

Sustainable Entrepreneurship: Understanding Distinctiveness of Sustainable Entrepreneurial Dimensions

Dr. Sharif Hossain*

Associate Lecturer, Arden University, Arden House, Middlemarch Park, Coventry, CV3 4FJ, UK

*Corresponding Author
Dr. Sharif Hossain

Article History

Received: 11.07.2021
Accepted: 16.08.2021
Published: 20.08.2021

Abstract: Sustainable entrepreneurship is a new area of study, and it is increasingly gaining attention from researchers in recent years. However, it appears that the term 'sustainable entrepreneurship' is not yet clear and environmental and social entrepreneurship researchers use this for their studies. The purpose of this brief paper is to clarify the meaning of sustainable entrepreneurship and highlight its differences from environmental and social entrepreneurship. This review article can broaden understanding of the idea of sustainable entrepreneurship and can guide to conduct further studies in the topic area.

Keywords: Environmental entrepreneurship, sustainability, sustainable entrepreneurship, social entrepreneurship, sustainable entrepreneurial dimensions.

Copyright © 2021 The Author(s): This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

INTRODUCTION

Numbers of research have been carried out in the sustainable entrepreneurship field over the last few years but the meaning of it is not yet clear and sometime social and environmental entrepreneurship researchers use the term sustainable entrepreneurship in their studies, while use of it should be limited to the context of ensuring social and environmental welfare together in generating profit. This brief paper aims to define sustainable entrepreneurship and highlight its distinctiveness from social and environmental entrepreneurship.

As the term 'sustainable entrepreneurship' sits in the centre of the current study, it is vital to understand the concept in detail. In order to understand the concept of sustainable entrepreneurship, however, it is necessary to know about sustainable development which forms its basis. This paper starts, therefore, with the concept of sustainable development before presenting some of its definitions. This paper also highlights the

commonalities and distinctiveness of the three elements of sustainable entrepreneurship- social entrepreneurship, conventional entrepreneurship and environmental entrepreneurship in order to facilitate a better understanding of the concept.

Sustainable development

The literal meaning of sustainable development is development that can be continued either indefinitely or for the given time period, whereas the concept of sustainable development was defined from various angles amid different sectors, depending on perspective and context. The Brundtland Commission, however, which was formed by the United Nations in order to pursue sustainable development together with the international community, gave the most cited definition. They define sustainable development as "development that meets the needs of the present generation without compromising the ability of the future generations to meet their own needs" [1].

This is still a valid and relevant definition of the development of sustainability and is, therefore,

Citation: Sharif Hossain (2021). Sustainable Entrepreneurship: Understanding Distinctiveness of Sustainable Entrepreneurial Dimensions; *Glob Acad J Econ Buss*, 3(4), 83-87.

used by academics. It is necessary to note that the definition does not refer to saving nature, rather to internalise the strategies, such as building new resources to ensure economic growth and prosperity to share with all [2]. Thus, the concept of sustainable development urges improvements to living standards through economic activity without compromising the ecosystem or the resulting environmental challenges, such as the destruction of the rainforests, pollution and excessive consumption of fresh water [3].

According to Taylor [4], the concept of sustainable development rests on three pillars - social sustainability, economic sustainability and environmental sustainability. The primary focus of social sustainability is on social values before economic value creation, and it is directed towards attaining changes in the society and ensuring that the resources are available to all [5, 2]. Economic sustainability encourages creating and distributing goods and services, which can assist to increase living standards [4]. Environmental sustainability promotes minimising the negative impact of environmental degradation [6]. The term sustainable entrepreneurship evolved from these three issues of sustainable development. A business that satisfies all of the terms of these three pillars is adhering to the foundation of sustainability and is involved in sustainable entrepreneurship.

Defining sustainable entrepreneurship

From entrepreneurs' perspectives, entrepreneurial activities are attractive because of the opportunities that can create a successful and meaningful career for them. On the other hand, from the policy makers' perspectives, the entrepreneurial activities of an entrepreneur are supposed to increase competitiveness within the economy, creating new employment opportunities in the global market [7]. It is important to highlight that entrepreneurial activities contribute to the employment and economic growth of any country, whereas sustainable entrepreneurship is concerned with reducing environmental degradation, increasing social and economic development, as well as what conventional entrepreneurial activities contribute. It is beyond the idea of conventional entrepreneurship, because it has the potential for social and environmental development, as well as economic gain.

There are both differences and similarities in the way that sustainable entrepreneurship has been defined over time, especially since the idea mostly started to generate after 2006. Since the definitions of sustainable entrepreneurship are expected to evolve over time, some of the frequently used definitions from different years could be

employed to provide a clear understanding of what sustainable entrepreneurship means.

One of the definitions was given by Dean and McMullen [8], who asserted that sustainable entrepreneurship is:

"The process of discovering, evaluating, and exploiting economic opportunities that is present in the market failure, which distract from sustainability, including those that are environmentally relevant".

Hockerts and Wuestenhagen [9], defined sustainable entrepreneurship as:

"The discovery and exploitation of economic opportunities through the generation of market disequilibria that initiate the transformation of sectors towards an environmentally and socially more sustainable state".

Patzelt and Shepherd [10], commented that:

"Sustainable entrepreneurship is focused on the prevention 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 constructed to include economic and non-economic gains to individuals, the economy, and society".

Munoz [11], takes the understanding of sustainable entrepreneurship one step further, by stating that sustainable entrepreneurship is pursuing business opportunities in order to bring into existence future products and processes, as well as contributing to sustaining the development of the society, economy and environment, which will improve the well-being of future generations.

A synthesis of sustainable entrepreneurship has emerged from the above as, creating a balance of environmental and social concerns by supporting life, preserving nature and ensuring economic gain through the transformation of sectors. Thus, sustainable entrepreneurship is about achieving three objectives - commitment towards social welfare and long-term sustainability of the environment for the next generations, as well as generating profit. In other words, it is the combination of social entrepreneurship, environmental entrepreneurship, as well as conventional entrepreneurship [12, 9]. For a better understanding of the sustainable entrepreneurship concept, the similarities of and differences between environmental, social and sustainable entrepreneurship can be reviewed.

Distinctiveness of sustainable entrepreneurship dimensions

All of the other entrepreneurial concepts specifically concentrate on one or two dimensions, such as conventional entrepreneurship focusing on profit-making, and social and environmental entrepreneurship prioritising social and ecological goals respectively before economic gain [5, 13, 10, 14]. On the contrary, sustainable entrepreneurship focuses on all three goals - ecological, social and economic, at the same time [15, 8]. The commonalities and distinctions of these entrepreneurial concepts are further discussed below to facilitate a better understanding of the concept of sustainable entrepreneurship.

Environmental entrepreneurship

A large number of studies have been conducted on environmental entrepreneurship but little was known about this concept prior to 1980. Now, however, business schools, researchers and communities are very familiar with the concept; this mainly emerged in the 1990s with authors such as Bennett [16], Blue [17], and Berle [18], who employed the terms 'environmental entrepreneurship', 'eco-entrepreneurship' and 'green entrepreneurship'. Environmental entrepreneurship involves the creation of environmental value, as well as the economic value that traditional entrepreneurship creates [19, 14]. Kirkwood and Walton [20] have levelled such enterprise as for-profit organisations, which bear an environmental mission. Thompson *et al.* [13], highlighted that environmental entrepreneurs concentrate on market failures relevant to the environment and examined potentials which provide economic, as well as ecological benefits. They further added that such an entrepreneur might have less or equal urgency in creating economic value. One example of environmental entrepreneurship would be a solar energy organisation. Solar energy organisations use the renewable energy of the sun in order to create electricity, which is an alternative method of electricity production to burning fossil fuels that create negative environmental impacts. This technology not only creates value for the environment, but also generates economic value for the business to survive.

The difference between conventional entrepreneurs and environmental entrepreneurs lies within how they conduct their operations. It was highlighted very well by Thompson *et al.* [13], who said that environmental entrepreneurs employ some of the features that are non-existent among conventional entrepreneurs or they refuse to explore that knowingly; for example, conventional entrepreneurs create wastage in their operations,

whereas environmental entrepreneurs create environmentally responsible communities. Both, however, bear strong motivation for the creation or transformation of new products, but environmental entrepreneurs take corrective measures in order to address ecological opportunities [10].

Although sustainable entrepreneurship is related to environmental entrepreneurship, their focus is different. Sustainable entrepreneurs focus on three of the bottom line whereas environmental entrepreneurs covers two of the bottom line, which means that an environmental entrepreneur would only be environmentally responsible and make profit at the same time, not necessarily considering the social issues at the centre of the focus [21, 8, 13].

Social entrepreneurship

Entrepreneurs always search for change and exploit opportunities, regardless of if that opportunity is commercial or social in nature. Social entrepreneurship has become a popular concept in the last decade, but the research field lacks agreed definitions and conceptual understanding [12]. Dacin *et al.* [22], reviewed 37 definitions, which reveal significant differences between the understandings of the term 'social entrepreneurship'. The use of each term is linked with the focus and understanding of the phenomenon based on the perspective and context. Overall, social entrepreneurship is involving in socially innovative initiatives for making profit using a commercial model as the vehicle [23]. Thus, the mission of a social entrepreneur is delivering social values to the underprivileged by using entrepreneurial behaviour [5]. A greater example of social entrepreneurship would be the Grameen Bank in Bangladesh, which is still contributing to alleviating poverty for millions of people [24].

There are no arguments about making social entrepreneurship separate from conventional entrepreneurship. Those academic researchers who separate it claim that the mission, motives and challenges of social entrepreneurs are different from conventional entrepreneurs. This claim is made because conventional entrepreneurs operate their businesses for profit, whereas social entrepreneurs mainly focus on activities regarding social purpose, and the social agenda is placed ahead of economic goals [22, 25, 13]. This means that social entrepreneurs have the social mission as the central goal, whereas profit maximisation is just a means to an end.

On the other hand, in comparing social entrepreneurship with sustainable entrepreneurship, it can be repeated that sustainable entrepreneurship concerns

environmental and social value creation, in which profit generation is considered at the end [13, 15]. Sustainable entrepreneurship is differentiated from social entrepreneurship, since the latter is only concerned with two of the bottom line - the social and economic aspects, ignoring the environmental aspect.

Moreover, social entrepreneurship is different from environmental entrepreneurship. In environmental entrepreneurship, the environmental goal is placed before economic value creation, whereas in social entrepreneurship, social issues have priority over profit-making [13]. This means that the intention of saving the environment drives environmental entrepreneurs; they do also make a profit, however, from their ventures [14]. Similarly, social entrepreneurs are driven by social goals before profit-making [5]. The distinction of social entrepreneurship has been further clarified by Thompson *et al.* [13], who stated that social entrepreneurship is distinct from conventional entrepreneurship and environmental entrepreneurship because it involves a selfless and caring concern for solving social problems rather than financial outcomes.

CONCLUSION

Sustainable entrepreneurship is all about ensuring social and environmental welfare while generating profit. This paper clarified the meaning of sustainable entrepreneurship and highlighted distinctions between social, environmental and sustainable entrepreneurship. This integrated review may have missed some relevant literature unintentionally as literature search has been conducted using Google Scholar only. However, only peer reviewed journal articles have been considered for review, therefore, this brief paper can help to clarify the meaning of sustainable entrepreneurship and distinctiveness of it from social and environmental entrepreneurship. Future researchers can conduct more in-depth systematic review to define sustainable entrepreneurship and highlight its distinctions.

REFERENCES

1. WCED (The World Commission on Environment and Development). (1987). *Our Common Future*. Oxford: Oxford University Press.
2. Barter, N., & Russel, S. (2012). Sustainable development: 1987 to 2012 - Don't be naive; it's not about the environment, Proceedings of the 11th Australasian Conference on Social and Environmental Accounting Research (A-CSEAR). University of Wollongong, pp.1-18, Available at: <https://core.ac.uk/download/pdf/143890371.pdf> (Accessed: 17 June 2021)
3. Cohen, B., & Winn, M. I. (2007). Market imperfections, opportunity and sustainable entrepreneurship. *Journal of Business Venture*, 22(1), 29-49.
4. Taylor, S. J. (2016). *A review of sustainable development principles: Centre for environmental studies*, South Africa: University of Pretoria.
5. Abu-Saifan, S. (2012). Social entrepreneurship: Definition and boundaries. *Technology Innovation Management Review*, 2(2), 22-27.
6. Tandoh-Offin, P. (2010). A review of environmental entrepreneurship as an agenda for rural development: The case for Ghana. *Journal of African Studies and Development*, 2 (2), 27-34.
7. Kuckertz, A., & Wagner, M. (2010). The influence of sustainability orientation on entrepreneurial intentions - Investigating the role of business experience. *Journal of Business Venturing*, 25(5), 524-539.
8. Dean, T. J., & McMullen, J. S. (2007). Toward a theory of sustainable entrepreneurship: Reducing environmental degradation through entrepreneurial action. *Journal of Business Venturing*, 27(1), 50-76.
9. Hockerts, K., & Wustenhagen, R. (2010). Greening goliaths versus eming dauids-theorizing about the role of incumbents and new entrants in sustainable entrepreneurship. *Journal of Business Venturing*, 25(5), 481-492.
10. Patzelt, H., & Shepherd, D. A. (2011). Recognizing opportunities for sustainable development. *Entrepreneurship Theory and Practice*, 35(4), 631-652.
11. Munoz, P. (2013). The distinctive importance of sustainable entrepreneurship. *Current Opinion in Creativity Innovation and Entrepreneurship*, 2(1), 1-6.
12. Kyro, P. (2015). *Handbook of entrepreneurship and sustainable development*, Cheltenham: Edward Elgar Publishing.
13. Thompson, N., Kiefer, K., & York, J. G. (2011). Distinctions not dichotomies: exploring social, sustainable, and environmental entrepreneurship. In Lumpkin, G. T. and Katz, J. A. (eds.) *Social and Sustainable Entrepreneurship*, Bingley, England: Emerald Books, 201-230.
14. Linnanen, L. (2002). An insider's experience with environmental entrepreneurship. *Greener Management International*, (38), 71-80.
15. Hall, J. K., Daneke, G. A., & Lenox, M. J. (2010). Sustainable development and entrepreneurship: past contributions and future directions. *Journal of Business Venturing*, 25(5), 439-448.
16. Bennett, S. J. (1991). *Ecopreneuring: The complete guide to small business opportunities*

- from the environmental revolution. New York: John Wiley.
17. Blue, J. (1990). *Ecopreneuring: Managing for results*, London: Scott Foresman.
 18. Berle, G. (1991). *The green entrepreneur: Business opportunities that can save the earth and make you money*, Blue Ridge Summit, PA: Liberty Hall Press.
 19. Isaak, R. (2002). The making of the ecopreneur. *Greener Management International*, 38, 81-91.
 20. Kirkwood, J., & Walton, S. (2010). What motivates ecopreneurs to start businesses? *International Journal of Entrepreneurial Behaviour and Research*, 16(3), 204-228.
 21. Meek, W. R., Pacheco, D. F., & York J. G. (2010). The impact of social norms on entrepreneurial action: evidence from the environmental entrepreneurship context. *Journal of Business Venturing*, 25(5), 493-509.
 22. Dacin, P. A., Dacin, M. T., & Matear, M. (2010). Social entrepreneurship: Why we don't need a new theory and how we move forward from here, *Academy of Management Perspectives*, 24(3), 37-57.
 23. Thompson, J. (2008). Social enterprise and social entrepreneurship: where have we reached? A summary of issues and discussion points. *Social Enterprise Journal*, 4(2), 149-161.
 24. Yunus, M., Moingeon, B., & Lehmann-Ortega, L. (2010). Building social business models: lessons from the Grameen experience. *Long Range Planning*, 43(2-3), 308-325.
 25. Cukier, W., Trenholm, S., Carl, D., & Gekas, G. (2011). Social entrepreneurship: A content analysis. *Journal of Strategic Innovation and Sustainability*, 7(1) 99-119.