the government on security threats" defined subversion as: "activities directed toward undermining by covert unlawful acts or directed toward or intended ultimately to lead to the destruction or overthrow of the constitutionally established system of government in Canada." Brodeur, J. P., Gill, P., & Töllborg, D. 2003. Democracy, law, and security: Internal security services in contemporary Europe. Adlershot, UK: Ashgate Publishing.

actors—activists, a system and the masses; (2) the intent of the activists to destroy the system; (3) their use of efficient techniques and (4) their provoking of a public scandal. This definition allows us to build a form of ideal type, that is to say an intellectual construction that deliberately emphasises certain characteristics of the object under study (Coenen-Huther, 2003; Weber, [1922], 1965: 181). This representation of subversion, which is deliberately simplified, will provide a frame to address various empirical situations that we will study further on.

THE COMPONENTS OF SUBVERSION

A triad: the system, the masses and the activists

Subversion does not refer to a situation in which two groups battle each other in a more or less violent duel. For an activity to be subversive, three interdependent actors must be present: a group of activists, a dominant system, and the masses (Mucchielli, 2010; Cochet & Dard, 2009; Dufrenne, 1977). The group of activists is defined by its potentially small size (it can be composed of only one individual) even though, in light of the recent growth of information technologies, the size of the group can be larger, since coordination costs have been reduced. Whatever its size, the defining feature of this group is its activism or, in other words, its intent to disrupt the system, to a more or less radical degree. As for the system, it refers to a powerful institution in the sense that it structures a set of behaviours and cognitive frameworks. This system can be embodied in established firms (monopolies or oligopolies), states or religious institutions. Finally, the masses, composed of a large number of individuals, can vary in size depending on the type of subversive activities involved: it can refer to the world population, the citizens of a country, or a group of consumers. The defining feature of the masses lies in their complex and emergent decision-making process, which is difficult to understand and predict, and thus to apprehend. When activists oppose a system they seek to destroy, they always take the masses into account, for they are key to the outcome of their “fight” against the system. The masses are also critical for the system, as “the control of the population (...) is always the objective and the issue of subversive practices” (Cochet & Dard, 2009: 10). Even when the masses are relatively apathetic, they must be neutralised for the subversive action to take place (Mucchielli, 2010: 51-53).

A radical intent to destroy

“Shatter sacred ideas, anything that brings tears to the eyes, shatter, shatter, I deliver to you for free this opium more powerful than any drug: shatter.”
(Aragon, 1966)

An intention can be defined as a relatively stable objective that gives direction to an action (Cohen & Levesque, 1990). Intentions focus one’s attention and energy towards a given direction (Bird, 1988) and reflect motivational factors that influence behaviour over time (Ajzen, 1991: 181). In other words, they represent a certain “degree of commitment toward some future target behaviour” (Krueger, 1993: 6) and provide a frame to make up for the absence of clear and specific objectives at the launch of an entrepreneurship venture (Bird, 1988;

Sarasvathy, 2008).

In the case of subversive activists, the intent to destroy is always linked to a radical political discourse that aims to destroy all or part of a system. The radical nature of this discourse can be of varying intensity, depending on the type of system involved. It can be a supra-system like a state or a more specific system such as a particular organisation. Nevertheless, the intent to destroy involves two intrinsically linked aspects: “negatively, it is a refusal of the system; positively, it is a search for a different world” (Dufrenne, 1977: 127). In fact, it seems difficult to imagine a radical critical process that does not lead to some form of creation. Once more, we encounter the terminology of the previous discussion on creative destruction: “any negative implies a simultaneous affirmative; any destruction entails a construction”(Sanouillet, 1965: 428).

However, the intent to destroy does not necessarily imply a structured theoretical frame, nor a coherent ideology, nor even a clearly defined strategy for the struggle. What is required is not so much a structured philosophy as a “political stance of refusal” (Cochet & Dard, 2009: 9), which stems from the activist’s interaction, experience and awareness of the system he is in (Dufrenne, 1977). In this sense, intentions are never clearly defined at the start of an entrepreneurial venture, but they become clearer and more specific through action as the project develops (Sarasvathy, 2008).

Actions led with efficient techniques

Subversion is often linked to utopian projects, but this is not necessarily antithetical to pragmatic undertakings (Dufrenne, 1977: 153). Subversion involves action; it more readily designates a dynamic of successive activities than a state or a static situation (Dufrenne, 1977: 10). It is thus also a technique “based on knowledge of the laws of psychology and psychosociology, because it targets public opinion as much as authority (...). It is an action upon public opinion through subtle and convergent means” (Mucchielli, 1976: 7). These actions, and this is particular to subversive actions, are always undertaken with very limited resources. Subversion is thus an “economical’ means in the sense that it does not require any substantial material or financial investments (...). It is first and foremost about intelligence, science, and know-how” (Mucchielli, 1976: 7). These techniques may include violent actions such as riots or terrorist attacks (Kilcullen, 2009: 252; Rasmussen & Downey, 1991), but a poem, a novel, or even a few words can also be acts of subversion (Booker, 1991; Godin, 1996; Seibert, 2006).

Scandal: an inherent component of subversive activities

The etymology of the term scandal means any word or action that can cause others to stumble into sin or misjudgement (De Rocquefort, 1829). The more subversive an action is, the more the system will present it as scandalous, underlining its corrupting and harmful powers over individuals who are “led astray”. Subversion cannot occur without scandal. History is full of examples of subversive scandals in diverse areas such as religion (Calvin, Suaud, & Viet-Depaule, 2010), sex (Wolton, 1994) and gender (Toubiana, 2010). Scandals can materialise in many different ways, for example in press headlines, street demonstrations or highly publicised trials. Divisions between groups that take

a stance on the more or less corrupting influence of subversive actions are also symptomatic of subversion. Yet, although subversion always implies scandal (Godin, 1996), the latter does not always involve subversive action.

What subversion is not

It is useful to specify what subversion is not, in order to avoid certain amalgams. We will show how subversion should not be assimilated to revolution, delinquency, or perversion.

Subversion and revolution

Subversion should not be assimilated to revolution. The will to seize power can be a part of a subversive project, but this is not always the case. Subversion has a quality that is more “spontaneous, and more often punctual and fragmented” than revolution (Dufrenne, 1977: 148). Moreover, revolution tends to involve a form of popular uprising. This is not necessarily true for subversion although the two are often linked, since subversion can also contribute to popular uprising (the revolutions that took place in the Arab world in 2010 and 2011 are perfect illustrations of this).

Subversion and crime

Subversion cannot be assimilated to fraud. Tax evasion, for example, is “not subversive because it is not motivated by a desire but by an interest. And most of all, it hopes to stay secret and singular; it is not meant to be exemplary. Those who cheat need others not to, otherwise cheating is useless” (Dufrenne, 1977: 125). For an act to be subversive, it must not so much transgress a rule as seek to eradicate it because it is a part of the system in place.

Subversion and perversion

Subversion can lead to acts that do not respect the current laws of morality, but it cannot be assimilated to perversion.

Indeed, perversion always carries a negative connotation, whatever the context or viewpoint, whereas subversion is neither positive nor negative as such (Dufrenne, 1977). Unlike a perverse act, which is condemned by all, except maybe by the pervert himself, subversion remains axiologically neutral.

The International Situationist as an example of a subversive organization

First, to specify the framework we have developed to analyse subversion, let us examine the case of an artistic and political movement — that is to say a case that is not directly linked to an entrepreneurial dynamic. Table 1 presents the case of the International Situationist (IS), an eminently subversive movement, the formation of which was a milestone in the history of art and political activism (Marelli, 1998). This small organisation (counting 70 members in its golden age), sometimes better known by the name of its leader Guy-Ernest Debord, designed various techniques to destroy the rapidly expanding consumer society. This example serves as an illustration of the ideal type of subversion and highlights the analogies between political activism and entrepreneurial activities. We will subsequently discuss these similarities to demonstrate their heuristic purpose and the limits of such a parallel.

Table 1. The SI as a canonical illustration of subversive activities

Summary	Whether in art or politics, the Situationists embraced the dialectical juxtaposition of Rimbaud's objective "to change life" and Marx's aim to "transform the world" (Genty, 1998: 5). From 1957 to 1962, their primary aim was to go beyond art, and then from 1962 to 1972, the movement was driven by a revolutionary political doctrine (Hussey, 2000).
Triad	<u>Activists:</u> The Situationists (or Sitos), who were always a small group (counting only 70 members between 1957 and 1969) with no formal organisation, structured their actions around a few people, like Guy-Ernest Debord, and some values and founding principles (the Situationist Manifesto, for instance) <u>System:</u> All the large institutions were targeted (the State, the Church, University, large firms) for they were perceived as being at the heart of the capitalist system. <u>Masses:</u> Although the movement was international, French citizens/consumers were the most impacted by the actions led by the Sitos.
Intention to destroy	A mix of revolutionary anarchism and avant-garde artistic work, the IS is known for its intention to destroy capitalist consumer society.
Efficient techniques	The Sitos developed various techniques (Debord, 1957) designed to "impact human behaviour" (Comisso, 2000, p. 12). We present two of these here: <u>Détournement (deviation):</u> "Plagiarism is necessary. Progress implies it. It embraces an author's phrase, makes use of his expressions, erases a false idea, and replaces it with the right idea." (Debord, 1971, fragment 207). This quote, which Debord borrowed from Lautrémont, is at the heart of a technique consisting in "integrating current and past artistic productions into a superior construction" (Situationists, 1958). According to this principle, "it is needless to say that you can not only correct a work or integrate different fragments of old works into a new one; but you can also alter the sense of these fragments and modify to your liking what stupid people persist in defining as quotations" (Debord & Wolman, 1956). The IS applied this principle of détournement to many works in order to produce their own. <u>Constructing situations:</u> According to the Sitos, "a man's life is a sequence of chance situations" (Debord, 1997) which are "in their immense majority, so undifferentiated and so dull that they perfectly present the impression of similitude" (op. cit.). When this is not the case and extraordinary situations do occur, these "singular, enchanting situations (...) strictly restrain and limit (op. cit.) the rest of life. To overcome this dilemma, the Sitos developed a technique where situations are constructed to disrupt our daily lives. This technique consists in constructing moments of life, through the collective organisation of a unitary environment and the free play of events that give rise to new desires (for example, shouting out loud that God is dead in a cathedral, or setting up a bar in the Parisian metro).
Scandals	The number of scandals raised by the Sitos is much too high to mention them all. We will only present the "Scandal of Strasburg" of 1966-67, which paved the way for the wide-scale social movement of May 1968 (Genty, 1998). A small group of Sitos took over the student union of associations and published 10,000 copies of a scathing pamphlet, "On Misery in the Student Milieu" (Jauffret, 2008). Over a few months, various actions took place with a professor being attacked with rotten tomatoes, the pamphlet being distributed to university professors during the very solemn start-of-term seminar, and the announcement of the closing down of the Psychological Support Office, deemed to be party to the para-police and repressive psychiatry (Jauffret, 2008).
Conclusions drawn from these subversive activities	The IS was a forerunning movement, perceived by some even as the initiator, of the May 1968 events. In this sense, it contributed to the evolution of French society by overturning some of its institutions. Although their primary objective, to destroy capitalist society, has not yet been reached, their ideas and techniques have been taken up, not only in academic fields, in political science, history of art and architecture, but also in artistic and urban practices (Wark, 2008; Martos, 1995) and pedagogical approaches (Bureau & Fendt, 2012).

METHODOLOGY

We conduct this research according to an abductive approach (Dumez, 2012; David, 2000; Koenig, 1993). Basing our work on the observation of a surprising fact, the analogy between some practices in political activism and characteristics and practices in entrepreneurship, we put forward the following hypothesis: in order to develop breakthrough innovations, entrepreneurs, like some activists, develop subversive activities that destroy all or part of a system. In this article, we have restricted our empirical analysis to two case studies: Hustler and PayPal. These two companies were selected for four main reasons. Firstly, the commercial offers involved are breakthrough innovations with lasting impact on their respective industries and illustrate in this sense the

5.Libertarians defend the idea according to which the influence of the state should be reduced as much as possible to the level of morals and/or the economy (Carré, S. 2009).

dynamics of creative destruction. Secondly, these offers are made on mass markets that comprise society as a whole. Thirdly, these cases exemplify two myths of American entrepreneurship: the figure of the “self-made man” for Hustler and that of high-tech start-up elites trained in American universities for PayPal. Lastly, although they share a similar underlying ideology (libertarian principles⁵), they belong to different sectors and historical backgrounds, thus highlighting the subversive dimension of entrepreneurial activities beyond idiosyncratic contexts (Eisenhardt, 1989).

So as not to restrict the analysis of these two cases to the study of a few works and websites, we have expanded the empirical corpus with a hundred articles from American and British newspapers (fifty for Hustler from 1978 to 2011 and fifty for PayPal from 1999 to 2011) selected via Factiva. We selected the fifty longest articles (in numbers of characters) for each case. For PayPal, the articles come from nearly 25 different newspapers (two-thirds of which are American) that fall into three types: the specialised press (for example, American Banker, Dow Jones News Service, Credit Card Management and ATM & Debit News), the economic press (including The Financial Times, The Wall Street Journal and Investment News) and the general press (including The New York Times, The Sunday Times, The Washington Times, The Daily Telegraph, The Irish Times and The San Francisco Chronicle). In the case of Hustler, the articles come from about thirty newspapers, two-thirds of which are American, and break down into four types: the general press (including The New York Times, The San Francisco Chronicle, The Boston Globe, The Washington Times, The Sunday Times and The Guardian), the local press (for example, The Cincinnati Post, The Orange County Register and The Houston Chronicle), the economic press (for example, The Los Angeles Business Journal and Business Wire) and press agency dispatches (including The Associated Press and Reuters News). This entire corpus (press, books and websites) was used in our data analysis. We focused on two levels: the practices and activities developed by entrepreneurs on the one hand, and discourses on the other, for it appeared essential to us to take into account the reaction of the system and the masses to entrepreneurs’ activities, as subversion necessarily involves scandals that can be identified through the analysis of actors’ opinions. We double-coded the press articles (see appendices for details) and identified the presence or absence of the key components of subversion (a triad of actors, the activists’ intention to destroy, the use of efficient techniques by the subversive group, and the emergence of scandal).

PayPal and Hustler: two emblematic cases of subversive entrepreneurial activities

PayPal: subversive entrepreneurial activities from the Silicon Valley

PayPal is an online service for money payments and transfers throughout the world. To use this service, one must register a credit card number in order to carry out transactions without having to enter new financial details. All that is needed is an email address and password. Founded in 1998 under the name Confinity and bought by eBay in 2002 for 1.5 billion dollars, PayPal is a key institution in the field of online payments. This successful commercial and technical venture is discussed today in a number of entrepreneurship programmes. Eight Harvard Business School case studies deal with the

PayPal phenomenon, and Innovator's DNA (Dyer, Gregersen, & Christensen, 2011), which is a best-seller among MBA students, presents PayPal as a key example of successful innovation. In all these texts, the authors discuss market opportunities, marketing strategies and financial models, but never mention political activism, although this component is essential to understanding the trajectory of PayPal.

Three people were part of the team of entrepreneurs that launched the project: Peter Thiel, Max Levchin and Elon Musk. Peter Thiel was the CEO and the most famous founder of PayPal. A philosophy and law student at Stanford, he was known for having launched and managed an openly libertarian student magazine, *The Stanford Review*. Peter Thiel, who is presented in the press as a "neo-conservative activist" and a "libertarian genius" (Hodgkinson, 2008), never made a mystery of his political ideals⁶. Max Levchin, born in Ukraine, emigrated to the United States of America in 1991. A computer science graduate from Urbana-Champaign, he was the CTO of the company. He met Peter Thiel in the Silicon Valley. Elon Musk, who studied physics and economics, was born in South Africa. He played a key role in the company's marketing strategy. The personal experiences of these three people led them to share a certain degree of mistrust in states. A Jew from Germany, Peter Thiel recalls the role played by the Third Reich during the Second World War. Max Levchin fled Soviet totalitarianism in Ukraine. As for Elon Musk, he emigrated from South Africa to avoid compulsory military service in a state where apartheid was still in force. To change the world, these three entrepreneurs seek to reduce the power of states⁷. PayPal is a means to do this, for it questions the monopoly of central banks on the emission of money.

Peter Thiel voices his intentions openly: "The basic thought was if you could lessen the control of government over money and somehow shift the ability of people to control the money that was in their wallets, this would be a truly revolutionary shift (...) Technologies like PayPal have been a major contributing factor toward the weakening of the nation-state over the last few decades (...) [and] will lead to a world in which there's less government power and therefore more individual control" (Bailey, 2008).

A former managing executive from the company also explains that PayPal was designed to free people in developing countries who are "prisoners" to the currency exchange systems controlled by their states:

PayPal "will be revolutionary in the developing world. Many of these countries' governments play fast and loose with their currencies. They use inflation and sometimes wholesale currency devaluations, like we saw in Russia and several Southeast Asian countries last year, to take wealth away from their citizens. Most of the ordinary people there never have an opportunity to open an offshore account or to get their hands on more than a few bills of a stable currency like U.S. dollars" (Jackson, 2006).

Last, some journalists also voice this intention to emancipate populations from the state control of currency flows:

"Bloomberg Markets puts it like this: "For Thiel, PayPal was all about freedom: it would enable people to skirt currency controls and move money around the globe"" (Hodgkinson, 2008).

These quotations underline how, beyond market opportunities (offered by the diffusion of e-commerce) and the technical competencies of the founding

6. In 1999 Peter Thiel published *The Diversity Myth*, a neo-conservative libertarian pamphlet against the multiculturalism which prevailed in American universities. More generally, he makes frequent libertarian declarations in the press: "As a libertarian, I tend to blame the government for a lot of this, because socialized welfare, socialized health care, and socialized retirement programs all encourage people not to think about the future" (Bailey, R. 2008); "I would consider myself a rather staunch libertarian" (op. cit.); "I like to think of us as being at the forefront of a financial liberation" (Bodow, S. 2009).

7. Peter Thiel declared: "In business, people are thinking about what's going to change the world" (Tam, P.-W. 2010). As for Elon Musk, he stated that his aim is to be a stakeholder in ventures that will have "an incredible effect on the future of humanity" (*The HuffPost/AFP*, 25/05/2012).

8.This can be seen in the two following quotations: "If the money is staying in PayPal's accounts and not the banks', the banks just aren't going to buy that (...) You can't sell a bank a bullet with one hand and try to shoot them with the other" (Bach, D. 2001); "The system promises to reduce consumer dependence on bank owned payment mechanisms by transferring ownership of the payment gateway to consumer electronic devices" (Penrose, P. 2000).

9.D. Bach highlights this logic clearly: "When you think about banks investing millions or billions in security systems, what PayPal is doing is piggybacking on that investment" (Bach, D. 2001).

10.The climate that prevailed at the time can be grasped in these few words: "the service remains under fire from all sides" (Forster, S. 2002).

team (namely cryptography), there is a will to destroy the states' monopoly on the emission of money and thus contribute to freeing people from the power of states. The impact of this project can actually be measured in light of the reactions it provoked. In the United States of America, Louisiana, Idaho, California and the State of New York at first refused to grant PayPal a licence for the transfer of money within their jurisdiction (Jackson, 2006). The American Department of Justice invoked the Patriot Act to oppose some of PayPal's activities (Balko, 2005). Other states around the world also forbade its use for a while, including Hong-Kong, Ireland and Russia (Punch 2002).

The PayPal project questions the fundamental notions of "bank" and "means of payment". At first, when no one yet knew how to classify PayPal (was it a bank or a new type of financial institution?), experts already had a clear view of the competitive issue raised: PayPal allows individuals to reduce their dependency on banks⁸. Due to this, several legal actions were filed to counter PayPal. MasterCard, for instance, sued PayPal, forcing them to pay a 313,600-dollar fine for breaching the terms of an agreement (Balko, 2005).

PayPal's extremely limited resources at the time contrasted strongly with the wide-scale controversy the company triggered. The system is simple and inexpensive. Only a few months were required to develop a technically sound method of operation. As for the marketing strategy, it rests on virality—an economical diffusion solution, for the users themselves promote the service by simply using it. No massive advertising campaign was necessary to launch PayPal (Martin, 2001). Its model is therefore particularly inexpensive when compared with the substantial means allocated by states and banks to run their systems. To do this, PayPal hijacked (deviated) the system for its own advantage⁹.

Despite its initial success, between 1999 and 2001, PayPal faced a series of scandals which materialised in lawsuits filed by states, financial institutions and dissatisfied clients (Balko, 2005). The firm was attacked from all sides and many people expected it to disappear¹⁰. However, PayPal resisted and overcame this difficult phase due to high growth.

Where does the initial project stand today? In light of PayPal's commercial success, one can say that the initial activism was a success. The company clearly rules the market of online peer-to-peer secured payments, yielding several billion dollars of revenue (Galante, 2011). However, it is not a total success, for PayPal has not become the private currency the founders dreamed up. This semi-failure did not impede the creators' activism. When eBay bought PayPal in 2002, the majority of the executives left the company and launched new start-ups. Most of these entrepreneurs have succeeded in their ventures. The American press has named this group of creators the "PayPal Mafia", for they share a certain number of values (essentially libertarian) and have kept close ties (and support each other financially) (Helft, 2006). Two of Peter Thiel's subversive ventures provide a telling illustration of this post-PayPal phenomenon: through his Foundation he supports and finances remarkable students who drop out of university to assist them in developing their own projects (Cain Miller, 2011). Another of his ventures is to create state-free artificial islands, offering a haven for people wishing to leave classic state-governed systems (Pell, 2009). As for Elon Musk, he founded various

companies that systematically put into question public institutions: SolarCity offers decentralised solar energy and SpaceX develops inexpensive solutions for civilian space programmes. Last, Max Levchin created Slide, an online game platform linked to social networks that was sold to Google in 2010 for 182 million dollars¹¹.

11. Besides the three founders, one can also mention other former members of PayPal such as Reid Hoffman, who founded LinkedIn (one of the leading online social networks), and Premal Shah, the president of Kiva (a crowdfunding platform that puts into question traditional financial institutions by offering solutions to finance entrepreneurs in developing countries through peer-to-peer microcredit).

Table 2. Key subversive components of the PayPal case

Summary	PayPal is an online payment service allowing clients to pay for goods, receive payments, and send and receive money. Launched in 1998, the company has become a key player in online payments, and was bought by eBay in 2002 for 1.5 billion dollars.
Triad	<p>Main activists:</p> <ul style="list-style-type: none"> - Peter Thiel, General Director: A former philosophy and law student at Stanford, and a defender of the libertarian movement. - Max Levchin, Technical Director: Born in Ukraine, he emigrated to the United States with his family in 1991 for political reasons. A former computer science student at Urbana-Champaign. - Elon Musk, Executive Director (Marketing Department): Holds a degree in physics and economics. He fled the Apartheid regime and emigrated to the United States. <p>System: The PayPal project essentially targets two systems: the monopoly of states on money emission and regulations that protect the monopoly of traditional financial institutions.</p> <p>Masses: The PayPal project was launched in America, but it seeks international impact, for the aim of the service is to allow secure transactions between people, sidestepping the control of states and financial institutions.</p>
Intention to destroy	The founders sought to destroy as best as they could the power of states and public regulation by attacking their monopoly over the creation of money and their control over international monetary flows.
Efficient techniques	The PayPal system required very limited resources when compared with the project's ambition and the means allocated by states and banks to financial and monetary systems.
Scandals	The project provoked many hostile reactions and a series of lawsuits that sparked strong controversy.
Conclusions drawn from these subversive activities	PayPal has not become a private currency but its founding principle has proved to be a success (the introduction of a third party, other than a bank or state, to facilitate online transactions). Moreover, the founders of PayPal (the PayPal Mafia), who left the company when it was bought by eBay, are still activists and have created successful new start-ups that are transforming our societies.

Hustler: subversive entrepreneurial activities from 'Redneck' country

Born into a poor family from Kentucky, Larry Flynt shifted in the space of a few years from managing rowdy bars in Ohio to being the CEO of Hustler, one of the most profitable and famous companies in the United States. When Larry Flynt founded Hustler Magazine in the mid-70s, Playboy was the leading player in the erotic magazine market. Developing legitimacy was a key issue for competitors. Playboy, for instance, succeeded in publishing an interview with the religious presidential candidate Jimmy Carter in 1976. Hustler's editorial policy was intentionally the opposite of Playboy's: instead of seeking the approval of institutions, Hustler proclaimed its independence and flaunted its image as a magazine that was unapologetically pornographic. Contrary to his competitors, obscenity was not a problem for Larry Flint. Vulgarity and the refusal of censorship were at the heart of the editorial line, defending anarchical and libertarian values (Kipnis, 2006).

In 1968, 'Hustler' was a strip club managed by Larry Flynt and his brother

Jimmy. After a successful start, the company was on the verge of bankruptcy at the beginning of the 1970s (Ardisson, Drouhet, & Vebret, 2010). To attract more customers, a newsletter was launched in 1972. It built up an enthusiastic readership following the publication of its third issue. In response to this interest, additional content was included in the newsletter and it was developed into a real magazine in 1974 known as the Hustler Magazine. The new publication soon became very successful: in 1974, Hustler already held a third of the erotic magazine market (Kipnis, 2006: 311). Beyond their financial ambitions, Larry Flynt and his team's intentions were clear: to liberalise morals by doing things that no one had ever dared to do before. Not only were the photographs published explicit and unrestrained, but they also pictured unedited scenes, when up until this point, erotic magazines had primarily shown only 'pin-ups'. Hustler even pictured pregnant, mature, obese and amputated women. Nothing seemed taboo anymore; the codes of the genre were reinvented.

Larry Flynt and his team were part of a traditional historic movement, pornography having been used since the invention of the printing press as a classic strategy for social criticism and the questioning of political and religious institutions¹² (Kipnis, 2006: 311). By combining and promoting nudity and vulgarity, the Hustler Magazine clearly attacked the political establishment and organised religions and class privileges (op. cit.). This challenge to the established order appealed particularly to the working class, who perceived the magazine as an attack on the reactionary bourgeoisie (Kipnis, 1996). This political activism was supported by Hustler's managing team, namely Larry Flint's fourth wife Althea (who appeared naked in the magazine and was paid several thousand dollars per year for her work) and his brother Jimmy (New York Times, 1978).

Hustler was fiercely opposed from the start. Conservatives, women's rights activists, representatives of religious institutions and members of racist groups all sought to stop the magazine from being distributed and thus prevent the diffusion of the ideas it conveyed. Larry Flynt was perfectly aware of the controversy he provoked¹³, but he stood his ground despite the many lawsuits filed against him. For instance, Charles Keating, the prosecutor of Cincinnati, launched a "legal crusade" against him. Keating won a case in 1976, sentencing Larry Flynt to 25 years of prison without bond (Hastings, 1995).¹⁴ Even in courthouses, Larry Flynt was known to have a particularly vulgar and disrespectful attitude towards the authorities. To quieten him, a judge once ordered him to be gagged and hand-cuffed to his wheelchair (Arditti, 1986). The tension aroused by his trials reached its apex on 6 March 1978 when Larry Flynt, then aged 34, and his lawyer, were shot as they were leaving the courthouse (Hari, 2011). The shooting left Larry Flynt handicapped and he is now confined to a wheelchair¹⁵. In addition to these legal affairs, scandals pertaining to the company also thrived. In August 1975, Hustler bought and published pictures of Jacqueline Kennedy-Onassis (the former wife of President Kennedy) from a member of the paparazzi, who had photographed her lying naked on a beach. Hundreds of thousands of copies of the issue were sold and only a few thousand dollars were spent on the photographs. Not only was the status of an icon attacked through this action, which triggered a wide-scale scandal, but the ability of the powerful to keep secluded from the rest of the world was also challenged (Kipnis, 1996).

We could quote many examples of scandals, such as a magazine cover published in 1977 where a naked woman is pictured going through a mincer, but

12. Larry Flynt is fully aware of this subversive component of pornography: "Sex is subversive, it smacks of revolt and freedom" (Flynt, L. 2008).

13. On 9 February 1978 Larry Flynt declared to The New York Times: "All the churches are going to turn against me".

14. Larry Flynt never served his entire prison sentence but he did spend several months in prison and psychiatric wards.

15. Joseph Paul Franklin was convicted of the crime, but the motives of this attack remain unclear. This racist outcast is believed to have attacked Flynt because of the interracial sex scenes published in Hustler.

beyond these controversial cases what seems important to us is to characterise these subversive practices, which appeared to be well organised. One practice was the systematic use of satire (Follain, 1999), a common mode of action among activists due to its subversive potential (Day, 2011). Satirical drawings in *Hustler* always conveyed a political message (in defence of abortion, against racism and Puritanism, etc.). In fact these publications resulted in more forceful reactions than the pornographic pictures (Dines, Jensen, & Russo, 1998). The power of satire is well illustrated by an advertisement for a brand of alcohol—Campari—that was published in *Hustler* in 1983 (see Appendix 1). It presents a fake interview with the Reverend Jerry Falwell, a media icon and Puritan representative of the Christian American community, in which he recalls the first time that he had intercourse, with “his mother”, in a public toilet. The advertisement plays with an analogy between this and the very first sip of Campari, with both suggested as being unforgettable moments. On the publication of the advertisement, a law case against Larry Flynt for libel immediately ensued. During the trial, he invoked the right to freedom of speech protected by the First Amendment of the American Constitution. Larry Flynt won the case in 1988, after a long legal battle (Hastings, 1995). It is a key milestone in the history of American law and a significant turning point as regards freedom of speech¹⁶.

The *Hustler* case gives a clear illustration of the components of subversion. There is an interplay of three different actors, with a system (Puritan values and American obscenity laws), the masses (American citizens), and a group of activists (the *Hustler* start-up). The latter’s message was radical in nature and sought to destroy the Puritan morality of the time. Twisting the spirit behind the First Amendment of the American Constitution that guarantees freedom of expression, Larry Flynt defended his right to publish pornography as a form of expression and demanded the abolition of censorship.¹⁷ Finally, despite the fact that they had had, at first, extremely limited resources, the magazine provoked such scandals that it rapidly gained widespread notoriety across the country. Since 1980, *Hustler* has been the undisputed leader in its sector (Lief & Caldwell, 2004). The company has also contributed to the deep-rooted transformation of the pornographic industry by altering the rules of the industry and, more fundamentally, the principles that were judged morally and legally acceptable. At first some newspaper agents refused to sell the magazine out of fear of retaliation by local authorities, but today *Hustler* is no longer exceptional, its practices having been taken up by a number of competitors (Horstman, 1997). Indeed, in 2000 General Motors generated a larger profit than *Hustler* solely with the sale of pornographic films on its subsidiary DirecTV General (Egan, 2000).

16. Larry Flynt actually considers this case as one of the most important in his life: “The single most important thing I did in my life was winning the Supreme Court case against Jerry Falwell by a unanimous decision, making parody protected speech. That case has been taught in every single law school in America as the single most important case since the Sullivan vs. New York Times case in 1964” (Uranga, R. 2008).

17. Here is a quotation that illustrates Larry Flynt’s outlook: “I never, from the very beginning, ever compromised my core beliefs... I’ve been in prison four times, shot and paralysed... So I decided to devote what is left of my life to expanding the parameters of free speech” (The Guardian. 2004).

Table 3. Key subversive components of the Hustler case

Summary	The pornographic magazine Hustler was created in the mid-1970s. It had rapid commercial success. Since its launch, Hustler has kept developing in this industry (videos, clubs, etc.).
Triad	<p><u>Main activists:</u></p> <ul style="list-style-type: none"> - Larry Flynt: founder, manager and shareholder of Hustler (no degree). - Jimmy Flynt: brother of Larry, co-founder of Hustler, responsible for the development of the magazine (no degree). - Althea: 4th wife of Flynt, editor and model for Hustler (no degree). <p><u>System:</u></p> <p>All the representatives of Puritan morals: churches, leaders of anti-abortion groups, politicians, etc.</p> <p><u>Masses:</u></p> <p>The public involved is mainly composed of American citizens, but with the magazine's international distribution all the citizens of the Western world are included.</p>
Intention to destroy	From the start, Larry Flynt's intent was very clear; he sought to destroy Puritanism and free morals. He promoted the commercial expansion of Hustler in the porn industry by advocating freedom of speech.
Efficient techniques	Hustler first began as a simple newsletter and then developed into a magazine. Satire and pornographic pictures were and are the main means used.
Scandals	The magazine raised controversy: some people were fervently opposed to the activities of the firm, while others were totally in favour. The debate materialised around several large scandals that gave rise to high-publicity trials.
Conclusions drawn from these subversive activities	On a commercial level, Hustler was a success. By the end of the 1970s, the company was yielding several million dollars of revenue every year. Today, the firm creates minimal controversy as its activities have become normalised. L. Flynt's legal victory against the Reverend Jerry Farwell in 1988 and the film <i>The People vs Larry Flynt</i> (1996), contributed to linking the history of Hustler to the fight for freedom of speech. This association, which is often criticised, remains essential to understanding the evolution of the magazine and the porn industry.

In the Hustler and PayPal ventures, subversion serves on the one hand to destroy some rules and values that are at the core of the prevailing system (Puritanism for Hustler and strict regulation of currency exchanges by states and banks for PayPal), and fosters creation on the other: Hustler is now a widely copied standard and PayPal is no longer challenged. In these two cases, similarities with the technical processes used by the Situationists stand out: that is, the use of *détournement* or deviation (applied to traditional means of payment by PayPal for instance) and the construction of situations (such as the emblematic example of Hustler's satire of Jerry Falwell). The radical discourse and type of activities developed by these entrepreneurs have sparked scandals that contributed to the emergence of questions that had not been raised until then. Strong controversy stemmed from these questions, but it gave way to a form of consensus: public opinion gradually began to favour the new systems proposed by the entrepreneurs. What was first deemed unacceptable became normal.

In light of these two cases, the use of subversive activities appears as a *modus operandi* for destroying. In this sense, subversion becomes a catalyst for creative destruction.

DISCUSSION

The three contributions of this paper are as follows. First, we have re-established the central role of destruction in the entrepreneurial process. Second, we have characterised subversion as an ideal type and put forward the hypothesis that conducting subversive activities enables the destruction of rules and values that limit the diffusion of breakthrough innovations. Third, we have described the operative process of subversion and pointed to the importance

of the instrumentation of these subversive practices, which can be partly learned and reproduced.

The role of destruction in the entrepreneurial process

"A painting was a sum of additions.

For me, a painting is the sum of destructions." (Pablo Picasso)

Entrepreneurship, a process based on social change (Steyaert & Hjorth, 2007: 1), underpins creative destruction (Schumpeter, [1942], 1994). According to Schumpeter, destruction, which is essential to the dynamics of capitalism, occurs in a mechanical way via competitive market adjustment: by creating a new offer, entrepreneurs destroy or make obsolete previous ones. This proposal, which can shed light on macroeconomic processes, is developed in entrepreneurship literature by the institutionalist school, which focuses on the way entrepreneurs call into question the cognitive framework of some institutions rather than on competitors themselves (Hargadon & Douglas, 2001).

In this work, we focus on the destructive component of entrepreneurship, which has been largely overlooked in comparison to its creative counterpart. We examine the destructive process that operates on the offer of competitors but also on the rules and values defended by various institutions (including the State, University and the Church). We do not conduct a macroeconomic analysis, for our intent is to pinpoint specifically the practices implemented by entrepreneurs. According to this perspective, entrepreneurs must not only focus on what they want to create but also on what they are seeking to destroy, in order to clarify the exploration process and give their project a new scale. In the cases of Hustler and PayPal, opposition to Puritan censorship in the one case, and to the power of states in the other, contributed to structuring the entrepreneurial process. Obviously, this approach does not involve a linear frame of reasoning: the intentions to destroy and to create hinge on each other and combine, questioning each other in a complex process. It becomes a dialectic of the "yes" and "no", of creation and destruction.

Subversion as a means to conduct destruction

"We believe that we must first change the world" (Guy-Ernest Debord, 1957)

"In business, people are thinking about what's going to change the world."
(Peter Thiel, 2010)

We have argued that some entrepreneurs develop subversive activities to create breakthrough innovations. According to us, subversion is defined by a specific context involving activists, entrepreneurs in this case, who are determined to destroy all or part of a system using efficient techniques and to provoke public scandals and controversy.

Defined in this way, subversion cannot be taken as a homogeneous phenomenon in space or time. A comparison between Hustler, PayPal and the Situationists reveals variations in intent and objectives. In the case of the Situs, the destructive dimension was clearly more violent and clear-cut than with Hustler or PayPal. In these two cases, the entrepreneurial project does not rest on a simple negation. It cannot be assimilated to an anarchy with no constructive intent. Instead, the aim is to build business that generates economic value. To a certain extent, subversion could be said to be an end for

the Situationists, while in the cases of Hustler and PayPal it would be a means, or at least an objective associated with a core stake: the diffusion of a value-producing innovation.

On the one hand, this new perspective adds to the extensive literature that discusses destruction. On the other, it sheds new light on theories on the deviant dimension of entrepreneurship by focusing on the concept of subversion (Bureau & Fendt, 2011; Zhang & Arvey, 2009; Hartman & al., 2005). According to our approach, the purpose is not to examine the transformation of rules on a competitive market, nor to point to the more or less rebellious attitudes of entrepreneurs. It is instead to show that innovative entrepreneurship has a political dimension that involves subversive activities. In this sense, we are in accordance with the work of Durand & Vergne (2010), which analyses the dynamics underpinning capitalism from the angle of pirate organisations. From this perspective, entrepreneurs create pirate organisations as a bulwark against a norm set by a given state. We take a more general stance, including local phenomena arising within organisations like universities and firms. Moreover, we consider that entrepreneurs have both a defensive position and a deliberately offensive one, in the sense that they question sometimes long-established values and rules, as in the cases of Hustler and PayPal.

Learning to subvert

“To move forward, we must be subversive.” (Laurent Schwartz, 1997, Fields Medal 1950)

We are certainly not advocating a romantic vision of the entrepreneur, but rather seeking to show that destruction, an essential component of creation, can be managed. Our claim is that subversion is not a purely chaotic, emotional, irrational phenomenon. Just as a “discipline of innovation” exists (Drucker, 1998), the creative process needs a kind of “discipline of destruction”, involving particular techniques and even a method that can be documented, formalised and learned. To illustrate this argument, we have highlighted a link between the subversive techniques of the Situationist International and certain entrepreneurial activities. The *détournement* (deviation) and the construction of situations offer many analytical frameworks that could be harnessed to enrich our understanding of the entrepreneurial process. These techniques could also inspire new tools or new methods with which to carry out entrepreneurship ventures. To give an example, instead of merely writing up a Business Plan serving as a communication and steering tool for a project, it could be relevant to write a Manifesto explaining what one is “fighting against”, in the manner of Richard Stallman and his free software movement. Though we did not choose the Situationist movement at random, other artistic movements (Dadaism, Surrealism, Street Art) or political movements (Feminism, Anarchism, Environmentalism) could easily have been investigated to isolate and explore various subversive theories and strategies. We could also have focused not on a particular historical movement, but on one particular technique. Our analysis could have concentrated on the use of propaganda. This subversive technique, more and more used since World War One (Mucchielli, 2010), is still widely practiced by entrepreneurs, but under the more “acceptable” guise of Public Relations (Bernays, 2004; Olasky, 1984).

Many researchers work actively in the field of pedagogical innovation in

entrepreneurship (Bureau & al., 2012; Bureau & Fendt, 2012; Boissin & al., 2009; Fayolle & Gailly, 2009; Verzat, 2009; Chia, 1996). Basing ourselves on the present study, we could contribute to this research current, examining more specifically the processes enabling the teaching of subversion in entrepreneurship programmes. A few pioneers could also offer experiments in the field.

CONCLUSION

In this article, we did not intend to present a general model. We rather sought to analyse facts that appeared surprising and which are rarely discussed. By bringing together two notions, traditional political activism (the case of Situationism) and entrepreneurial activism (the cases of PayPal and Hustler), we have developed a hypothesis on the subversive dimension of entrepreneurial activities. This hypothesis will not only have to be tested but also specified in future works, for the three cases presented fall short of exploring the intricacies of this project on subversion. Through the collection of additional empirical data, we could characterise subversive entrepreneurial activities more precisely. It would also be relevant to conduct a longitudinal analysis of combined cases to explore similar and diverging subversive activities within a given firm (Musca, 2006). Virgin, which is known for the many scandals it has been involved in since its launch, could be an interesting case. Moreover, all the examples we present in this paper come from famous entrepreneurial success stories. This selection bias is a limitation of this study for many entrepreneurs have no doubt developed subversive strategies without ever becoming successful. Subversion is probably not a sufficient condition for success. Lastly, it could be useful to discuss the evolution of subversive practices over time: under the combined influence of information technology, connectivity and globalisation, have they become more numerous, more intense and more violent than before? The phenomenon, which entails the overthrow of established systems, can be deemed inherent to all historical processes, but it can materialise in different ways over time.

For all these reasons, and in the wake of the founding works of Schumpeter, we believe that understanding the interplay between creative destruction and subversion, and identifying contingency factors that influence this relation, represent a research programme that could be developed with new and more ambitious empirical work.

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Acknowledgments

Funding from the Transversal Entrepreneurship Chair of the Chamber of Commerce of Paris Ile-de-France is gratefully acknowledged.

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APPENDICES

Appendix 1. A satirical article on the Reverend Jerry Falwell, published in Hustler magazine in 1983

Jerry Falwell talks about his first time.*



FALWELL: My first time was in an outhouse outside Lynchburg, Virginia.

INTERVIEWER: Wasn't it a little cramped?

FALWELL: Not after I kicked the goat out.

INTERVIEWER: I see. You must tell me all about it.

FALWELL: I never really expected to make it with Mom, but then after she showed all the other guys in town such a good time, I figured, "What the hell!"

INTERVIEWER: But your mom? Isn't that a bit odd?

FALWELL: I don't think so. Looks don't mean that much to me in a woman.

INTERVIEWER: Go on.

FALWELL: Well, we were drunk off our God-fearing asses on Campari, ginger ale and soda—that's called a Fire and Brimstone—at the time. And Mom looked better than a Baptist whore with a

\$100 donation.

INTERVIEWER: Campari in the crapper with Mom... how interesting. Well, how was it?

FALWELL: The Campari was great, but Mom passed out before I could come.

INTERVIEWER: Did you ever try it again?

FALWELL: Sure...

lots of times. But not in the outhouse. Between Mom and the shit, the flies were too much to bear.

INTERVIEWER: We meant the Campari.

FALWELL: Oh, yeah. I always get sloshed before I go out to the pulpit. You don't think I could lay down all that bullshit sober, do you?

© 1983—Imported by Campari U.S.A. New York, NY 48° proof Spirit Apertif (Liqueur)

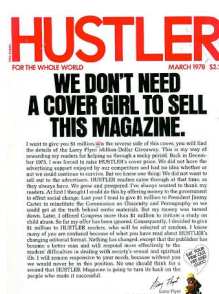


Campari, like all liquor, was made to mix you up. It's a light, 48-proof, refreshing spirit, just mild enough to make you drink too much before you know you're schnockered. For your first time, mix it with orange juice. Or maybe some white wine. Then you won't remember anything the next morning. **Campari. The mixable that smarts.**

CAMPARI You'll never forget your first time.

*AD PARODY—NOT TO BE TAKEN SERIOUSLY

Appendix 2. A selection of covers from Hustler magazine that caused scandal in 1978



Appendix 3. Illustration of the coding of a press article (Hustler Case)

Hustler's born-again Flynt 'totally turned off by pornography'(New York Times, 9 February 1978)

Right away, Larry Flynt wants to warn people who have heard about his spiritual experience: Don't get the wrong idea. Larry Flynt still can't stand organized religion, and explicit sex is still the cornerstone of his Hustler Magazine. But something has apparently shaken Larry Flynt - sent him on a month-long retreat to meditate, has changed his diet, altered his views on women's rights and even made him temporarily celibate, according to Mr. Flynt and his wife. Whatever is churning inside him, the 35-year-old publisher wants to spread it around. He recently purchased weekly newspapers in Los Angeles and in Plains and Atlanta, Ga., along with the monthly Ohio Magazine, and is talking of publishing more thoughtful books. In the March issue of Hustler, he wrote: "We will try to do what God would approve of in our stories and pictures." Future issues, he said, would contain photographs of a Christ figure "going around, doing his thing" and would depict sexual scenes from the Bible. Mr. Flynt insists that he does not want to be "anybody's goo-roo," but he is planning to spread his religious, social and political ideas beyond his Hustler format. Cynics are saying that Mr. Flynt's "conversion," after guidance from Ruth Carter Stapleton, the President's evangelist sister, is a ploy to avoid jail on his pornography conviction. But Mr. Flynt says it may actually hurt him. "All the churches are going to turn against me," he said in his first interview since he returned from meditating on a beach in the Bahamas. "They are going to be embarrassed because I relate to my God different than they relate to theirs. If you ask me, yes, I am a born-again Christian. But I am going to continue publishing pornography, and anybody who doesn't like it can go kiss a rope." Pornography, he says, is not sinful. When Mr. Flynt told the world of his "conversion" last November, he promised to give up the leadership of the empire he has built in Columbus, Ohio, which includes Hustler and Chic magazines sexual paraphernalia and book publishing. Last week he modified that stand, saying, "I'm still the boss." Having lost 30 pounds by fasting, Mr. Flynt has also lost a truculent expression seen in dozens of photographs taken during his courthouse appearances. His gentle demeanor seemed to stun an old friend who was visiting him. "I cannot relate to what Larry is saying," said Curt Mead from Boston, "I mean, he is still Larry, but he has changed so much." Mr. Flynt's new views do not fit into the traditional Christian theology: he calls the symbol of the cross "the greatest catastrophe in Christianity because it represents mutilation, deprivation." He regards Buddha

and Mohammed as prophets equal to Christ and says, 'I only believe in the Bible as it applies to me.' But Mr. Flynt's fervent claim that something vital has happened to him certainly falls within the framework of "born-again" experiences. As a boy growing up in Magoffin County, Ky., where "our biggest industry was jury duty," Mr. Flynt says, his only religious exposure was "fire-and-brimstone Holy Roller revivalists in tents, where they rolled around on the floor with snakes. That sure turned me off.' That bias has often been presented in the pages of Hustler, which Mr. Flynt developed from a strip-joint newsletter and which now has a circulation of three million, the third highest of the "skin" magazines (behind Playboy and Penthouse). The March issue, planned before his "conversion," includes an "expose" of 10 popular preachers. The sexual philosophy of Hustler has been heartily endorsed by Mr. Flynt's wife, Althea, who came to pose for the magazine and remained as associate publisher, reportedly at \$500,000 a year. In a telephone interview recently, Mr. Flynt said: "I still believe in what we are doing. Women have got to lose their hangups about displaying their bodies." A court in Cincinnati did not agree last year and Mr. Flynt is appealing his 7-to 25-year sentence. Until last November, Mr. Flynt says he consumed more than his share of beef, whisky and jet fuel. But as he travelled around the world in his jet, Mr. Flynt says, he began to question the values of his life. When he raised these questions with his wife, she said: "Oh, no - he's having a nervous breakdown.' He had met Mrs. Stapleton in August. Then the Flynts and Stapletons met in New Orleans last November to discuss Mr. Flynt's experiences. At the end of the visit, he dropped his wife off in Columbus, and offered Mrs. Stapleton a flight to the West Coast, where they had separate appointments. He says Mrs. Stapleton listened, while he "spent the better part of four hours right there on my knees.' Somewhere over the midlands, Mr. Flynt made a telephone call from his private jet to announce his conversion, and Mrs. Stapleton was quoted as saying, "I feel like I've been on the outside of a cyclone for the last 72 hours.' He says: "I cannot describe it, except a serene feeling came over me. I felt like crying but I was very happy. I felt very much in tune with God, all filled with love, totally non-violent, compassion for everyone. Mr. Flynt says he wants to emulate Jesus, "who was a political threat, a rugged man who made a living as a carpenter, who didn't live off other people, like most preachers do.' In the past, Mr. Flynt says, his magazine "exploited" women by presenting their bodies with no thematic reason. Now, he insists, pictures must relate to the subject matter. "I am totally turned off by pornography these days," he say. "I know I make a lot of money, but I can't fight for something on one hand and allow them to keep it illegal on the other. I hope the time comes when I can publish a centrefold of a woman in an evening gown.

Coding of the article: (Hustler's born-again Flynt 'totally turned off by pornography', New York Times, 9 February 1978)

Codes	Presence (1) Absence (0)	Illustrations (quotations from press articles)
Activists	1	"Mr. Flynt (...) the 35-year-old publisher" "The sexual philosophy of Hustler has been heartily endorsed by Mr. Flynt's wife, Althea, who came to pose for the magazine and remained as associate publisher, reportedly at \$500,000 a year".
System	1	"All the churches are going to turn against me"
Masses	1	"Mr. Flynt developed from a strip-joint newsletter and which now has a circulation of three million".
Radical intention to destroy	1	"Larry Flynt still can't stand organized religion" "he is planning to spread his religious, social and political ideas beyond his Hustler format". "I am going to continue publishing pornography, and anybody who doesn't like it can go kiss a rope."
Efficient techniques (satire, détournement, construction of situations, propaganda...)	1	"would contain photographs of a Christ figure 'going around, doing his thing' and would depict sexual scenes from the Bible". "he calls the symbol of the cross 'the greatest catastrophe in Christianity because it represents mutilation, deprivation." "I only believe in the Bible as it applies to me." "Mr. Flynt developed from a strip-joint newsletter"
Scandal (trials, attack on morals, marginality...)	1	"a ploy to avoid jail on his pornography conviction" "They are going to be embarrassed because I relate to my God different than they relate to theirs dozens of photographs taken during his courthouse appearances" "A court in Cincinnati did not agree last year and Mr. Flynt is appealing his 7-to 25-year sentence" "Mr. Flynt says he wants to emulate Jesus, 'who was a political threat, a rugged man who made a living as a carpenter, who didn't live off other people, like most preachers do'".

Appendix 4. Sources of the case studies

PayPal case:

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