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Special Issue of Business Strategy and the Environment

Sustainable Entrepreneurship Research in the 2020s: an Introduction

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Editorial

Abstract

This editorial introduces this Special Issue on sustainable entrepreneurship. It provides readers with the rationale for the volume and situates its significance in the context of contemporary academic debates and challenges in practice. The editorial outlines the content of the volume and the themes addressed by the papers within it. The editorial summarises the overall contribution to knowledge made by the Special Issue and indicates an agenda for sustainable entrepreneurship research for the next decade, directions for which are set out more explicitly by the papers which comprise the volume.

Keywords: biography; commons; institutions; legitimacy; practice; social solidarity economy, sustainable entrepreneurship

1. Introduction

This Special Issue (SI) specifies an agenda for the next decade of research on sustainable entrepreneurship. The contributions within the SI reflect on the first decade of sustainable entrepreneurship research and debate the directions that scholars and practitioners should take in the 2020s.

Significance

Sustainable entrepreneurship is a topic of great currency. This is unsurprising, given the salience of sustainability and climate change issues in the policy arena as well as within research. COP 26, the UN climate change conference, is due to take in Glasgow in November 2021 amid much concern for the climate crisis and also the implications of the Coronavirus pandemic outbreak for the environment, SMEs and inequality in society. As in other countries, the UK government is promoting ‘clean growth’ and the role of SMEs within its industrial strategy (BEIS, 2017) and policies for economic recovery.

A significant number of research papers were published in the 2010s, the decade in which sustainable entrepreneurship emerged as a recognisable sub-discipline. A special issue of the *Journal of Business Venturing* on newly ‘emerging’ research on sustainable development and entrepreneurship was published in 2010 (Hall et al, 2010). The decade saw the publication of a number of cornerstone articles (De Clerq and Voronov, 2011; Parrish, 2010; Shepherd and Patzelt, 2011), including contributions to *Business Strategy and the Environment* (Belz and Binder, 2017; Muñoz and Cohen, 2018; Schaltegger and Wagner, 2011; Stubbs, 2017). The antecedents of the sub-discipline as including entrepreneurship, social entrepreneurship, corporate social responsibility (CSR) and

sustainable development research. Diverse contributions utilise perspectives drawing on economics, psychology, organisation studies, *inter alia*.

Foundational papers defined what sustainable entrepreneurship is and what it isn't. Shepherd and Patzelt (2011) defined sustainable entrepreneurship as “focused on the preservation of nature, life support, and community in the pursuit of perceived opportunities to bring into existence future products, processes, and services for gain, where gain is broadly construed to include economic and non-economic gains to individuals, the economy, and society.”

Conventionally excluded from sustainable entrepreneurship are research and activities which do not integrate the pursuit of environmental and social objectives with the creation or offer of new products, processes or services. This implies that sustainable entrepreneurship requires the reconciliation of different kinds of objectives. Moreover, reliance on state funding or charity donations is outwith sustainable entrepreneurship, since organisations are not ‘financially sustainable’ (Hall et al, 2010). These foundational assumptions regarding sustainable entrepreneurship may be challenged by studies of sustainable entrepreneurship in practice.

Earlier work was largely concerned to establish accepted definitions of sustainable entrepreneurship partly to enable the sub-discipline to benefit from knowledge accumulation around commonly accepted concerns and questions. A special issue emphasising the need for substantive rather than definitional research on sustainable entrepreneurship was published recently in IJEBR (Muñoz et al., 2018). However, a

subsequent ISBE-funded workshop and track at the ISBE 2018 conference confirmed the need for a still sharper diagnosis of the state of the art and future agenda for sustainable entrepreneurship. The why and the how of sustainable entrepreneurship have been to the fore in these discussions, as have the implications of answers to these questions for the common assumptions upon which the sub-discipline has been built. It is from the afore-mentioned ISBE events that contributions to this SI emanate. In particular, the themes addressed in the SI emerged from a workshop on the future of sustainable entrepreneurship research, which took place in June, 2018, in London. The workshop was organised and chaired by Professor Genus (Kingston University), supported by Professor Richard Blundel (Open University) and Dr Anne-Marie Coles (University of Greenwich).

2. Aims

The aims of the SI are:

- a) To present new thinking and suggest future research required regarding the practice, narratives and promotion of sustainable entrepreneurship in SMEs;
- b) Specify requirements for future work relating to new organisational forms and strategies being pursued to build markets, legitimacy and different types of capital relevant to sustainable entrepreneurship and its governance;
- c) Identify contextual institutional and policy factors conducive to sustainable entrepreneurship and suggest questions requiring further or future study; and
- d) Highlight research questions, foci and co-creative methodologies required to build theoretical and practical insights relevant to building better understanding of sustainable entrepreneurship in the 2020s.

The SI highlights how sustainable entrepreneurship research might transcend and, in some cases already is reframing, extant concerns with trade-offs entrepreneurs are assumed to make amongst elements of the triple-bottom line (Elkington, 1994) or the sustainability balanced scorecard (Figge et al, 2002; c.f. Kaplan and Norton, 1992). Fundamentally, the SI emphasises the importance of not reifying context in the shaping of sustainable entrepreneurial opportunities and responses. However, it is equally necessary to do so without lapsing into methodological individualism. At root, contributions to the SI account for how institutional ‘context’ emerges through the ongoing processes and practices of sustainable entrepreneurs and the manifold interactions they have with other actors.

The papers in the SI reflect upon and push the boundaries of entrepreneurship. The SI balances attention to the definition and constitution of the sub-discipline of sustainable entrepreneurship with the identification of points of overlap with contiguous areas of inquiry. This boundary-crossing, e.g. between perspectives originating from research on sustainable development, entrepreneurship and innovation, facilitates the generation of informative insights into the richness and variety of sustainable entrepreneurship but which may otherwise be neglected. Further, papers in the SI recognise the tension between researcher preoccupations with the definition of sustainable entrepreneurship and how this is interpreted, constructed or enacted by practitioners. Ultimately, the papers in the SI take a stance which challenges taken-for granted dichotomies juxtaposing the state and the market, economy and society, the ‘macro’ and the ‘social’ and ‘sustainable’ and ‘conventional’ entrepreneurship. Such an approach allows for the identification of key questions and challenges to be addressed in future research on

sustainable entrepreneurship that have been neglected hitherto. The following section of this Introduction positions the contribution of the volume to the emerging sub-discipline of sustainable entrepreneurship.

3. Contributions to Knowledge

In terms of moving sustainable entrepreneurship ‘forward’ (Muñoz et al, 2018; Muñoz and Cohen, 2018) the papers in this SI contribute new knowledge regarding the following themes: a) a) the role of opportunities and intentions in sustainable entrepreneurship; b) the narratives and practice of sustainable entrepreneurship; c) the institutional context of sustainable entrepreneurship and the institutional work being done by SMEs e.g. to build legitimacy among customers, suppliers and financial organisations; d) the governance and emerging business models and organisational forms of sustainable enterprises; e) the substance and processes of policy, education and training required to promote values of sustainable entrepreneurship among those who own or run SMEs, or might do; and f) the nature, challenges and benefits of co-creative processes of knowledge exchange and creation among sustainable entrepreneurship researchers and practitioners. The SI makes a number of contributions to knowledge connected with these themes

One contribution of the SI is to show that, rather than by any search for opportunity or profit, sustainable entrepreneurship might be driven by idiosyncratic events or factors in the ‘institutional biography’ (Lawrence et al, 2011) of sustainable entrepreneurs. Future research may consider the networks, strategies, skills, knowledge and resources entrepreneurs need to set up and develop sustainable enterprises, in relation to types of capital (human, social, cultural, economic) prevalent in their institutional portfolio

(Viale and Suddaby, 2009) and their institutional biographies (Lawrence et al, 2011). Sustainable entrepreneurship is (for some) more about how to live sustainably while being self-employed (Genus, 2016), with the start-up being just one aspect of the life of the satisficing entrepreneur. The SI provides examples where ‘regenerative’ principles of enterprise, ecology and society guide sustainability actors, rather than traditional conceptions of extractive entrepreneurship through which opportunities are exploited. Trade-offs may *not* be made between ‘sustainability’ and ‘profitability’ (c.f. De Clercq and Voronov, 2011; Muñoz and Dimov, 2015) in this alternative paradigm.

A second contribution is to more accurately than previously understand the practice(s) of sustainable entrepreneurship over and above the definitional exercise which characterise some extant contributions (c.f. Conway Dato-on and Kalakay, 2016). Contributions identify types of practice, organisation forms or business models and explore why they are performed or implemented. The SI sharpens understanding of the implications of emerging practice, organisational forms or business models for the legitimacy and growth of sustainable entrepreneurship and the diffusion of sustainable products and services and, fundamentally, ways of living. The SI contributions identify the strategies – more or less intentional – which enhance the position or capabilities of individual SMEs and/or collectives and which are founded on practice. This includes legitimacy-building strategies which might shape regulatory, normative and cultural institutional rules favourable to the SME(s) in question (Suchman, 1995). At the same time, the SI explicates the role of institutional work in building and consolidating sustainability-oriented niches (or ‘subfields’) which SMEs might occupy within various institutional fields or sectors. The social practice of commoning is a recurring example

of such work, based on principles of mutuality and reciprocity in the management of common resources (Oström, 1990).

A third contribution of the SI is to highlight implications of the research reported herein for policy and research aimed at growing, supporting and engaging different kinds of (sustainable) SMEs. For example, the SI considers what policies are required for what researchers and policy-makers might see as entrepreneurship for sustainability objectives but which may be understood by practitioners in other terms, and perhaps not at all as ‘entrepreneurship’, sustainable or otherwise. Further, papers in the SI identify what role(s) policy-makers and ‘anchor’ institutions might play in promoting or supporting sustainable entrepreneurship. These roles may take the form of funding or delivering training support for networks of SMEs and incumbents or peer groups of sustainable entrepreneurship SMEs, as well as regulatory or fiscal measures. Collaborative and participatory approaches might be effective in building the social solidarity economy capable of fundamentally challenging business-as-usual approaches to capitalist economic and social organisation.

4. Content

The SI begins with two papers on sustainable entrepreneurship, set in the context of common resources, ‘commoning’ and the emerging challenge to business-as-usual practice. The first paper – by Esteves et al (2020 – this issue) –links the international phenomenon of community-led initiatives with the pursuit of UN Sustainable Development Goals, centering on ‘commons ecologies’. The paper presents four case studies from four different countries (Brazil, Portugal, Senegal, UK) identifying and

comparing the practice and network relations which enable them to implement SDGs locally and share learning across commons boundaries. Esteves et al show that community-led initiatives and their SSE activities provide alternative framings and understandings that can enable improvements in SDG conceptualisation and enhance and increase implementation of the SDGs. The paper concludes that employing the concepts of commons ecologies and boundary commoning to analyse community-led action relevant to the implementing the SDGs can enrich and extend our understanding of sustainable entrepreneurship as collective action. Moreover, adopting such an approach might help to understand better the relevance of local practice to global objectives and initiatives and the possibilities for realising post-capitalist modes of social and economic organisation.

The second paper, by Ridley-Duff and Bull (2020 – this issue), considers the role of Internet platforms in the rise of social solidarity economy. The paper focuses on how Internet platforms facilitate social innovation, operationalising Elinor Ostrom's (1990) common pool resource principles. The paper, the authors argue, offers an opportunity to rethink complex economic systems for public good, something which is lacking in research on social enterprise and sustainable entrepreneurship. Fundamentally, it challenges the dichotomies of economy and society and the state and the market prevalent in the neo-liberal thinking which dominates organisation studies.

The third paper in the SI is co-authored by Genus et al (2020 – this issue). This paper analyses the institutionalisation of practice conducive to the growth of entrepreneurship inspired by principles associated with the international permaculture movement.

Understanding the phenomenon requires attention both to strategies of the permaculture

movement and to an individual entrepreneur's institutional 'portfolio' (Viale and Suddaby, 2009), consisting of economic, cultural and social capital. These capitals are implicated with elements of an entrepreneur's institutional biography (Lawrence et al, 2011) and wider social factors (e.g. general education) in the more extended field of social practice (Bourdieu, 1984). Critically, the paper argues that it is not necessary to juxtapose macro-social and micro-social accounts, while bringing centre-stage relational phenomena implicated with sustainable entrepreneurship.

The fourth paper is by Piterou and Coles (2020 – this issue). Piterou and Coles review alternative business models for realising decentralised renewable energy projects. The authors are concerned to identify the active engagement of individuals and civil society organisations in the co-production of local or distributed energy schemes. Crucially, the potential to migrate from centralised energy provision to more flexible, ecologically friendly models requires active efforts (i.e. by the state) to make sure that larger, incumbent energy companies free up space to enable localised arrangements to take root. Currently, Piterou and Coles argue, it is questionable that sustainable entrepreneurship related to decentralised energy in the UK can be financially viable, given the poverty of government policy, ill-adapted contractual arrangements, *inter alia*.

The paper which closes the SI is by Klapper and colleagues (2020 – this issue). They are concerned to identify 'insider perspectives' of growth and the implications of these for a non-dichotomous understanding of 'sustainable' and 'conventional' entrepreneurship. Klapper et al employ multiple methods of data collection, within an approach focused upon the practice and experience of entrepreneurs and their relations with others. Klapper et al present data on the lived experiences of growth of Finnish

entrepreneurs, drawing on Bourdieu's (1984) work on habitus and social capital and Shotter's (2006) ideas regarding 'withness' thinking. Klapper et al conclude that, with respect to intra-firm growth, the distinction between sustainable and conventional entrepreneurship is less stark than is usually portrayed. Taken as a whole, the papers in the SI caution against simplistic characterisations of sustainable entrepreneurship and call for careful analysis of relations among sustainable entrepreneurs(hip), fields, sectors, society and ecology.

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