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**SUSTAINABLE ENTREPRENEURSHIP AND THE FIELD OF  
ENTREPRENEURSHIP: A LITERATURE REVIEW**  
**L'ENTREPRENEURIAT DURABLE ET LE CHAMP DE  
L'ENTREPRENEURIAT : UNE REVUE DE LITTÉRATURE**

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**Abstract**

This paper aims to trace the evolution of entrepreneurship over time, from classical entrepreneurship to sustainable entrepreneurship. Research on sustainable entrepreneurship is still developing in the shadow of classical entrepreneurship, due to the youth of entrepreneurship as a scientific field and the lack of sufficient empirical data to support the work.

We have chosen to frame our approach in a temporal perspective, examining the evolution of research in classical entrepreneurship over the last 40 years, while simultaneously exploring the emergence and development of research in sustainable entrepreneurship. This approach allows us to cross-reference the approaches of researchers for both phenomena and propose a conceptual framework for the study of sustainable entrepreneurship. The historical analysis also provides the necessary perspective to evaluate the results of previous research and better address emerging issues.

Furthermore, we seek to answer the question: "What are we talking about?" in order to precisely define sustainable entrepreneurship and distinguish it from other forms of entrepreneurship related to sustainable development, such as ecopreneurship or social entrepreneurship. This clarification is essential to better understand the specificities of sustainable entrepreneurship and to guide future research in this rapidly growing field.

**Keywords:** Sustainable entrepreneurship, classical entrepreneurship, process, field.

**JEL codes :** M13, L26, Q01, Q56

## **Résumé**

Ce papier vise à retracer l'évolution de l'entrepreneuriat à travers le temps, depuis l'entrepreneuriat classique jusqu'à l'entrepreneuriat durable. Les recherches sur l'entrepreneuriat durable se développent encore dans l'ombre de celles sur l'entrepreneuriat classique, en raison de la jeunesse de l'entrepreneuriat en tant que champ scientifique et du manque de données empiriques suffisantes pour étayer les travaux.

Nous avons choisi d'inscrire notre démarche dans une perspective temporelle, en étudiant l'évolution de la recherche en entrepreneuriat classique au cours des 40 dernières années, tout en examinant en parallèle l'émergence et le développement de la recherche en entrepreneuriat durable. Cette approche permet de croiser les démarches des chercheurs pour les deux phénomènes et de proposer un cadre conceptuel pour l'étude de l'entrepreneuriat durable. L'analyse historique offre également un recul nécessaire pour évaluer les résultats des recherches précédentes et mieux répondre aux nouvelles problématiques qui émergent.

Par ailleurs, nous chercherons à répondre à la question : « De quoi parle-t-on ? » afin de définir précisément l'entrepreneuriat durable et de le distinguer des autres formes d'entrepreneuriat liées au développement durable, telles que l'écopreneuriat ou l'entrepreneuriat social. Cette clarification est essentielle pour mieux cerner les spécificités de l'entrepreneuriat durable et pour guider les recherches futures dans ce domaine en pleine expansion.

**Mots clés :** Entrepreneuriat durable, entrepreneuriat classique, processus, champ.

**JEL codes :** M13, L26, Q01, Q56

## **1. Introduction :**

In 1987, the United Nations World Commission on Environment and Development released its landmark "Brundtland Report", which introduced the concept of "sustainable development" for the first time. This idea challenged the prevailing economic model, which had been primarily focused on profit generation. Instead, it emphasized the need to "meet the needs of the present without compromising the ability of future generations to meet their own." The report sparked a series of global events, summits, and conventions, paving the way for a new economic sector centered on sustainable development. As a result, entrepreneurs, as key economic actors, began exploring innovative approaches and strategies to address emerging challenges over time.

## **2. The evolution of entrepreneurship research over the last 40 years:**

According to Bruyat (1993, p. 31), "A scientific field or discipline only exists if a scientific community is formed and organized, if it produces research, if it has dedicated journals, and if it organizes specific conferences where researchers can share the results of their work." In this context, Verstraete (2003) argues that entrepreneurship qualifies as a legitimate scientific field, highlighting the existence of a dedicated research community, unique concepts and theories, and the potential to develop structured research programs. However, the same level of recognition and development cannot yet be attributed to sustainable entrepreneurship.

In his works, "The Entrepreneurial Process: Towards a Strategic Model of Entrepreneurship" (1999) and "Entrepreneurship: Theoretical Approach" (2001), Hernandez outlines three major stages in entrepreneurship research, providing a framework for understanding its evolution as a field of study.

### **2.1.Fundamentalism:**

Emerging in the 1970s, early research trends in entrepreneurship centered on the individual entrepreneur, emphasizing psychological characteristics—an approach known as the "trait approach." David McClelland was a pioneer in this field, introducing the concept of the "Need for Achievement" (NAch) (McClelland, 1961). According to his theory, entrepreneurs are individuals with a high NAch, as they are more inclined to pursue dynamic, innovative activities that involve personal responsibility and measurable outcomes (Collins et al., 2004). This perspective dominated the field until Shapero (1975) introduced situational variables into his entrepreneurship model, shifting the focus to the factors influencing the decision to start a venture. This marked the beginning of the "decision school" of thought (Messeghem & Sammut, 2011).

Shapero's model (1975) identified four key variables that trigger entrepreneurial action: psychological, sociological, economic, and situational factors. He argued that entrepreneurial behavior is influenced by (1) situational factors, which can be negative ("pushes") or positive ("pulls"), (2) the perceived desirability of the entrepreneurial act, shaped by sociological and cultural variables, and (3) the perceived feasibility of the act, determined by economic factors such as access to necessary resources (Shapero & Sokol, 1982).

However, this line of research has been criticized for its narrow focus on the decision to undertake entrepreneurial activities, often overlooking the concept of entrepreneurial

opportunity (Gartner, 1985; Belley, 1989; Hernandez, 1999, 2001). This critique highlights the need for a more comprehensive understanding of entrepreneurship that integrates both decision-making processes and the identification of opportunities.

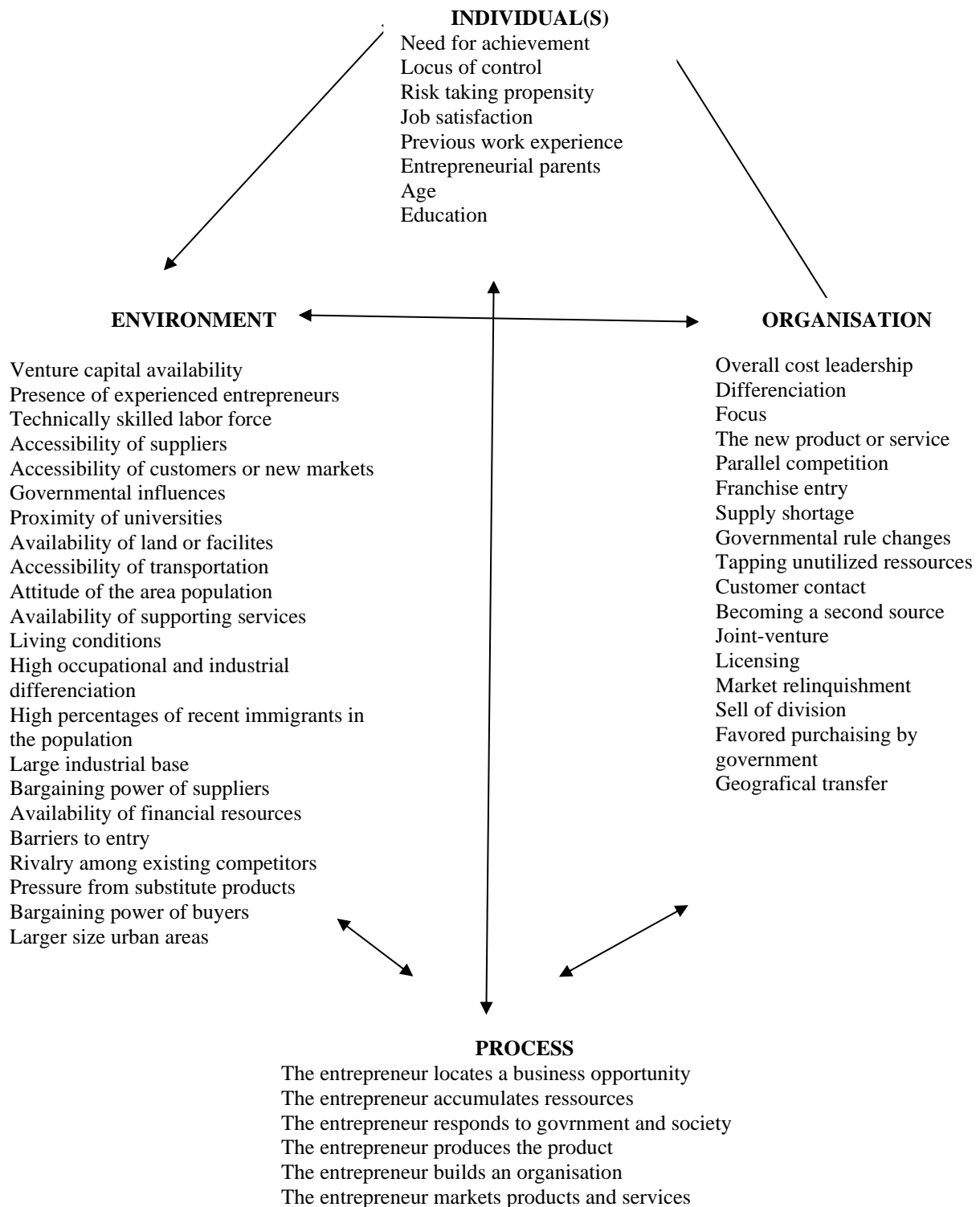
## **2.2.Contingency:**

In the early 1980s, researchers began to recognize the multidimensional nature of the entrepreneurial phenomenon. Contingency theories emerged, rejecting the idea of a single optimal approach ("The one best way") and instead emphasizing that different situations require varied organizational modes (Hernandez, 1999, 2001). These modes are contingent and shaped by both internal and external factors. As Saussois (2007, p. 33) explains, "The contingency school distinguishes several 'matters of': a matter of size, a matter of history, a matter of technology, and a matter of environment." Henri Mintzberg (1982) further elaborated on this by identifying five contextual factors that influence organizations: age, size, technical system, environment, and strategy (or power).

Gartner (1985) contributed to this understanding by proposing a model that captures the multidimensionality of entrepreneurship through 53 variables. His work first focuses on defining entrepreneurship as the creation of new ventures, which he views as the creation of organizations. He then categorizes the factors influencing entrepreneurship into four dimensions: (1) the individual (the entrepreneur as a central element), (2) the environment, (3) the process, and (4) the organization itself.

In 1989, Gartner took a significant step forward in his article "Who is an entrepreneur? Is the wrong question," published in *Entrepreneurship Theory and Practice*. In this work, he challenged the earlier models that focused on the entrepreneur's personality or profile. Instead, Gartner argued that researchers should shift their attention from *who* the entrepreneur is to *what* the entrepreneur does—the act of entrepreneurship itself. He proposed a contextual and behavioral approach, framing business creation as a complex process. Gartner (1989, p. 62) aimed to reorient entrepreneurship research toward a behavioral perspective, centered on the question: "How do organizations come into existence?" In doing so, he drew inspiration from Henri Mintzberg's work on managerial behavior, emphasizing the actions and processes involved in entrepreneurship rather than the traits of the individual entrepreneur.

**Fig 1: Variables in new venture creation**



Source - Gartner (1989)

Building on the evolving understanding of entrepreneurship, Belley (1989) introduced a new model inspired by Shapero's work but with a critical addition: the integration of the concept of "opportunity", which had been largely overlooked in earlier research. This marked a significant shift in the field, as entrepreneurial opportunity began to take on a central role in defining entrepreneurship.

Stevenson and Jarillo (1986) further emphasized the importance of opportunity in their article published in the "Journal of Business Strategy". They argued that the perception of opportunity should be at the heart of entrepreneurship research. According to them, "The individual entrepreneur is a person who (1) perceives opportunity, (2) finds the pursuit of opportunity desirable in the context of their life situation, and (3) believes that success is possible" (Stevenson & Jarillo, 1986). This perspective reframed entrepreneurship as a process driven by the recognition and pursuit of opportunities, rather than solely focusing on the traits or decisions of the entrepreneur.

By reintroducing the concept of opportunity, these researchers paved the way for a more dynamic and process-oriented understanding of entrepreneurship, highlighting the interplay between the entrepreneur, their environment, and the opportunities they identify and act upon.

### **2.3.The process**

In the 1990s, entrepreneurship research began to draw heavily from organizational theories, shifting its focus from the individual entrepreneur to the broader context of organizational behavior. Following Gartner's influential article (1989), researchers started to move beyond the entrepreneur as an isolated figure (Bruyat, 1993; Hernandez, 1999). Instead, they recognized that entrepreneurs operate within organizations, whether they are in the process of creating one or are part of an existing structure. This led to the study of three key areas: (1) the idea and decision-making process, (2) the behavior of the entrepreneur during the creation of an organization, and (3) the behavior of the entrepreneur within established organizations.

This new perspective framed business creation as a long-term process with distinct temporal phases: pre-creation, creation, and post-creation. This approach aligned closely with the concept of a life cycle, emphasizing the dynamic and evolving nature of entrepreneurship.

During this period, several models of the entrepreneurial process emerged, each focusing on different aspects of entrepreneurship. For example: Gartner's model (1985) described organizational creation through four dimensions: individual, organizational, environmental, and processual. Krueger (1993) and Krueger & Brazeal (1994) developed models centered on

entrepreneurial behavior, particularly the entrepreneur's intentions. Other researchers, such as Stevenson and Jarillo (1990), Venkataraman (1997), Shane & Venkataraman (2000), and Shane (2003), built their models around the concept of opportunity. They viewed opportunity as a temporal process involving three stages: detection (or discovery), evaluation, and exploitation. The process approach marked a significant shift in entrepreneurship research. Instead of viewing the entrepreneur as the sole determinant of organizational creation, this approach positioned the entrepreneur as one element within a broader creation process (Messeghem & Sammut, 2011). This holistic perspective highlighted the interplay between the entrepreneur, the organization, and the environment, offering a more nuanced understanding of how businesses come into existence and evolve over time.

#### **2.4. The effectuation**

In the 2000s, Saras Sarasvathy (2001) introduced a groundbreaking approach to entrepreneurship known as effectuation, which aimed to enrich existing decision-making models in the literature. Sarasvathy argued that in situations of high uncertainty, where markets are not yet established, entrepreneurial opportunities are not discovered but rather constructed. The effectuation process begins with three fundamental questions: Who am I? What do I know? And Who do I know? From there, the entrepreneur identifies stakeholders who can contribute to the project and collaboratively defines its objectives and resources.

Sarasvathy's effectuation process is built on three key principles (Messeghem & Sammut, 2011):

- Actions are oriented toward means rather than predefined objectives.
- Decisions are based on acceptable losses rather than expected gains.
- Contingencies are leveraged rather than avoided.

Sarasvathy (2001) contrasts two decision-making models: causation and effectuation. In the causation model, the entrepreneur selects means to achieve a specific goal. In contrast, the effectuation model starts with a set of available means and explores multiple possible outcomes, selecting one or more based on acceptable levels of risk and loss, often through collaboration with a network of partners.

Effectuation aligns with the processual approach, as defined by Lorino and Tarondeau (2006): "*The process, a cooperative combination of elementary activities, mobilizes inputs of two distinct natures: resources on the one hand, and skills on the other.*" The effectuation process

begins with a set of means—psychological, cognitive, and socio-institutional (inputs in Lorino and Tarondeau's terms)—and uses these to imagine various possible effects, selecting one or more based on acceptable risk levels and leveraging networks or partnerships (Sarasvathy, 2001).

This theory significantly disrupted entrepreneurship research, particularly in the field of entrepreneurial decision-making. It challenged the traditional dogma that entrepreneurship always begins with a clear idea, demonstrating that in some cases, the idea may be entirely absent from the process. Sarasvathy emphasized that this is relative to the entrepreneur's level of experience: the more experienced the entrepreneur, the more likely they are to adopt effectual logic. Importantly, Sarasvathy did not reject the causal process; instead, she argued that both causal and effectual processes are essential and can coexist, depending on the nature of the decision (Sarasvathy, 2001).

By the late 1990s, researchers began to explore a new type of entrepreneur: the sustainable entrepreneur, leading to the emergence of sustainable entrepreneurship as a distinct field of study. This shift reflected a growing recognition of the need to integrate environmental and social considerations into entrepreneurial practices, further expanding the scope of entrepreneurship research.

### **3. The evolution of research in sustainable entrepreneurship:**

Sustainable entrepreneurship has been defined in various ways by researchers over the years (O'Neill et al., 2006; Cohen & Winn, 2007; Dean & McMullen, 2007; Schaltegger & Wagner, 2008; Hockert & Wüstenhagen, 2010; Schaltegger & Wagner, 2011; Shepherd & Patzelt, 2011). In essence, sustainable entrepreneurship is characterized as "mitigating social and environmental market failures through the discovery, creation, and exploitation of potential opportunities". Some researchers also associate sustainable entrepreneurship with highly innovative start-ups (Schaltegger & Wagner, 2008). The following table presents a selection of definitions of sustainable entrepreneurship published over the last decade.

The earliest studies on sustainable entrepreneurship, often referred to as ecopreneurship, focused primarily on the entrepreneur as an individual (Pastakia, 1998; Isaak, 1998, 2002; Schaltegger, 2002; Walley & Taylor, 2002). Similar to the initial research on classical entrepreneurship, which was rooted in the trait approach, these studies examined sustainable entrepreneurship through the lens of the entrepreneur's profile. This led to the development of numerous typologies of the sustainable entrepreneur (Pastakia, 1998; Isaak, 1998, 2002;

Schaltegger, 2002; Walley & Taylor, 2002). These typologies were often based on case studies that portrayed sustainable entrepreneurs as heroes of environmental protection (Brès et al., 2011) or counter-cultural figures capable of transforming the system.

Starting around 2007, the concept of **opportunity** began to gain prominence in sustainable entrepreneurship research. Scholars started to explore the connection between market failures—particularly those related to environmental and social issues—and business opportunities (Cohen & Winn, 2007; Dean & McMullen, 2007; Hockert & Wüstenhagen, 2010; Shepherd & Patzelt, 2011). These authors emphasized an economic explanation for sustainable entrepreneurship, moving away from the earlier focus on the psychological profile of the entrepreneur (Brès et al., 2011).

The literature on sustainable entrepreneurship over the past two decades can be divided into two major phases:

- The Individualistic Phase: Early research focused on the individual entrepreneur, emphasizing their traits, motivations, and roles in driving sustainable initiatives.
- The Contextual Phase: Later studies shifted toward a more contingent and contextual approach, examining the entrepreneur within their broader environment, and exploring how external factors influence sustainable entrepreneurship.

This evolution mirrors the analysis proposed by Hernandez (1999, 2001) in the broader field of entrepreneurship, where research progressed from focusing on the individual to understanding the individual within their context. Sustainable entrepreneurship research has followed a similar trajectory, moving from a narrow focus on the entrepreneur's profile to a more holistic understanding of the interplay between the entrepreneur, their opportunities, and the broader social and environmental context.

### **3.1. An individualistic approach around the “who?” of sustainable entrepreneurship**

The initial studies on sustainable entrepreneurship, particularly ecopreneurship, were heavily reliant on intra-case studies (Isaak, 1998; Pastakia, 1998; Isaak, 2002). Isaak's work (1998, 2002) focused on analyzing iconic entrepreneurial figures from the 1970s, such as Ben Cohen and Jerry Greenfield (founders of Ben & Jerry's) and Anita Roddick (founder of The Body Shop). By examining these individuals, Isaak sought to understand who they were as entrepreneurs and then identify the tools and means necessary to support what he described as "counter-cultural" entrepreneurs. These case studies provided valuable insights into the motivations, values, and strategies of early ecopreneurs.

Building on this foundation, other researchers expanded their focus to propose inter-case typologies, moving beyond individual profiles to categorize different types of ecopreneurs and sustainable businesses. For example, Schaltegger (2002) defined ecopreneurship as "a form of innovative, market-oriented, and personality-driven value creation through environmental innovations and products that go beyond the start-up phase of the company" (Schaltegger, 2002, p. 48). He developed a typology to help companies evaluate their position based on two key dimensions: (1) the priority given to environmental objectives and (2) the company's market position. This typology aimed to provide a framework for businesses to self-assess and align their strategies with sustainable goals.

Other researchers also contributed to the development of typologies during this period. Linnanen (2002) proposed a classification system for ecopreneurs based on their environmental and business motivations. Walley & Taylor (2002) explored the diversity of ecopreneurial approaches, categorizing them based on their level of environmental commitment and market orientation. Beveridge & Guy (2005) further refined these typologies, emphasizing the interplay between environmental innovation and market dynamics.

These typologies served as valuable tools for understanding the diverse ways in which entrepreneurs integrate sustainability into their businesses. They also highlighted the importance of context, market positioning, and environmental priorities in shaping ecopreneurial strategies. By moving beyond individual case studies to develop broader classifications, researchers were able to provide a more comprehensive understanding of sustainable entrepreneurship and its various manifestations.

### **3.2. A contingent approach to the search for the “what?” of sustainable entrepreneurship**

Dean & McMullen (2007) anchor their analysis of sustainable entrepreneurship in environmental economics and welfare economics. They argue that the growing desire among market actors to mitigate environmental degradation, combined with their willingness to pay more for solutions that reduce harmful activities, creates entrepreneurial opportunities. However, they align with the Austrian school of thought, which posits that opportunities exist objectively in the market and await discovery and exploitation. Dean & McMullen (2007) frame sustainable entrepreneurship as a process, defining it as "*the process of discovering, evaluating, and exploiting economic opportunities present in environmental market failures*" (Dean & McMullen, 2007, p. 58). Their analysis integrates classical entrepreneurship theories,

particularly the work of Shane & Venkataraman, with market theory, emphasizing the role of market failures in creating opportunities for sustainable ventures.

Similarly, Cohen & Winn (2007) build on Venkataraman's definition of entrepreneurship and incorporate insights from Sarasvathy's work. They define sustainable entrepreneurship as *"how opportunities to provide future goods and services are discovered, created, and exploited, by whom, and with what economic, psychological, social, and environmental consequences"* (Cohen & Winn, 2007, p. 35). They situate sustainable entrepreneurship within a process of discovering and/or creating opportunities that arise from market failures linked to environmental degradation. Their work seeks to answer how these opportunities are identified, developed, and exploited, focusing on market imperfections related to environmental issues.

Schaltegger & Wagner (2011) take a different approach by examining the factors that drive entrepreneurs to adopt responsible innovations. Through an analysis of 41 companies, they identify three key triggers for sustainable entrepreneurship: (1) changes in regulations, (2) initiatives by stakeholders such as NGOs, and (3) changes in the management team. Their work places sustainable entrepreneurship within its legal and socio-cultural context, highlighting the importance of external influences in shaping entrepreneurial behavior.

From 2007 onward, research on sustainable entrepreneurship shifted from focusing on the individual entrepreneur to exploring the broader phenomenon of sustainable entrepreneurship itself. Scholars began to ask questions such as what the sustainable entrepreneur does and why they do it, studying the entrepreneur within their environment. This shift is evident in the second special issue of the journal "Greener Management International" (2009), which moved beyond individual-focused questions to address broader themes. Researchers sought to:

- Define the field of sustainable entrepreneurship (Dean & McMullen, 2007; Cohen & Winn, 2007);
- Understand the determinants of sustainable entrepreneurship and entrepreneurial intention (Choi et al., 2008; Kuckertz & Wagner, 2010; Labelle et al., 2012);
- Situate sustainable entrepreneurship within a socio-cultural and regulatory context (Gibbs, 2006; O'Neill et al., 2006).

This evolution reflects a maturation of the field, as researchers moved from studying the traits and motivations of individual entrepreneurs to examining the processes, opportunities, and external factors that drive sustainable entrepreneurship. By situating sustainable

entrepreneurship within its broader context, scholars have provided a more comprehensive understanding of how and why sustainable ventures emerge and thrive.

#### **4. Sustainable entrepreneurship: what are we talking about?**

The scientific community has historically concentrated on ecopreneurship, a form of entrepreneurship focused on reducing environmental impact, with a particular emphasis on the ecopreneur as an individual. This focus is exemplified in the special issue of the journal “Greener Management International” (Issue 38, 2002), which compiled key writings on ecopreneurship and highlighted the role of the entrepreneur in driving environmental innovation. These early studies often centered on the traits, motivations, and behaviors of ecopreneurs, reflecting the broader trait approach prevalent in classical entrepreneurship research.

By 2009, the field had evolved significantly, as reflected in another special issue of Greener Management International (Issue 55), this time dedicated to sustainable entrepreneurship. This shift marked a transition from focusing solely on the individual ecopreneur to exploring the broader concept of sustainable entrepreneurship, which integrates environmental, social, and economic dimensions. The 2009 issue addressed questions such as how sustainable ventures are created, what drives them, and how they operate within their socio-cultural and regulatory environments.

Alongside these developments, starting in 2007, the Journal of Business Venturing published several articles that further advanced the understanding of sustainable entrepreneurship as it is conceptualized today. These publications emphasized:

- The process of discovering, creating, and exploiting opportunities that address environmental and social challenges (Dean & McMullen, 2007; Cohen & Winn, 2007);
- The role of market failures and imperfections in generating opportunities for sustainable ventures.
- The importance of contextual factors, such as regulations, stakeholder initiatives, and socio-cultural influences, in shaping sustainable entrepreneurship (Schaltegger & Wagner, 2011).

This evolution in the literature reflects a broader shift in the field of sustainable entrepreneurship. Researchers moved from studying the individual ecopreneur to examining the processes, opportunities, and external factors that enable sustainable ventures to emerge and thrive. By integrating insights from environmental economics, market theory, and organizational behavior, scholars have developed a more holistic understanding of sustainable entrepreneurship, positioning it as a dynamic and multifaceted field of study.

#### 4.1. Sustainable entrepreneurship between strategy and well-being

Early research on sustainable entrepreneurship, such as that by Pastakia (1998) and Isaak (2002), links it to environmental economics and welfare economics. These scholars argue that market failures caused by environmental degradation create exploitable entrepreneurial opportunities. They view sustainable entrepreneurship as a mechanism to address these failures by developing solutions that mitigate environmental harm while generating economic value.

Other researchers, including Gibbs (2006), O'Neill et al. (2006), and Schaltegger & Wagner (2011), frame sustainable entrepreneurship in a Schumpeterian sense, emphasizing the role of innovation and creative destruction in value creation. From this perspective, sustainable entrepreneurship is seen as a transformative force that disrupts traditional markets and practices, replacing them with innovative, sustainable alternatives. This approach positions sustainable entrepreneurship at the intersection of sustainable development and entrepreneurial innovation (O'Neill et al., 2006).

Building on Venkataraman's (2000) definition of classical entrepreneurship, scholars like Cohen & Winn (2007) integrate insights from welfare economics to explore how market failures or imperfections related to environmental degradation create opportunities for sustainable entrepreneurship. They focus on the relationship between these market failures and the emergence of entrepreneurial opportunities that align with sustainability goals.

Sustainable entrepreneurship, therefore, lies at the crossroads of classical entrepreneurship, strategic management, and the well-being economy. This multidisciplinary nature allows researchers to approach the field from various angles, enriching the understanding of how sustainable ventures can address environmental, social, and economic challenges. By combining insights from these diverse disciplines, sustainable entrepreneurship has emerged as a dynamic and multifaceted "sub-discipline" within the broader field of entrepreneurship. This multidisciplinary approach not only broadens the scope of research but also provides practical frameworks for addressing pressing global sustainability issues through entrepreneurial action.

*Table 1 - The multidisciplinary of sustainable entrepreneurship*

<b>Discipline</b>	<b>Center of interest</b>	<b>Questions asked</b>
<b>Entrepreneurship</b>	Entrepreneur	Sustainable entrepreneur? What does he do? How does he do it?
<b>Economy</b>	Value creation	How does sustainable entrepreneurship impact the market?
<b>Strategic management</b>	Entrepreneur / Organization	The strategic behavior of the sustainable entrepreneur and his quest for win-win opportunities.

<b>Well-being economy</b>	Entrepreneur / Company	The role of the entrepreneur in implementing change in consumer behavior and way of being.
<b>Psychology</b>	Entrepreneur	What are the characteristic traits of an entrepreneur?
<b>Sociology</b>	Company	The impact of sustainable entrepreneurship on society.

*Source: Self realized*

#### **4.2. The different typologies of sustainable entrepreneurship**

Sustainable entrepreneurship aligns with the principles of the Triple Bottom Line (TBL), a concept introduced by John Elkington in the early 1990s. The TBL framework emphasizes the interconnectedness of three key dimensions: Profit, People, and Planet. This triptych reflects the idea that businesses should not only pursue economic success but also consider social well-being and environmental stewardship. Companies that adopt this approach are often referred to as "sustainable" because they strive to balance economic, social, and environmental objectives. Stefan Schaltegger and Marcus Wagner (2011) further developed this idea by identifying four types of companies oriented toward sustainability. They proposed a typology based on five criteria:

- **Motivation:** What drives the company to pursue sustainability?
- **Objectives:** What specific sustainability goals does the company aim to achieve?
- **Role of Economic and Non-Economic Objectives:** How do economic and non-economic (social and environmental) objectives interact within the company?
- **Development Prospects:** What are the long-term growth and impact prospects for the organization?

This typology provides a useful framework for understanding how companies integrate sustainability into their strategies and operations. It highlights the diversity of approaches to sustainable entrepreneurship, ranging from incremental improvements to transformative innovations. By categorizing companies based on their motivations, objectives, and development prospects, Schaltegger and Wagner offer valuable insights into how businesses can contribute to the Triple Bottom Line while addressing the complex challenges of sustainability.

**Table 2 - The different types of businesses oriented towards sustainability**

	Ecopreneurship	Social entrepreneurship	Institutional entrepreneurship	Sustainable entrepreneurship
Core motivation	Contribute to solving environmental problem and create economic value	Contribute to solving societal problem and create value for society	Contribute to changing regulatory, societal and market institutions	Contribute to solving societal and environmental problems through the realization of a successful business
Main goal	Earn money by solving environmental problems	Achieve societal goal and secure funding to achieve this	Changing institutions as direct goal	Creating sustainable development through entrepreneurial corporate activities
Role of economic goals	Ends	Means	Means or ends	Means and ends
Role of non-market goals	Environmental issues as integrated core element	Societal goals as ends	Changing institutions as core element	Core element of integrated end to contribute to sustainable development
Organizational development challenge	From focus on environmental issues to integrating economic issues	From focus on societal issues to integrating economic issues	From changing institutions to integrating sustainability	From small contribution to large contribution to sustainable development

Source - Schaltegger & Wagner (2011)

The relationship between entrepreneurship and sustainable development has been addressed from several perspectives, distinguishing four main types of entrepreneurship ( Schaltegger & Wagner, 2011 ):

#### 4.2.1. Ecopreneurship

In ecopreneurship, environmental concerns are integrated into the core business of the company, making sustainability a central part of its mission and operations. Economic objectives are not secondary but are achieved through solving environmental problems. Profit is generated by addressing ecological challenges, creating a business model where environmental and economic goals are aligned. Ecopreneurship is characterized by a strong commitment to environmental progress and a high ambition for growth (Schaltegger, 2002). This concept is the oldest among entrepreneurship approaches related to sustainable development.

Anderson & Leal (1997) describe ecopreneurs as "Enviro-capitalists", defining them as *"entrepreneurs using business tools to preserve open space, develop wildlife habitat, save endangered species, and generally improve environmental quality"* (Anderson & Leal, 1997, p. 3). This perspective positions ecopreneurs as economic agents who leverage market mechanisms to achieve environmental goals, blending profit-making with ecological stewardship.

In 1999, the OECD provided a formal definition of the environmental industry, describing it as: "*Activities that produce goods and services that serve to measure, prevent, limit, minimize, or correct environmental damage, such as water, air, and soil pollution, as well as waste, noise, and ecosystem problems*". This definition underscores the role of ecopreneurs in creating economic value by developing solutions to environmental challenges.

Key Characteristics of Ecopreneurship:

- **Environmental Focus:** Environmental issues are central to the business model, and the company's products or services directly address ecological problems.
- **Economic Value Creation:** Profit is generated by solving environmental challenges, making sustainability a driver of economic success.
- **Growth Ambition:** Ecopreneurship is not just about small-scale initiatives but aims for significant growth and impact.
- **Market-Based Solutions:** Ecopreneurs use business tools and market mechanisms to achieve environmental goals, aligning profitability with sustainability.

This narrow focus on environmental outcomes without considering broader social or process-related impacts reflects the early stages of sustainable entrepreneurship. Over time, the field has evolved to incorporate a more holistic approach, addressing not only environmental and economic goals but also social and ethical considerations, as seen in the *Triple Bottom Line* framework and later developments in sustainable entrepreneurship.

#### **4.2.2. Social entrepreneurship**

Social entrepreneurship is primarily focused on addressing social problems, with economic objectives often taking a secondary role. The concept was first formally defined by the international association Ashoka in 1980. According to Ashoka, social entrepreneurship involves a personal commitment to solving large-scale societal problems, with success measured by the scale of its impact on society. Initially, social entrepreneurship was more closely associated with the non-profit sector, including associations and NGOs, rather than the commercial sector.

Over time, however, the economic dimension of social entrepreneurship has gained prominence, becoming as important as its social mission. Scholars such as Austin et al. (2006), Peredo & McLean (2006), and Zahra et al. (2009) have emphasized the dual focus of social entrepreneurship on both economic and social value creation. Zahra et al. (2009) define social

entrepreneurship as: *"the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner"* (Zahra et al., 2009, p. 522). This definition highlights the importance of innovation and opportunity recognition in addressing social challenges.

#### Key Characteristics of Social Entrepreneurship:

- **Social Value Creation:** The primary goal is to create social value, which may be combined with economic value.
- **Opportunity Recognition:** Social entrepreneurs identify opportunities in social market failures, areas where traditional markets or entrepreneurs fail to address societal needs.
- **Innovation:** Social entrepreneurship involves innovative and inventive approaches to solving social problems.
- **Economic Logic:** Social enterprises operate within an economic framework to achieve their social objectives, such as employment integration, poverty alleviation, or combating social exclusion (Barthélémy & Slitine, 2014).

#### Examples of Social Objectives:

- **Integration through employment:** Creating job opportunities for marginalized groups.
- **Fight against exclusion:** Developing programs to include disadvantaged communities.
- **Poverty alleviation:** Implementing initiatives to improve living conditions for low-income populations.

In summary, social entrepreneurship represents a unique form of entrepreneurship that prioritizes social value creation while increasingly integrating economic sustainability. By addressing social market failures through innovative and inventive approaches, social entrepreneurs play a critical role in tackling some of the most pressing societal challenges. This dual focus on social and economic objectives distinguishes social entrepreneurship from traditional business models and highlights its potential for creating meaningful and lasting change.

#### **4.2.3. Institutional entrepreneurship**

An institution is defined as a set of socially accepted norms, rules, or practices that structure social interactions (Hodgson, 2006). Institutional entrepreneurs are actors who initiate change by creating new institutions or transforming existing ones, leveraging the necessary resources to do

so (DiMaggio, 1988). When these actors integrate sustainable development standards into the core of their activities, they also act as institutional entrepreneurs, driving systemic change toward sustainability. Greenwood et al. (2002) conceptualize institutional change as a six-stage process:

- Event or "Jolt": A disruptive event destabilizes existing practices or states.
- Deinstitutionalization: The event undermines the current social construction by introducing new ideas or perspectives.
- Preinstitutionalization: Innovations or ideas emerge as potential solutions to perceived problems, leading to new practices or perspectives.
- Theorization: These new practices are explained and justified, making them understandable and acceptable to others.
- Dissemination: The new ideas and practices are spread and adopted by a broader audience.
- Institutionalization: A new institution is established, replacing or transforming the old one.

Applying Greenwood et al.'s model, the integration of sustainable development standards can be understood as a process of institutional change. The emergence of new market failures linked to social and environmental issues, combined with growing societal interest in sustainability, has disrupted traditional consumption and lifestyle models. This disruption has been accompanied by widespread communication efforts that challenge existing norms and promote more responsible practices. The Process of Institutional Change in Sustainable Development:

- Event/Jolt: Growing awareness of environmental degradation, social inequality, and climate change acts as a disruptive force, challenging traditional economic and consumption models.
- Deinstitutionalization: The existing social construction—rooted in unsustainable practices—is destabilized as new ideas about sustainability gain traction.
- Preinstitutionalization: Innovations in sustainable practices, technologies, and business models emerge as solutions to these challenges.
- Theorization: These innovations are framed and justified through research, advocacy, and storytelling, making them accessible and compelling to stakeholders.
- Dissemination: Sustainable practices are adopted and promoted by businesses, governments, NGOs, and consumers, spreading the new norms.

- Institutionalization: Sustainable development becomes a standard or model, embedded in policies, regulations, and cultural expectations.

Over time, the entrepreneurial efforts to integrate sustainability into business and societal practices gain legitimacy, transforming from niche initiatives into widely accepted standards. This process reflects the broader shift toward a sustainable economy, where environmental and social considerations are no longer peripheral but central to institutional frameworks and everyday practices. By driving this change, institutional entrepreneurs contribute to the creation of a more sustainable and equitable future.

#### **4.2.4. *Sustainable entrepreneurship***

The theoretical framework of sustainable entrepreneurship positions it as the process of detecting, discovering (or creating), exploring, and exploiting opportunities that arise from social and environmental market failures. According to scholars like Schaltegger (2002), Cohen & Winn (2007), and Schaltegger & Wagner (2011), the opportunities identified and pursued must exhibit a degree of novelty. This novelty is crucial because it enables sustainable entrepreneurship to achieve its core objective: driving change - whether in lifestyles, production methods, or consumption patterns- while adhering to the Triple Bottom Line principle (economic, social, and environmental sustainability). Innovation, therefore, lies at the heart of sustainable entrepreneurship, serving as the central axis for creating impactful and lasting change.

Key Characteristics of Sustainable Entrepreneurship:

- Novelty and Innovation: The ability to introduce new solutions to social and environmental challenges is a defining feature of sustainable entrepreneurship.
- Triple Bottom Line Alignment: Sustainable entrepreneurship seeks to balance economic, social, and environmental objectives, ensuring that profit-making aligns with societal and ecological well-being.
- Market and Values Interaction: It emerges from the interplay between market incentives (e.g., growing consumer demand for sustainable solutions) and the values and beliefs of the entrepreneur.
- Financial Performance as a Means and an End: Profit is both a tool for achieving sustainability goals and a measure of success.

Sustainable entrepreneurship goes beyond earlier concepts like ecopreneurship (focused on environmental issues) and social entrepreneurship (focused on social problems). It integrates

both dimensions, addressing social and environmental challenges simultaneously while generating economic value. This holistic approach makes sustainable entrepreneurship a more comprehensive and inclusive framework for addressing the complex challenges of the 21st century.

Sustainable entrepreneurship represents a dynamic and evolving field that combines innovation, market-driven solutions, and ethical values to address pressing social and environmental challenges. By aligning financial performance with the principles of the Triple Bottom Line and embracing a holistic view of sustainability, sustainable entrepreneurship offers a powerful framework for creating positive change in the world.

## **5. Conclusion:**

In conclusion, the literature on sustainable entrepreneurship remains underdeveloped and lacks a robust conceptual foundation. While there is a general understanding of the phenomenon—integrating economic, social, and environmental goals—key areas such as the sustainable entrepreneurial process, the interactions between entrepreneurs and their environment, and the motivations driving sustainable entrepreneurs are not yet clearly defined or thoroughly explored. Additionally, the field suffers from a lack of theoretical frameworks, relying heavily on exploratory and descriptive studies rather than grounded, predictive models. This absence of dedicated theories and a cohesive scientific community means sustainable entrepreneurship is still more of a phenomenon than a well-established discipline or sub-discipline.

However, these limitations also present significant opportunities for advancement. By developing theoretical frameworks tailored to sustainable entrepreneurship, clarifying the entrepreneurial process, and exploring the motivations and environmental interactions of sustainable entrepreneurs, researchers can contribute to the field's evolution. Building a scientific community through collaboration, dedicated journals, and interdisciplinary approaches will further solidify sustainable entrepreneurship as a distinct area of study. Ultimately, addressing these gaps will not only strengthen the academic foundation but also provide practical insights for fostering sustainable innovation and addressing global challenges.

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