



Sustainability-driven innovation at the bottom: Insights from grassroots ecopreneurs



Soumodip Sarkar^{a,b}, Mario Pansera^{c,d,*}

^a Asia Center, Harvard University, USA

^b CEFAGE-UE and Department of Management, University of Évora, Palácio do Vimioso (Cab. 224), Largo Marquês de Marialva, 8, 7000-809 Évora, Portugal

^c University of Exeter Business School, Rennes Drive, Exeter EX4 4PU, UK

^d Academy of Business in Society, Av. Moliere 128, 1190 Brussels, Belgium

ARTICLE INFO

Article history:

Received 11 August 2015

Received in revised form 25 August 2016

Accepted 26 August 2016

Available online 2 September 2016

Keywords:

Grassroots entrepreneurs

Ecopreneurs

Sustainability

Innovation

Value creation

ABSTRACT

This research focuses on a little studied area within the future of global sustainability, that of grassroots ecopreneurs. While living and working in resource-constrained environments these entrepreneurs strive to create economic value by combining social and environmental goals. Relying on inductive methodology based on eight cases, the paper analyses how innovations are being crafted with little or no resources, yet provoking a great impact in their local communities and beyond. We find the grassroots ecopreneurs pursuing a triple bottom line approach, from the harmonic combination of economic, social and environmental goals that have the potential to shape the future of sustainability on global basis.

© 2016 Elsevier Inc. All rights reserved.

1. Introduction

Entrepreneurship is increasingly seen as a solution to sustainability challenges, and is considered to be a central force in the development of ecological and socially sustainable economies (Munõz and Dimov, 2015; Pacheco et al., 2010; York and Venkataraman, 2010). Furthermore, within the broader entrepreneurial phenomenon, those at the grassroots have been identified as an alternative source for the development of innovations that may contribute to shifts towards more sustainable systems of consumption and production (Monaghan, 2009). Grassroots entrepreneurs have been defined as those who “seek innovation processes that are socially inclusive towards local communities in terms of the knowledge, processes and outcomes involved” (Smith et al., 2014). Grassroots entrepreneurial movements can potentially deliver sustainable socio-technical solutions to many problems including energy, health care and food, leading to a transition towards more sustainable ways of production and consumption (Hargreaves et al., 2013; Seyfang and Longhurst, 2013; Seyfang and Smith, 2007).

The increasing importance of grassroots entrepreneurs have led to calls to better understand the emergence, dynamics and framing of locally-oriented entrepreneurial narratives in the face of resource scarcity (Pansera and Owen, 2015; Smith and Ely, 2015; Smith et al., 2014). These are narratives informed by an area of research that has

come to be termed as ‘sustainable entrepreneurship’, which is the common ground between the areas of innovation, entrepreneurship, and sustainability. Given the substantial challenges facing the environment, the importance of entrepreneurship to sustainability is increasingly recognized along with the need to enable entrepreneurs to achieve this vision of sustainability (Dean and McMullen, 2007). It has also been considered that “sustainable entrepreneurship research may increase our understanding of how and why entrepreneurial action can generate gains for society” (Shepherd and Patzelt, 2011, p. 152).

We respond to such a call, by focusing on a subset of entrepreneurs, *grassroots ecopreneurs*, defined as grassroots entrepreneurs moved by social and environmental concerns, coming up with simple and eco-friendly solutions in their quest to resolve everyday life problems. *Ecopreneurship* is emerging as a new academic field of research (Schaper, p. 7, in Aras and Crowther, 2012), where the focus has so far been to explore the links between sustainability and innovation, and the role played by small and medium-sized enterprises. Ecopreneurs are important because they have “the potential to be a major force in the overall transition to a more sustainable business paradigm” (Aras and Crowther, 2012, p. 11). Moreover, the emerging field of ecopreneurship is “distinguished from other forms of corporate environmental development by the company’s vivid commitment to environmental progress and its strong desire for business growth” (Schaltegger, 2002, p. 48). Ecopreneurs are Schumpeterian in the sense that they “destroy existing conventional production methods, products, market structures and consumption patterns” (Schaltegger, 2002, p. 46), creating products and services which are environmentally friendly. Their behavior lies in contrast with the Kirznerian (Kirzner,

* Corresponding author at: University of Exeter Business School, Rennes Drive, Exeter EX4 4PU, UK.

E-mail addresses: ssarkar@uevora.pt (S. Sarkar), M.pansera@exeter.ac.uk (M. Pansera).

1973) view of entrepreneurship (Gibbs and O'Neill, 2012), whereby entrepreneurial opportunities are not simply identified by the person with superior qualities but arise out of alertness from information asymmetries (Lans et al., 2014).

Although there is a rising scholarly interest on ecopreneurs (Aras and Crowther, 2012; Gibbs, 2009), very little is known about grassroots ecopreneurs. These are *bottom-up* actors, who are cognizant of their *milieu* and their community's specific needs and resources, contexts that can be hard to grasp by those on the outside. Recent research has also found that grassroots entrepreneurs from the developing world can act also as suppliers and producers of sustainable products and services (Agnihotri, 2013). Our study contributes to a growing stream of literature on sustainable entrepreneurship, by answering the research question: *what are the forms of innovations crafted by grassroots entrepreneurs in resource-constrained contexts?* As noted by Munöz and Dimov (2015, p. 633), there is a need to develop a substantive understanding of sustainable entrepreneurship "that goes beyond an 'opportunity pursuit' metaphor and accounts for what it is that sustainable entrepreneurs are trying to do".

Using eight in-depth qualitative case studies from India, we focus on grassroots ecopreneurs to understand the process of value creation within resource-scarce environments. In the broader context of poverty alleviation, scholarly attention has overwhelmingly portrayed the complex role for business often Multinational Corporations (MNCs), neglecting the role of those at the grassroots (Arora and Romijn, 2011; Hall, 2014; Lim et al., 2013; Pansera and Owen, 2015; Sesan et al., 2013). We have designed our research to fill this gap in the literature concerning the importance of grassroots entrepreneurial action towards sustainability, through the actions of grassroots ecopreneurs. The study also provides some reflections on the future of the debate on sustainable entrepreneurship, one that can potentially inspire further research.

2. Theoretical background

2.1. The green transformation of the poor

Despite its contested meaning (Castro, 2004), sustainability has become central in the debate of management and entrepreneurship academic communities (Roome, 1992, 2011). Furthermore, recent research has highlighted how sustainability-oriented entrepreneurship underlies a huge range of societal and environmental motivations, values and goals (Schaltegger and Wagner, 2011; Shepherd and Patzelt, 2011). Those topics, initially originating within the North, are now becoming increasingly debated in the Global South (Ely et al., 2013; Viswanathan et al., 2011). The processes underlying the spread of the notion of sustainability in the South are complex and often contested. Nevertheless, the old school of framing environmental degradation as a direct consequence of poverty is slowly shifting towards a more complex and nuanced understanding of the nexus between underdevelopment and environmentalism (Duraiappah, 1998; Mabogunje, 2010; Martinez-Alier, 2008). Some hold that pre-industrial societies, especially rural and indigenous societies, have proved to be extremely resilient to environmental challenges (Jenkins, 2000), while others argue that environmental awareness only emerges in complex industrialised societies (Soumyananda, 2004; Stern, 2004). Few, however, would deny that the vast majority of humanity living in poorer societies will dramatically influence the future of sustainability. It is therefore crucial to understand the consumption behavior of this vast body of people, their approach to sustainability issues and their innovation capability.

Traditionally, the academic community has been inclined to consider sustainability-driven innovation and entrepreneurship as a domain mostly of the developed countries (Kaplinsky, 2011). However, many emerging economies, like Brazil or China, also consider ecological transition as crucial for their future development (Zhang et al., 2010; Zhijun and Nailing, 2007). Furthermore, the innovation potential may be even

bigger in emerging countries, where markets are bigger and less saturated. Surprising ways of using current innovation or out-dated technologies in new ways can be found here. This suggests that increasingly (and especially in a resource constrained world), disruptive innovation in the future could be of a low cost 'frugal' nature (Martins Lastres and Cassiolato, 2008). Earlier, it had been suggested that through some forms of disruptive innovations, social-sector problems could be resolved in new ways to create scalable, sustainable, systems-changing solutions (Christensen et al., 2006). The challenge then, is to understand how these changes would occur (or is occurring), and who the protagonists of such changes are. One dimension of this process is whether or not environmental innovativeness by the poor, the *grassroots ecopreneurs*, could also trigger a change of the business-as-usual paradigm - in the Kuhnian sense (Kuhn, 1962). Undertaken on a global basis, this might provide an alternative development and social change model to the present globalization process and management routines based on principles mainly originated in the North. By beginning to understand eco-innovations at the grassroots level, we first need to identify and understand the *conditions* that initiate new or alternative paths of innovation in developing countries. In other words, it is necessary to understand *whether* and *how* eco-innovation occurs in contexts other than those of western industrialised countries. In the last decade, the dynamics of eco-innovation in the North has been subject of heightened scholarly interest. It is now not only crucial to provide evidence that eco-innovation is taking place (and how) in non-western environments, but also to identify the factors that drive and govern this process.

2.2. Are the poor too poor to eco-innovate?

Does innovation occur at the grassroots, and if so, are there sustainability dimensions to these innovations? Since the seminal work of Schumacher (1973) in the 1970s this has been at the centre of the debate about the social role and implications of technology. More recent research has shown that grassroots innovation is a common phenomenon worldwide (Kaplinsky, 2011). This literature can be arguably classified into two broad fields. A first body of study focuses on processes, i.e. how does innovation emerge from resource-constrained settings. This perspective is usually identified with the Lévi-Strauss notion of *bricolage*, i.e. the capacity to solve problems with 'what is at hand' (Baker and Nelson, 2005). The 'bricoleur' is adept at multitasking, and unlike an engineer, is not constrained by the availability of raw materials and tools, but instead makes do with whatever material that is readily available (Lévi-Strauss, 1966). In the entrepreneurship literature, bricolage has been used as a framework to analyze entrepreneurship and firm behavior in resource-poor environments (e.g., Baker and Nelson, 2005; Garud and Karnøe, 2003; Senyard et al., 2009). It has also been suggested that "bricolage capabilities may be a largely overlooked opportunity as a managerial tool assisting entrepreneurs of new firms to become more innovative despite whatever resource constraints they might face" (Senyard et al., 2014, p. 227). The fundamental argument is that under conditions of scarcity, the human mind is stimulated to think 'out of the box' (Keupp and Gassmann, 2013). Bricolage implies that entrepreneurs and firms find value in inputs that others can view as worthless, a behavior that can be particularly useful when operating under substantial resource constraints (Senyard et al., 2014). The direct consequence of this is a stream of low-cost, effective and resource-efficient solutions hardly achievable under conditions of resource affluence. The emerging theory of bricolage in management studies is a call to revisit firm strategy by re-considering innovation as a complex and interactive social process (Baker et al., 2003). Bricolage innovation, (sometimes termed frugal innovation), has been also suggested as an alternative to mainstream innovation to address the problem of the poor (London and Hart, 2004; Prahalad and Mashelkar, 2010; Prahalad, 2010, 2012). Even more interestingly, the bricolage process in resource-

Download English Version:

<https://daneshyari.com/en/article/5037204>

Download Persian Version:

<https://daneshyari.com/article/5037204>

[Daneshyari.com](https://daneshyari.com)