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Environmentally-driven community entrepreneurship: Mapping the link between natural environment, local community and entrepreneurship

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ABSTRACT

Local initiatives that address environmental issues are determined by the shared territory, history and culture of community members, which can lead to common values and goals. This paper focuses on the role of community-based entrepreneurship in protecting and managing the natural environment that impacts directly life quality of local residents, as social and natural systems manifest and evolve in a dynamic interdependence. We apply a case study methodology to capture the richness of community-based entrepreneurship and evidence the diversity of these initiatives. By presenting and analyzing three case studies on different types of environmentally-driven initiatives – considering the natural environment as an object, context or resource of entrepreneurial activities, we identify the main elements of community entrepreneurship and the factors influencing its manifestations. These elements are integrated into a synthetic model, which maps the relationships between various components and success factors of environmentally-driven community initiatives. Our findings provide a better understanding of community-based entrepreneurship and of the hidden mechanisms of collective initiative and action.

1. Introduction

Humanity is facing an environmental crisis that needs to be urgently addressed and alleviated: social life and activity require a healthy ecosystem that supports human, plant, and animal life, through clean air, soil, water and nutrients, while also providing recreational opportunities and resources for the local economy (EPA, 1997). Sahut and Peris-Ortiz (2014) recognize the importance and potential of entrepreneurship, innovation and small business, but wisely warn readers (i) not to assume the superiority of the small enterprise, and (ii) that the contextual framework is important in explaining objectives and conduct. Our paper empirically supports the above statements, showing that in some contexts, community-based entrepreneurship may be more compatible with a given framework than is small enterprise. Specifically, the importance of the natural environment in individual and social life can be expressed using three different roles: (i) the environment as object; (ii) context; and (iii) resource for individual and collective action. To be successful, these initiatives must take into account the multiple stakeholders involved in each situation, simultaneously targeting the triad of sustainable development expressed through interrelated social, economic and environmental objectives.

Although the ecosystem, as a whole, should represent the ultimate target for preservation, development and management projects, the complex connections and interactions between socio-economic and environmental systems are difficult to understand and address uniquely from a macro-level perspective; for this reason, community-based activities represent a natural complement of the nation-state initiatives for environmental protection and management (EPA, 1997). Avoiding the shortcomings of a top-down management process which often neglects the specificity of the local context and the needs and opinions of residents, community-based environmental management (CBEM) attempts to achieve sustainable development through grassroots initiatives, group learning and consensus building among various categories of stakeholders. For the purpose of this study, community is defined as a set of relationships that involves social interaction and commonality of either place, interest and/or purpose (Pohlmann, 1996).

Extant literature (Armstrong, 2012; Lucchetti and Font, 2013; Peredo and Chrisman, 2006) outlines the importance and role of community-based entrepreneurship (CBE) for local and regional development. Local collectivities act as agents of change by identifying needs, mobilizing resources, fostering solutions, implementing strategies that transform the relation between citizens and environment, and creating sustainable bases for the preservation and sustainable exploitation of natural resources (Valchovska and Watts, 2013). Yet, community-based entrepreneurship is difficult to map on the paradigm of traditional ventures. Based on dynamic horizontal relationships between voluntary community members, rather than on hierarchical

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decision-making and implementation centered on the owner-entrepreneur, community entrepreneurship initiatives differ in terms of goals, resources and actions from the traditional business venture.

Despite the obvious convergence of these two research streams, CBEM and CBE are yet to be unified using an inclusive framework. The process is fraught with challenges, because environmental projects and initiatives are context-specific and depend on a diversity of stakeholders, goals and processes. We address these challenges by adopting a case study methodology to investigate three different environmental-driven community projects which are using the natural environment, respectively, as (i) object; (ii) context; and (iii) resource of their initiatives. Our paper attempts to develop knowledge on how smaller communities can get organized and effectively contribute to the implementation of sustainable development strategies by creatively protecting and managing the natural environment. To achieve this, we aim to identify and analyze: (i) *the relevant stakeholders*; (ii) *the organization*; (iii) *the functioning*; and (iv) *the main success factors* of environmentally-driven community projects characterized by an entrepreneurial approach.

The findings derived from the analysis of these cases studies are distilled into a model of environmentally-driven community entrepreneurship, which illustrates the main elements and success factors, as well as the relationship between variables. This model represents an original contribution to both CBEM and CBE literatures, providing a better understanding of the elements and processes that shape environmentally-driven community projects, and facilitating the identification and application of the main levers of collective action.

The paper is structured as follows. After presenting theoretical and practical foundations of the CBEM and CBE models in Section 2, we provide an overview of the research methodology applied to collect and analyze data in Section 3. Section 4 presents the three selected case studies, followed by a discussion of their main elements and processes (Section 5) based on the two theoretical frameworks mobilized in this study. This interpretative effort leads to the development of an inclusive model in Section 6, which is presented and explained in detail. We subsequently conclude with an overview of our main findings, a list of research limitations, and suggestions for future research.

2. Background

2.1. Community-based environmental management

Continuously increasing social and economic pressures directed towards the natural ecosystem have led to multiple environmental problems and imbalances that have to be urgently acknowledged and solved. Addressing these issues, the World Commission on Environment and Development – also known as the Brundtland Commission – produced a report (World Commission on Environment and Development, 1987) that introduced the concept of sustainable development, which simultaneously integrates three inter-related dimensions: (i) social; (ii) economic; and (iii) environmental. The implementation of sustainable development represents a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are aligned with future as well as present needs.

This definition outlines the systemic, dynamic and temporal dimensions of sustainable development, which require a change of values, attitudes and behaviors of all the participants in the socio-economic system (Stahel, 1997) in order to harmonize the present and the future needs of stakeholder groups (Lindgreen et al., 2009). However, despite its theoretical clarity, the implementation of the sustainable development paradigm requires practical solutions to a series of conflicting situations:

a. Individuals and organizations have different interests depending on the role(s) they play in the socio-economic system. A person affected by climate change may desire a systemic reduction of carbon dioxide emissions, but at the same time, s/he may enjoy the comfort of driving a car or obtaining dividends from profitable companies responsible for environmental pollution;
b. In taking decisions, individuals and organizations must mitigate between present and future needs. Research has shown that most people prefer an immediate and certain gain to a present loss or to a future gain (Zsolnai, 2002), a choice strongly reinforced by the consumerist ideology which promises an instant gratification of needs and wants. In other words, the consumer is mainly focused on satisfying his/her present needs, rather than considering the needs of future generations;
c. The effects of business activities and consumption are often complex and difficult to evaluate. A product (e.g., therapeutic drug), may satisfy an essential need but its manufacturing process may significantly damage the environment at the present level of technological development. This contradiction is enhanced by the lack of precise information regarding the environmental impact of various human activities. In many cases, there is no clear causal connection between an activity performed at local level (e.g., carbon dioxide emissions) and an effect manifest at global scale (e.g., global warming).

Traditionally, the natural environment was a resource that felled under the sovereign responsibility of the nation-state for its management, use and protection. From this perspective, the purpose of environmental management is to efficiently allocate environmental and natural resources to increase social welfare (Tsai and Tseng, 2003). Although the nation-state approach has some obvious advantages – centralized decision-making and application, regulatory control, economies of scale and inter-departmental synergies – in reality, its application proves difficult in poor or remote areas, characterized by corruption or weak law enforcement (Agrawal and Gibson, 1999; Tsai, 1998). In addition, the specific cultural, social, economic and environmental context of some geographical area make the adaptation and implementation of top-down solutions difficult and expensive.

Armitage defines community-based natural resource management (CBEM) as “a mechanism to address both environmental and social-economic goals and to balance the exploitation and conservation of valued ecosystem components […] [that] seeks to encourage better resource management outcomes with the full participation of communities and resource users in decision-making activities, and the incorporation of local institutions, customary practices, and knowledge systems in management, regulatory, and enforcement processes.” (Armitage, 2005, p. 704). CBEM emerged as an alternative to the top-down approach centered on state intervention in environmental protection and management. This grassroots approach outlines that environmental problems are socially-constructed and culturally specific (Kapoor, 2001), the best solutions involving local initiatives and stakeholders' participation through public hearings and comments, advisory committees, mediation, and consensus conferences (Beierle, 1998; Gruber, 2010). The literature suggests that CBEM initiatives can avoid the major problems of the top-down environmental management (Li, 2002; Scott, 1998), providing sensitivity and responsiveness to the local context, and increasing efficiency through local agency and direct implementation of identified solutions (Gray et al., 2001; Leach et al., 1999).

However, CBEM is not free from problems and challenges (Agrawal and Gibson, 1999; Lane and Corbett, 2005). Often, the involvement of local communities in environmental management is limited to passive participation, when central institutions transmit decisions and implementation orders without creating conditions for local initiative and responsibility. In addition, environmental management programs may artificially simplify or neglect the local social and economic situation, which is inextricably connected to environmental issues. To avoid this, Tsai and Tseng (2003) emphasize the importance of local organizations