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Disembedded and beheaded?
- a critical review of the emerging field of sustainability entrepreneurship

Abstract

Sustainability entrepreneurship (Sue) is an emergent field of study that focuses on the founding and growth of firms that combine the creation of economic value with the pursuit of the environmental and social objectives of sustainable development. A review of the SuE literature is carried out from a Critical Management Studies perspective and five main themes are identified. The article notes that the field is powerfully influenced by its roots in “green” entrepreneurship and that authors are generally uncritical of the concepts of “sustainable development” in relation to entrepreneurship. From the perspective of bottom-of-the-pyramid populations it is suggested that these trends involve both risks and opportunities. The author calls upon scholars to integrate a broader range of voices and entrepreneurial topics under the sustainability entrepreneurship umbrella, and suggests that the field make greater use of concepts of sustainable development that are participatory and embedded in nature.

Keywords

sustainable entrepreneurship, sustainability entrepreneurship, sustainable development, critical management studies, bottom-of-the-pyramid, embeddedness, inclusive entrepreneurship, SMEs, corporate sustainability

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Introduction

“Entrepreneurship and the small businesses it generates are vital sources of jobs, business dynamism and innovation” (2011). In a recent issue of IJESB Robert Smith notes the vital role played by entrepreneurs and networks in the development of communities. Although Smith employs a British case-study, his writing reflects a global interest in the impact of entrepreneurship on development. Many authors suggest that entrepreneurship can contribute to economic, environmental and social prosperity, and do so in a sustainable manner. Consequently, writers often discuss entrepreneurship in relation to sustainable development (Hall, Daneke, & Lenox, 2010). In recent years such discussions have taken place in journals such as *Journal of Business Venturing* and *Entrepreneurship, Theory & Practice*. This suggests that the topic is of societal relevance and timely in terms of academic interest.

The linking of entrepreneurship research to societal issues such as poverty and ecological degradation has coincided with an increase in the study of specific forms of entrepreneurship. These include “community” (Johanisson & Nilsson, 1989; Johnstone & Lionais, 2004), “social” (Dees, 1998; Mair & Martí, 2006; Peredo & McLean, 2006) and “institutional” entrepreneurship (Battilana, Leca, & Boxenbaum, 2009). An emerging body of literature also exists on inclusive entrepreneurial activity among the billions of people that earn less than $2 USD a day at the “bottom [or base] of the pyramid” (London, 2007; Prahalad & Hart, 2002). Nevertheless, until recently no single approach has set out to address all of these issues at the same time. Indeed, readers may wonder whether the entrepreneurial “niche[s]” identified by researchers are mutually exclusive – or could entrepreneurs tackle the challenges of “profit, poverty, planet and place” simultaneously?

A research stream that embraces such a combination is sustainability entrepreneurship. Authors such as Pacheco, Dean and Payne (2010) suggest that it *is* possible for entrepreneurship to be “consistent with sustainable

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1 In this paper I use the term “sustainability entrepreneurship” and abbreviate it as “SuE” to distinguish it from social entrepreneurship (SE).
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development goals”, while involving “the discovery, creation, evaluation, and exploitation of opportunities.” Nevertheless, substantial controversy is associated with the field of sustainable development. In recent decades authors have noted that the term “sustainability” is often linked to only environmental issues (Davis, 2011), while practitioners are said to use the term “sustainable development” in a shallow, unreflective manner (Jermier & Forbes, 2003; Springett, 2003). These comments are important to note, because they are linked to critique directed at the most cited documents on sustainable development (the WCED report “Our common future” and the NRC follow-up “Our common journey”)(Brundtland & Khalid, 1987; National Research Council, 1999). Weaknesses identified include the reports’ failure to emphasise participation in the development process, their underestimating of limits to growth, their ignoring of the links between developed nations’ prosperity and developing nations’ poverty – and their disregard for the ties between culture, social structure and poverty (Björk & Wiklund, 1993; Bossel, 2000; Daly, 1990; Lélé, 1991). It is therefore important to examine the literature on sustainability entrepreneurship and discuss how authors have related entrepreneurship research to this contested concept.

In this paper I address two questions. The first addresses the content of the SuE conversation: what are the main themes within the academic literature that explicitly identifies itself as dealing with “sustainability entrepreneurship” or “sustainable entrepreneurship”? If sustainability entrepreneurship is a distinct, but nascent research field (as I believe); then it is important for researchers to be aware of what characterises our conversations, in order to identify neglected themes and topics for future study. Consequently I focus on writing that frames itself in the two terms introduced above (or in very similar language). My purpose is not to survey all of the movements within entrepreneurship research that address sustainable development!
This paper’s second question relates to research “gaps”. Having identified primary themes within the literature, I then ask: to what extent does the academic conversation coincide with the perspectives of BoP communities, as regards sustainable development? In this article I adopt what I term a base-of-the-pyramid\(^1\) (BoP) perspective on sustainable development. I do so first of all because I have lived for many years among low-income people in emerging economies\(^2\) (and experienced some of the tensions associated with the “rubber” of sustainable development “hitting the road”). Less subjectively, I suggest that the size of the BoP population confers a certain “democratic obligation” on scholars, to prioritise research that focuses upon the concerns of society (Boyé, 1996; Flyvbjerg, 2001). Finally, a BoP perspective is legitimised by the multifaceted, contested nature of the SD concept – given that definitions of the sustainable development mirror the ideologies of those who define it (Hall, et al., 2010; Sen, 1999).

In this paper readers are first of all introduced to the concept of sustainability as it relates to business organisations. In order to answer the two questions introduced above I then conduct a literature survey from the perspective of Critical Management Studies (CMS). Prior to doing so I describe the CMS perspective and the method used to survey the literature. I identify the main themes apparent in these publications and discuss them in relation to alternative understandings of sustainable development. In doing so I contribute to the SuE literature by providing an overview of the current state of the field and by identifying areas of study that are of special relevance to global society, but which have received less attention from researchers.

**Sustainability and enterprise**

An important base for understanding sustainability entrepreneurship is provided by the literature on corporate sustainability (CS). This literature

\(^1\) I.e.: the four billion people at Prahalad’s “base-of-the-pyramid” who earn less than $2 USD a day.

\(^2\) Colombia and Mozambique
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informs and influences the field and consequently, some key concepts are introduced below.

The sustainability concept perhaps most familiar to business scholars is known by several names, including the “triple bottom line” (Elkington, 1997), and the “3 P’s” (Shell, 1999). Both terms refer to the understanding that emerged in the mid-1980s, that business sustainability involves taking into account not only the economic profitability of a firm, but also its social and environmental sustainability (Gladwin, Kennelly, & Krause, 1995) - see figure 1. Consequently, although several writers have critiqued the model (Giddings, Hopwood, & O’Brien, 2002; Thin, 2002), most authors frame their discussions around the triple bottom-line.

What is not always apparent in studies of sustainability are the ethical assumptions underpinning the diverse approaches. Often these assumptions adopt either a consequentialist (teleological) perspective, or a deontological view. Humans and the environment are thus viewed from either a utilitarian perspective (depicting social and environmental damage as a “cost” in terms of resources that can compensated for or replaced) – or from a standpoint suggesting these resources possess inherent value that cannot be expressed in economic terms, nor adequately replaced. Nilsen (2010) describes this distinction in terms of a tension between “weak” and “strong” sustainability. Parrish (2008) echoes her idea and categorizes approaches to sustainability as either “humans and ecosystems” (sustainability requires tweaking the market system) or “humans in ecosystems” (implying market transformation). Accordingly, recent CS approaches suggest that firms need to move from an “efficiency” mindset (minimising social and environmental impact) to one of

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1 i.e.: People, planet and profits.
“effectiveness” (eliminating impact and either preserving, or enhancing social and environmental resources)(McDonough & Braungart, 2002).

Critical Management Studies

Critical Management Studies (CMS) is an approach to studying management that is “critical” in the general sense that it identifies and questions the ideologies underpinning managerial behaviour (Fournier & Grey, 2000). Researchers (as educators of business students and executives) are one source of management ideology. It is therefore reasonable to extend CMS studies beyond the “doers” of management, to those of us who “theorise” about management – and to researchers of sustainable enterprise.

Fournier and Grey (ibid) describe CMS as involving the study of individuals and organisations without a bias towards performance (non-performative intent), a focus on the provision of alternative interpretations of taken-for-granted ideas (denaturalization), and a demand that scholars reflect on their own roles and assumptions in research (reflexivity). Sotirin and Tyrell (1998) suggest furthermore that CMS research tends to take note of context, that it views communication as constitutive (or performative) and that it both identifies and intervenes in “relations of oppression”. Parker (2005) suggests that the perspective provides an alternative managerial standpoint that counteracts tendencies to ignore issues of injustice and environmental degradation.

CMS scholars approach the task of studying organisations in an “intrinsically suspicious” frame of mind (Alvesson, 2008). A key task of CMS scholars is to bring to the surface patterns of understanding and power that are not initially obvious. In the context of this study, this implies that thematic patterns within the literature are not necessarily viewed as “innocent coincidences”, but instead as indicators of a more systemic bias (or ideology). Nonetheless, CMS researchers are advised to move beyond a questioning of taken-for-granted ideas and suggest alternative explanations. Alvesson and Deetz (2000) label this final step “transformative redefinition”.
Method

The literature included in this study was identified by means of online searches using the Publish or Perish® (PoP) software tool and the ISI Web of knowledge. The search initially included publications up to 15 years old, but was subsequently limited to a ten year time period (2001-2011) when few articles were identified prior to 2002. Due to the narrowly specified goal of this paper (an analysis of the content of literature identifying itself with sustainability entrepreneurship), the terms used in these searches centred on the term "sustainable entrepreneurship" and variations of it (for example: “sustainability entrepreneur*”). By limiting the search criteria to these terms the article reflects the CMS assumption that language is “performative” and that scholars define rather than discover the content and boundaries of their fields. A weakness of the search is its reliance on English as a medium of communication, especially in view of the languages spoken by significant BoP populations (such as Chinese and Hindi). Future reviews could extend the findings of this study by including non-English publications.

The PoP search resulted in an extensive list of publications that included books, working papers and conference presentations, with the search in the ISI Web of knowledge adding only a further six articles to the list. The publications were listed on an MS Excel spreadsheet and filtered to exclude literature that the software identified with both “entrepreneurship” and “sustainability”, but which was unrelated to the SuE field. The resulting list included 65 publications. In order to assess the relative importance of each publication, columns for “cites per year” and “ranking” were including based on PoP statistics.

The initial list of publications was used to gain an overview of the literature and its development, prior to a more formal analysis. This was useful as it often revealed publication “paths” (conference paper to article) and
influential publications never published as journal articles (e.g.: Gerlach, 2003; Parrish, 2008). It was assumed that journal/book publication is a reasonable proxy for “influence” in academic circles and consequently, the list was filtered a second time. At this point only journal articles and book chapters were included that clearly portrayed themselves as part of the SuE conversation by including the search terms in the title, abstract or keywords. The final list was thus narrowed down to 38 publications, of which four were book chapters.

The “filtered” publication list was analysed in a manner that paid particular attention to the concepts of sustainability referred to in the papers surveyed, and to their primary foci (or themes). Note was taken of what authors explicitly wrote in their publications and of what they implicitly inferred by means of their examples. This process corresponds to the “insight” stage of the CMS perspective. A note was also made of the nationality of the institution at which the author(s) were based at the time of writing, the journal in which the article was published, additional emphases and theoretical perspectives. Authors’ definitions of the SuE concept were also documented.

Findings

Publications on SuE

There has been a marked increase in academic writing that explicitly identifies itself with the field of sustainability entrepreneurship during the past decade (starting around 2002). From the perspective of BoP communities however, it is important to ask not only if academics are taking an interest in issues of sustainability entrepreneurship, but which academics are doing so. The discussion of sustainability issues with global ramifications will arguably benefit if the perspectives of diverse stakeholder groups are included.

When the authorship of the publications surveyed was analysed, a somewhat (but not entirely) familiar picture emerged. Europe and North America are
over-represented in terms of the number of authors published and several countries are exceptionally active with regards to SuE authorship, most notably the Netherlands. Nonetheless, several highly-cited articles make extensive use of sources that are not available in English (particularly articles in German). This suggests that there is a risk of underestimating the contribution of nations such as Germany, Switzerland and Belgium. Authors from emerging economies and developing nations are also underrepresented (see figure 2).

With regards to the type of journals in which SuE articles are published, figure 3 shows that authors tend to publish in journals that focus on ethics, the environment, development and agriculture. With the exception of the *Journal of Business Venturing*, entrepreneurship journals have not yet begun to publish articles on the SuE theme on a regular basis.

**Terminology and definitions**

The survey revealed that the definition of sustainability entrepreneurship is contested, with different scholars preferrong different terms. The most popular term is “sustainable entrepreneurship”, although some researchers argue that this term could refer to *any* type of sustainability – or simply to the capacity of a firm or individual to continue innovating. Several authors therefore follow the suggestion of the 2007 World Symposium on Sustainable Entrepreneurship and adopt the term “sustainability entrepreneurship” (Parrish, 2008). A less common term is “sustainopreneurship” (Abrahamsson, 2007; Schaltegger, 2000). If the initial 65-publication survey is included in our discussion other terms are used with
regards to both the enterprise and the entrepreneur. For example: “values-oriented entrepreneurs” (Choi & Gray, 2008), “sustainability-motivated entrepreneurs” (Cohen, Smith, & Mitchell, 2008), “sustainability-driven enterprise” (Schlange, 2009) and “integrated enterprise” (Schieffer & Lessem, 2009). Closely related concepts include: “responsible” and “ethical” entrepreneurship (Azmat & Samaratunge, 2009; Fuller & Tian, 2006; C. Moore & de Bruin, 2003).

Sustainability entrepreneurship has been defined in three main ways in the literature. First of all, several writers imply that “green” is largely synonymous with “sustainable”. The key traits put forward by Schaper (2005) in his book subtitled “developing sustainability entrepreneurship” represent two emphases of this “green” definition, namely: i) environmental impact and ii) intentionality – whereby it is possible to “separate green entrepreneurs from "accidental ecopreneurs"”.

A second approach suggests that sustainability entrepreneurship is a general concept, under which sub-themes such as “ecopreneurship” and “business social entrepreneurship” may exist. Schaltegger and Wagner (2011) for example, define SuE as entrepreneurship that involves: "break-through environmentally or socially beneficial market or institutional innovations" (my italics). This definition allows for ventures that emphasise a “double-bottom line”, and does not require firms to pursue sustainability at all three of the traditional “pillars” of the sustainability model.

A third way in which SuE has been defined is represented by authors such as Gibbs (2009), Tilley, Parrish and Young (2006; 2009) and Schlange (2009). Schlange suggests that a venture qualifies as sustainability-driven “if it combines opportunities and intentions to simultaneously create value from an economic, social and ecological perspective” (my italics). This definition emphasises the idea that entrepreneurial behaviour needs to address all three pillars of the sustainability model if it is to qualify as sustainable.

The definition of sustainability entrepreneurship that most clearly takes their interests of BoP populations into account is that of Spence, Gherib & Biwolé
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(2010). They suggest that SuE consists of “the ability to demonstrate responsible creativity while achieving viable, liveable, and equitable development through the integration and management of natural and human resources in business”.

Themes in the discourse on Sustainability Entrepreneurship

Several themes in the sustainability entrepreneurship literature, with some themes and traits more prevalent than others. These themes are discussed below.

Sustainability entrepreneurship = “green” entrepreneurship

The initial background survey of the literature suggests that SuE thinking has been significantly influenced by publications in the field of environmental or “green” entrepreneurship. Authors such as Isaak (1999), Gladwin et al (1995), Schaper (2002) and Schaltegger (2002) have all had a considerable impact on the field. Understandably much of the SuE literature therefore favours an environmentalist interpretation. Frequently the terms “ecopreneurship”, “sustainable entrepreneurship” and “sustainable development” are used either interchangeably, as illustrated by Gibbs (2009) who writes of “sustainable entrepreneurs or ecopreneurs”. Even where authors define the term as including social issues, the examples provided suggest that the concept associated with sustainability entrepreneurship is a green one. Schaltegger & Wagner (2011) exemplify this in a section entitled “When do sustainable entrepreneurs emerge and who are they?”, where the firms that illustrate their discussion are clearly “green” in character. Similarly, in Kuckertz and Wagner’s (2009) operationalization of “sustainability orientation”, four of six indicators refer to environmental concerns.

In a later section I suggest that studies of green entrepreneurship offer useful insights for scholars in other entrepreneurship fields such as social
entrepreneurship. The insights from green entrepreneurship that I suggest might be readily exported are noted below.

Within environmental entrepreneurship authors have suggested several typologies of both firm and entrepreneur. Both Isaaak (2005) and Volery (2002) write of “green businesses” and “green-green businesses”, and thus distinguish between existing businesses that develop a “green streak” due to opportunity discovery, or legislation – and those more purposive businesses that are founded with the goal of promoting ecological sustainability. Walley and Taylor (2005) introduce a similar typology, but also discuss the role of ambition and structural influences. The four different types of “green” entrepreneur that they subsequently identify are arguably also identifiable among “social” entrepreneurs. Schaltegger (2002) suggests a similar framework to the above authors, but emphasises the importance of a concern for growth on the part of the ecopreneur and the type of innovation generated. He therefore categorises “green” firms on the basis of their market aspirations and position, on a scale ranging from “alternative” to “mass” markets. In later papers Hockerts and Wüstenhagen (2010), and Schaltegger and Wagner (2011) develop these ideas and link the innovation process to firm size, suggesting that over time SMEs and larger firms complement one another in the area of product and process innovation. These findings appear to have relevance for the study of social innovation, even if social enterprises may possibly be more concerned with service (as opposed to product) innovation.
The individual as a source of entrepreneurial values and identity

Many authors suggest that sustainability entrepreneurship is characterised by “values” and “causes” closely linked to the motivation, identity and cognition of the individual. Shepherd and Patzelt (2011) term such studies the “psychological perspective” and stress their importance in SuE research. Examples of this perspective include Kuckertz and Wagner (2009) and Krueger et al (2005; Krueger, Hansen, Michl, & Welsh 2011) who adapt the ideas of entrepreneurial cognition to the SuE conversation and discuss the impact of experience and mental models (perceptions of feasibility and desirability) on entrepreneurial intention. Schlange (2006, 2009) emphasises the importance of entrepreneurs’ motivation in the venturing process. He also notes the role of entrepreneurs’ worldviews, an emphasis echoed by O’Neill, Hershauer and Golden (2009) in their study of entrepreneurship among the Navajo. The general emphasis however is not on cultural embeddedness, but rather on individuals’ values and their sense of participating in an important endeavour. Choi and Gray (2008) for example: use the terms “mission-oriented” and "values-oriented” to describe the activities of the 21 “sustainable” entrepreneurs they studied. Hockerts and Wüstenhagen (2010) note however, that this “pronounced value-based approach” may be compromised as the businesses grows.

Importantly, several SuE authors are begin to add the factor of skill to discussions of entrepreneurial cognition. Cohen, Smith and Mitchell (2008) note that sustainability entrepreneurs are not only “sustainability-motivated”, but also adept at taking first-order optimisation decisions (decisions that require the combination of all three “triple bottom-line” criteria). Choi and Gray (2008), and Rodgers (2010) provide further examples of a more process-oriented perspective that focuses on the individual entrepreneur’s development.
Sustainability entrepreneurship as “opportunity-oriented”

In keeping with traditional studies of entrepreneurship SuE researchers have also begun to discuss the concept of opportunity at an early stage. Presently, only two papers provide typologies of the SuE concept of opportunity (Cohen & Winn, 2005; and Dean & McMullen, 2007), but many others discuss the concept at length, frequently operationalizing it and relating it to case studies.

Conceptually, several SuE publications portray opportunities from the perspective of classical entrepreneurship theory, suggesting they appear as a result of market imperfections. Cohen and Winn (2007) identify four types of opportunity that arise from such imperfections, which sustainability entrepreneurs may take advantage of (inefficient firms, the existence of externalities, flawed pricing mechanisms and imperfectly distributed information). Dean and McMullen (2007) also discuss market imperfections and suggest that five distinct types of sustainability entrepreneurship match these opportunities (coasian, institutional, market appropriating, political and informational). Several of the ideas suggested by these authors are similar to one another (for example: their ideas on the role of information), but on the whole Cohen and Winn restrict their discussion of opportunity to the traditional, commercial realm of business more than authors such as Dean and McMullen, and Klein Woolthuis (2010) – who argue for an expansion of the concept of entrepreneurship. In this sense, Cohen and Winn’s approach reflects the initial logic behind Prahalad and Hart’s (2002) strategic move towards the base of the pyramid, as they focus more on “business opportunity” than “sustainability”. Keskin, Brezet and Diehl (2009) also fit this category, as they portray sustainability entrepreneurship (through the product-service systems lens) as a means of commercialising sustainable innovations.
In addition to underlining the “business case” for sustainability entrepreneurship, several authors suggest that sustainability entrepreneurship could provide a new perspective on opportunity. Patzelt and Shepherd (2010; 2011) argue for an expansion of the opportunity concept and suggest that individuals' knowledge with regards to the potential for sustainable development is a key factor. In keeping with Krueger (2005) they identify the importance of analysing why some individuals act on opportunities, while others do not (first-person vs. third-person opportunity). Together with authors such as Hofstra (2007) they align themselves with several of Dean and McMullen’s ideas and propose entrepreneurial action in areas not traditionally included in the business fold, but which have an impact on business and society (most obviously the institutional framework).

Several SuE articles discuss the opportunity theme from a more empirical (as opposed to conceptual) position. Moore and Manring (2009) for example, adopt a SME perspective and suggest that smaller companies possess business models and are exposed to competitive forces in a manner that often gives them the edge over larger companies. De Palma and Dobes (2010) portray sustainability entrepreneurship as an opportunity for eco-efficiency in an eastern European context. Finally, Jenkins (2009) discusses sustainability entrepreneurship from a CSR perspective and introduces the concept of Corporate Social Opportunity (CSO) as a source of competitive advantage for SMEs. These examples of corporate [sustainability] entrepreneurship demonstrate the utility of the opportunity concept, which can be applied at both an individual and firm (or industry) level.

**Sustainability entrepreneurship as Innovation**

Within SuE publications there exists a stream of literature that emphasises the links between sustainability entrepreneurship and innovation. Authors are often of Dutch/German origin, as exemplified by Gerlach (2003) who
portrays sustainability entrepreneurs as “promoters of innovation processes for sustainable development”. Publications in this category tend to adopt either a micro or macro perspective on innovation. Authors in the “micro” group focus on innovation at the firm level, discussing its degree (incremental vs. radical), its focus (social, process or product) or the factors that affect it. In the SME context the work of Bos-Brouwers (2010) is particularly useful, as she identifies seven key factors that affect sustainability innovation (duty, skilled personnel, suppliers, trade associations, degree of formalization, customers and national governmental institutions).

In the second group Schaltegger and Wagner (2011) note the different innovation roles that firms adopt according to size (as discussed earlier). Klein Woolthuis (2010) includes emphases from both groups in her writing, but complements Cohen and Winn’s ideas of market failure with a theory of “system failures”, emphasising the interplay of the entrepreneur with networks and institutions. These idea are echoed by Vollenbrock (2002) who positions innovation as an actor in the field of “sustainability transitions”.

**Sustainability entrepreneurship as an expansion of “entrepreneurship”**

In the section on “SuE as opportunity” it was hinted that an implication of the multi-disciplinary nature of sustainability is that “entrepreneurship” might also be conceptualised in more than just the traditional “business-oriented” sense. This point is made by Dean and McMullen (2007), who argue that “the domain of the field may extend substantially beyond current perspectives”. Shepherd and Patzelt (2011) consolidate this idea by suggesting that future research include perspectives from the fields of economic development, psychology and institutional theory.

Traditionally, scholars have studied entrepreneurship as a business phenomenon that takes place in a societal context. Some authors suggest however that sustainability entrepreneurship can involve institutional change, and that entrepreneurs might reshape “broader socioeconomic institutions” (Gibbs, 2009). Several authors concur and point out that SuE can involve “market or institutional innovations” (Schaltegger & Wagner, 2011). Indeed,
Pacheco, Dean and Payne (2010) identify three specific areas that entrepreneurs might address (industry norms, property rights and government legislation).

Another way in which researchers suggest the field of sustainability entrepreneurship might be expanded has to do with organisations. Abrahamsson (2007) writes of SuE as “creative organising” (citing Johannisson 2005), a theme also taken up by Parrish (2010), and Seelos and Mair (2005). Parrish suggests that sustainability entrepreneurship often involves “redesigning” organisations and that five generative rules can be seen to govern this process (relating to organisational purpose, efficiency, trade-offs, criteria and inducement). Katsikis and Kyrgidou (2007) describe organisational change as one of the key sustainability-related activities they observed in the renewal of the mastiha industry on the Greek island of Chios.

A final “transformational” theme in the SuE literature is that of the concept of “value” (or “rent” in economic terms). Cohen, Smith and Mitchell (2008) note that the dependent variables used by most researchers reflect only one of seven possible concepts of value. In view of entrepreneurs’ capacity suggest entrepreneurs’ for focusing on “first order objectives” they argue that other variables need to be included in research if studies are to accurately portray the impact of entrepreneurship on sustainability. This idea is echoed by scholars such as Hofstra (2007), and Johnstone and Lionais (2004) who view sustainability entrepreneurs as the potential authors of paradigmatic change.

1 I.e.: “high level socio-enviro-economic objectives” (p.116)
Enterprise and sustainable development – a critique

Based on my survey of the SuE literature and in addition to the five themes identified above, two trends emerge that relate to the linking of entrepreneurship to sustainable development. First of all, most authors explicitly link the SuE field to the SD concept, a pattern that is laudable from the perspective of BoP populations. Nonetheless, the second trend is less positive and has to do with the tendency of SuE writers to discuss sustainable development very briefly and with reference to only one or two publications. The first: “Our Common Future” was published in 1987 by the United Nations, while the second: “Our Common Journey” was published by the National Research Council (NRC) in 1999.

In my introduction I described the contested nature of the SD concept and briefly noted some of the criticisms that have been directed at (primarily) the influential Brundtland report. In view of these weaknesses one might expect to find more diversity among SuE authors with regards to the way in which sustainable development is conceptualised and related to entrepreneurship. Alternatives (or complements) to the UN and NRC publications are for example the writings of Amartya Sen (1999) and Bobby Banerjee (2002) who provide not only additional perspectives on sustainable development, but also outlooks that closely reflect the concerns of BoP populations. My survey of the literature suggests however, that such diversity is not yet apparent in the SuE conversation and that with very few exceptions (for example: Parrish, 2008), scholars are making uncritical use of what Alvesson and Deetz (2000) term “taken-for-granted goals, ideas, ideologies and discourses”. Is this a problem? I believe it is for two main reasons and I introduce these in the following paragraphs.

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1 Produced by the UN’s World Commission on Environment and Development (WCED) and also known as “the Brundtland Report”.

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The “beheading” of sustainable development

In my description of the themes that characterise the SuE conversation I noted that the literature is very “green” in character. This emphasis on the importance of environmental sustainability is one of the key messages of the UN/WCED report that the majority of SuE scholars refer to. However, it is not the only one, as the report also emphasises the importance of issues such as peace, security and legal change. Many scholars and business leaders appear to be using the Brundtland report in a selective manner: using it to support a focus on environmental issues, but not incorporating the entire “body” of the publication’s ideas on sustainable development (Banerjee, 2002). In a sense therefore, we have “beheaded” the SD concept presented by Gro Brundtland and her colleagues, even if scholars of sustainability entrepreneurship are not alone in doing so. For as Cook and Smith (2012) point out in their discussion of the 2012 UN Conference on Sustainable Development, the “social aspect [of sustainable development] remains weak and marginalized” at a more general level. From the perspective of BoP communities this is an unfortunate trend which suggests that the answer to the second question posed by this paper, is that the academic conversation about SuE only addresses the concerns of BoP populations to a limited degree. Some authors however do seem to be addressing this gap, as a recent edited book includes a section entitled “Entrepreneurship, innovation and sustainability in developing countries” (Wagner, 2012).

…and its “disembedding”

In the above paragraphs I suggest that many SuE scholars tend to relate entrepreneurial activity to only one of the emphases in the most well-known and “global” publication on sustainable development (i.e.: the Brundtland report). By doing so I suggest that we risk ignoring the fact that for the majority of the world’s population, sustainability is necessarily an embedded concept. By this I mean that the type of sustainability that communities
prioritise is affected not only by their social contexts (Granovetter, 1985), but also by their time-bound environmental and historical circumstances. In the context of social entrepreneurship Lumpkin et al (2011) point out that entrepreneurial processes are “deeply influenced and restricted by [the] requirements of a social venture’s environment”. Nevertheless, the importance of embeddedness is not just an academic question of “contextualizing entrepreneurship theory” in studies of sustainability enterprise (Welter, 2011), but also an idea with ethical ramifications. Cook and Smith (2012) suggest that in the context of sustainable development “diverse local values, knowledge and practices […] are marginalized in dominant development policies”. This observation mirrors the arguments of authors such as Amartya Sen (1999), who are critical of global SD policies and instead propose that development goals be established with the participation of those at whom interventions are aimed.

The ideas outlined in the above paragraph imply that significant weaknesses are associated with the uncritical reference by SuE scholars to “universal” concepts of sustainable development that are unrealistically detached from local development priorities. There appears to be a need therefore, to adopt concepts of sustainable development that are more dynamic and “native” in nature (Quental, Lourenço, & da Silva, 2011). Such an approach could have significant ramifications for the way in which scholars portray both the objectives and the processes associated with sustainability entrepreneurship. It is also possible that the relevance of SuE theory for practitioners will increase substantially as researchers “engage” with the specific challenges to sustainability encountered by local communities (Van de Ven, 2011).

**Alternative accounts of sustainability entrepreneurship**

A key idea in critical management studies is that scholars should not only critique existing interpretations of managerial behaviour, but also provide “alternative accounts” (Willmott, 2005). In this section I suggest ways in which scholars of sustainability entrepreneurship could broaden the scope of
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the SuE field and thus include the concerns of BoP populations to a greater extent in their writing.

A first suggestion stems from my survey of the geographical “homes” of SuE authors. Academics with backgrounds in regions with large BoP populations are underrepresented in the SuE literature and it is probable that if they participated to a greater extent in the academic “conversation” a greater range of topics and perspectives might develop. This is illustrated by the fact that the only article in my survey that included the term “equity” in its definition of sustainability entrepreneurship was co-authored by researchers from Cameroon and Tunisia (Spence, et al., 2010).

A second suggestion has to do with the need for SuE scholars to achieve in practice the balance between the various pillars of sustainability that many writers eschew in their theoretical definitions of sustainability entrepreneurship. My analysis of the journals in which articles were published suggests that from the perspective of the entrepreneurship researcher, there is a trend towards constructing sustainability entrepreneurship in terms of “green” entrepreneurship, opportunity and conceptual renewal. All three of these emphases are valuable from the perspective of BoP communities, even if the full potential of the SuE approach will not be fulfilled if attention is only paid to the environmental aspects of sustainability. Articles that are more questioning of the primarily “green” logic of sustainability entrepreneurship (for example: Spence, et al., 2010; Tilley & Parrish, 2006) have however not yet been published in the leading entrepreneurship journals. If this trend continues it may hamper the development of the field, if the “cites per year” figures are an indication of publication impact. Of the six journal articles in the field that are cited more than ten times a year, five adopt a position that defines sustainability entrepreneurship as primarily “green” (Shepherd & Patzelt, 2011 being the exception). This is a worrying trend from the perspective of BoP populations, as many of the sustainability-
related problems they face are also of a social, institutional or economic nature. Consequently, there appears to be a need for the integration of at least two more “Ps” into the SuE model of sustainability. I suggest that these are represented by “principle” (Van Marrewijk & Werre, 2003) and “place” (Beatley & Manning, 1997). In other words by the recognition that sustainable development (and hence sustainability entrepreneurship) involves both ethical concerns, and a greater understanding of its embeddedness in time and place.

By relating sustainability entrepreneurship to five “Ps” (principles, people, place, planet and profit) instead of just three, it is possible that SuE authors will achieve both increased balance with regards to sustainability and greater relevance to the concerns of BoP populations. At this point it is important to underline that this balance does not necessarily involve a weakening of the “green” emphasis (planet), but instead both a strengthening of the other emphases and the sharing of entrepreneurial insights between the sustainability “pillars”. The potential for such sharing is seen in the writing of Schaltegger (2002) and his categorisation of environmental entrepreneurs. Many scholars of social entrepreneurship will immediately recognise the applicability of these categories to their own field and the opportunity to put their own expertise to use in refining Schaltegger and Wagner’s (2011) extended model. Accordingly, figure 4 depicts the possibility of employing “sustainability entrepreneurship” as an umbrella term under which other entrepreneurship fields relating to sustainability may be grouped, including that of entrepreneurial ethics (Hannafey, 2003). This suggestion reflects the ideas of authors such as Dean and McMullen (2007) and Gibbs (2009) who have already suggested that green entrepreneurship be considered a “subclass” of sustainability entrepreneurship. The figure also portrays the tendency of particular fields of entrepreneurship research to be associated with specific sustainability pillars and identifies risks that may accompany a failure to integrate insights from other fields.

[insert figure 4 here?]
In this paper space prohibits an extensive discussion of the specific insights that each field of entrepreneurship research could share with the others. Nevertheless, it is important to underline the importance of the fields of social, institutional and community entrepreneurship to the future SuE conversation. Scandinavian scholars have termed these topics “societal entrepreneurship” and note that “social” entrepreneurs often engage in activities that are clearly of a political or institutional nature (Gawell, Johanniesson, & Lundqvist, 2009). Similar reasoning is present in the writing of Dean and McMullen (2007), and McMullen (2011) who suggest that both sustainability and development entrepreneurship broaden their perspectives to include individuals’ engagement in institutional and “political” entrepreneurship. For the purposes of this paper however, the key point to be drawn from these examples is the need for a greater integration of the “people” side of sustainability into the SuE conversation, where “people” is seen to include not only individuals, but also the groups, cultures and institutions they relate to. This may be achieved by drawing not only on the field of Corporate Social Responsibility (CSR) where attempts to define social sustainability have taken place (in, for example: Hutchins & Sutherland, 2008), but above all on studies of social and institutional entrepreneurship, where the diverse processes by which social sustainability is achieved are discussed.

The above paragraph suggests several ways in which writers can reduce the risk of SuE authors “beheading” the concept of sustainable development and weakening the field’s contribution to social sustainability. In this section I suggest that there is also a need to “re-embed” sustainability entrepreneurship in the particular contexts of local communities. Here authors receive less help from CSR research than is the case with social sustainability. Indeed, CSR scholars have noted the difficulties the field encounters in attempting to turn rhetoric into reality in local communities, particularly among BoP populations (Newell, 2005). Nevertheless CSR
scholars do point out that smaller firms appear to have an advantage over multinational corporations when it comes to adapting their activities to the particular contexts in which they operate (Jamali, Zanhour, & Keshishian, 2009). This observation parallels the discussion of scholars such as Schaltegger and Wagner (Schaltegger & Wagner, 2011) about the impact of firm size on the innovation roles that sustainable enterprises adopt.

If SuE scholars include the concept of “place” in their conversations to a greater extent (as development theorists such as Lélé infer that they should), the field of community entrepreneurship (CE) can be expected to make a major contribution. Many CE researchers grapple with sustainability issues that are not only of a “glocal” nature (Johanisson, 2009), but that also take into account the long-term value that people attribute to community (Ekins & Newby, 1998; Johnstone & Lionais, 2004; Peredo & Chrisman, 2006; Smallbone, North, & Kalantaridis, 1999). Furthermore, many of these authors are clearly aware of issues of embeddedness, with Norton (2005) noting that a key question as regards sustainable development is whether “society has developed practices and institutions that are responsive to, and sustainable in, their local environment”. There are also clear links between the types of entrepreneurial small firm identified by Schaltegger and Wagner, and the communities in which they thrive (Holt, 2011). Observations such as these strongly imply that small businesses play a key, but under-researched role in contributing to the sustainability of both local communities and indigenous culture (O’Neill, et al., 2009). It is also clear that if individuals are allowed to participate in the definition of “sustainable development” (as Amartya Sen suggests), then issues of “community” may very well prove to be as important as the environmental concerns presently emphasised by SuE research. This is a key message in Shepherd and Patzelt’s (2011) recent article.

In conclusion, this paper identifies the tension within the field regarding how sustainability entrepreneurship should be defined as a topic for further discussion. Do ventures need to take every aspect of sustainability into account in order to be considered sustainable (as authors such as Parrish suggest)? Or should a less rigorous definition be used (echoing the ideas of
Schaltegger and Wagner)? This article suggests that the concept of entrepreneurial embeddedness may provide relevant middle ground between these two poles. From the perspective of the enormous populations earning less than $2 USD a day it is also important to question whether BoP ventures necessarily need to be associated with social entrepreneurship, as Schaltegger and Wagner imply (2011, p. 223). A recent edited book by Wagner (2012) on entrepreneurship, innovation and sustainability includes several chapters that position BoP perspectives within the SuE field (for example: Bjerregaard & Lauring, 2012), suggesting that this is not always the case. Further work is therefore needed in order to more clearly define the boundaries of the field. However, from the perspective of this paper it is important that these boundaries be not only constructed, but that their construction be a product of the increased participation of scholars from emerging economies in the sustainability entrepreneurship conversation.
References


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