

EVERYONE'S BUSINESS: SUSTAINABLE MARKETS AND ENTREPRENEURIAL NETWORKS IN A GLOBALIZED WORLD

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ABSTRACT

The world is confronted with social and environmental issues that must be addressed, and businesses often play an essential part in this process. The characteristic organizational structure of the modern global economy is business networks. Many governments and local leaders propose membership in business networks as an alternative growth approach for regional economic vibrancy. These policies help in fostering hyperlocal economies in a holistic manner. Moreover, local businesses are encouraged to participate in these networks to help them achieve their ESG objectives. This contribution frequently encourages the growth of sustainable enterprises and attracts impact investments. The goal of this study is to elucidate the function of business networks in boosting the economies of the local communities in which they are embedded. It also focuses on how these networks help small enterprises access sustainability and innovation which in turn makes them key contributors to both, the global and local economy.

Keywords: Economic, Sustainability, Innovation, Global Economy

I. Introduction

Networks, which suggest organized systems of links with the external environment, are especially imperative to sustainable enterprises (Donckels & Lambrecht, 1995). In developing nations, these enterprises often incorporate dense networks of for-profit corporations, hyperlocal communities, non-profit organizations, and other players cooperating in a self-organized manner to produce value in economic, social, human, and ecological dimensions (Wheeler et al., 2005). Through multiple business models and empirical studies, it has been proven that sustainable business networks are the defining organizational type of the modern global economy and that they are important in the sustenance of communities and marketplaces (Besser, Miller & Perkins, 2007). But before delving into the analysis of the network impacts, it is essential to understand what sustainable entrepreneurship is and how imperative it is for the growth of communities in

today's globalized economy. The practice of beginning, expanding, or managing a firm with an emphasis on economic, social, and environmental sustainability is referred to as sustainable entrepreneurship. Sustainable entrepreneurs strive to incorporate social responsibility and environmental stewardship into their business strategies, aiming to alleviate societal issues while still achieving financial success (Rosário, Raimundo & Cruz, 2022). Sustainable entrepreneurship entails novel business practices that prioritize long-term sustainability, social effects, and environmental concerns. The effects of sustainable entrepreneurship are even more nuanced when it is paired with impact investing. This is so because investors influence the enterprises in which they invest, which in turn influences social and environmental characteristics (Brest & Born, 2013). Impact investing is a type of investment strategy that seeks to provide positive and demonstrable social or environmental effects in addition to financial gains. Impact investing, as opposed to standard investments, entails directing funds to firms, projects, or organizations that strive to address significant social or environmental challenges (Kölbel et al., 2020). The goal is to have a demonstrable and positive influence on society while also anticipating an acceptable financial return on investment.

Sustainable investment and entrepreneurship are often visible in small businesses where they offer ethical company practices such as fair employment, support for local suppliers, and community involvement. These elements have become the key components of today's economic environment in promoting good change while also determining sectors' and societies' futures (Ibrahim, 2022). Their practices and the networks that they build with local stakeholders often help to provide a sustainable job market, aid in local economic growth, and promote communal well-being (Ibrahim, 2022). These practises go beyond traditional profit-seeking strategies, combining environmental, social, and governance (ESG) factors in order to deliver long-term value for the economy and its stakeholders. They prioritize innovation, resource efficiency, and stakeholder engagement, resulting in increased competitiveness and long-term growth. This contributes to both the local and global economy's stability and strength (Neumeyer & Santos, 2018). This analysis of sustainable investment, entrepreneurship, and its impact on local communities is imperative because it offers an insight into how these small businesses that are well-connected and well-integrated into local traditions, institutions, and activities are better able to receive assistance, coordinate efforts, and explore possibilities jointly than less networked or sustainable firms (Young, 2010). This paper will offer significant insights for politicians, entrepreneurs, and investors wanting to make educated decisions that balance economic success with environmental and social responsibility by reviewing case studies, statistics, and trends. Furthermore, as sustainability becomes more inextricably linked to economic performance, understanding its consequences is critical for developing policies, strategies, and investments that promote a resilient and thriving global and local economy.

II. Background

The increasing usage of fossil fuels during the twentieth century generated raising concerns about climate change and a variety of other environmental issues. Furthermore, climate change endangers the existence and stability of contemporary society, forcing more and more people towards starvation and poverty. The widening income gap, uneven access to opportunities and resources, gender disparities, and other difficulties of varying severity depending on the location, have boosted the demand for sustainable enterprises and impact investment (Rosário, Raimundo & Cruz, 2022). Sustainable entrepreneurship and impact investment have altered the function of how businesses work and may be considered a stage in the evolution of sustainable economy building (Koe & Majid, 2013). It shifts focus from economic development to actively seeking solutions to environmental deterioration and social problems. Whilst the terms were coined much later, in the late 90s and early 20s, both elements have been imperative contributors in establishing sustainable business networks and practices that hugely impact the formulation of holistic local communities. While looking at sustainable businesses and investing that impacts sustenance, it is essential to bring to the forefront the role of small enterprises that are deeply embedded in the surrounding local communities. It is essential because these enterprises make a substantial contribution to a country's economic prosperity. For example, in the Asia-Pacific Economic Cooperation (APEC) area, SMEs accounted for 90% of all enterprises and employed 60% of the workforce (Koe & Majid, 2013). Moreover, when these enterprises are backed by impact investments, they become a powerful tool for achieving local development in disadvantaged areas (Kim & Kim, 2021). Small enterprises have the capacity to establish sustainable networks that benefit local communities when it comes to environmental sustainability. These networks then in turn aid the small enterprises in promoting innovation and learning processes, fostering intimate and long-term links between local producers and consumers networks, and encouraging the transmission of tacit knowledge (Franičević & Bartlett, 2001). This generates a network of mutual assistance among local firms, assisting in the strengthening of the local supply chain and creating economic interdependence. This collaboration and networking encourages the proliferation of sustainable technology and practices and enables the establishment of new markets for sustainable products and services. Sustainable markets are imperative here to achieve a balanced and equitable global economy while addressing pressing environmental and social challenges. In a world dominated by monetized economies, the monetary earnings generated by such markets constitute a critical resource for community continuity in a national society — in turn making local communities sustainable (Vaccaro, Zanotti, & Sepez, 2009). Additionally, these markets provide a forum for the sharing of knowledge and information amongst small business networks. When these local groups network together, they can have a greater collective effect on global challenges. This

might include lobbying for legislative changes, creating awareness about global issues, or raising funds for foreign causes.

III. Discussion

In ongoing arguments concerning the social, environmental, and economic benefits of small enterprises in a global capitalist economy, embeddedness and, business networks have played a significant role (Young, 2010). Small business networks are collaborative ecosystems that bring local firms, entrepreneurs, and stakeholders together to share information, ideas, and resources. The networks offer the ability for businesses, communities, people, governments, development agencies, and non-governmental organizations to recognize a common asset base and build virtuous cycles of asset growth and sustainable outcomes. These sustainable outcomes are often reflected through profitability and consistent returns on investment, local and global economic development, improved quality of life, including human development and environmental betterment, and economic self-sufficiency (Wheeler et al., 2005). The outcomes are often aided by promoting knowledge sharing through various mechanisms. Sharing information within small business networks via workshops, seminars, and training sessions promotes skill development. Members benefit from one other's expertise, which helps them improve their skills and competitiveness. Moreover, information sharing alongside collaboration with external agents has become a strategic need for organizations in today's networked business environment. These small businesses must continue to go beyond their own boundaries for fresh information, new cooperation chances, and network-building opportunities that will allow them to recognize the dynamics of the system in which they operate. As settings grow more discontinuous, effective businesses become proactive agents of change for sustainability, maximizing the impact not just for the company, but also for the environment (Dybdahl, 2019). By the same token, the real benefit of this information sharing and collaborations within these networks is that it not only increases entrepreneurial intelligence about their industrial environment but also accelerates the spread and acceptance of new technologies (Besser, Miller & Perkins, 2006). Adoption and diffusion of the aforementioned new technologies through information sharing inside these networks refers to the use of purposeful knowledge inflows and outflows to accelerate internal innovation and develop markets for external application of innovation. This exchange, which focuses on product adaptation, renewal, or enhancement, not only improves economic performance but also improves environmental and social performance often leading to the establishment of local sustainable economies (Iturrioz, Aragón, & Narvaiza, 2015). An example of this coalition of elements with the small business network can be seen through the success of Grameen Shakti in Bangladesh. It offers a nuanced understanding of how these small business networks aid the sustenance and growth of local communities through information sharing, collaboration, and innovation. The Bangladesh firm distributes residential solar power systems to

households without access to electricity, which accounts for more than 70% of the country's population. Grameen Shakti has risen to become the main player in the Bangladeshi solar energy sector, deploying an average of 800 systems each month by 2003. Grameen Shakti contributes to improved quality of life through electricity, better indoor air quality, and public health through the avoidance of biomass-based fuels. The local firm also fosters sustainability by addressing global climate change concerns through the avoidance of kerosene and diesel fuels, in addition to generating rural development benefits (Wheeler et al. 2005).

The aforementioned small business networks often foster sustainability and attract sustainable investment through the appropriate application of collaboration, innovation, and information sharing as seen in the example of Grameen Shakti. National and regional officials are now increasingly encouraging small business networks as a tool for strengthening local enterprises and economies. They believe that networked enterprises are better community citizens and employers and that they promote hyperlocal economic growth in a more nuanced manner (Besser, Miller & Perkins, 2006). These small business networks become sustainable through the facilitation of sustainable innovations. It has been discovered that more sustainable business models for innovation are developed through interactions between individuals and groups both inside and outside of companies, such as the formation of networks and collaborative practices for learning and action around a new vision, as well as the adoption of new ideas and concepts from outside the company. This is usually achieved through localism (Dybdhal, 2019). Prosperous local businesses build a healthy, dynamic local economy, which is required for community inhabitants to foster a great quality of life. If companies boost their purchases of materials, supplies, and services from local businesses as a result of network participation, communities benefit from an increased multiplier effect from networked firms' economic activity (Besser, Miller & Perkins, 2006). This localized network of using locally sourced raw materials and labor significantly lowers carbon footprints and inherently offers such businesses a more sustainable outcome (Ibrahim, 2022). Moreover, with innovation fostered by the influx of skills, sustainable markets, and interaction of multiple social actors, small businesses automatically become susceptible to initiate sustainability alongside economic gain (Iturrioz, Aragón, & Narvaiza, 2015). This interaction of various actors and influx of ideas for fostering and facilitating innovation was also seen in the example of Grameen Shakti and its collaboration with Grameen Bank. Despite the fact that Grameen Shakti and Grameen Bank are handled separately, Grameen Shakti's tight association with the bank allows it to profit from the bank's financing. Grameen Shakti also reaps the benefits of the bank's social networks and physical presence in 36,000 Bangladeshi communities. Grameen Bank also promotes solar energy installations and has assisted Shakti in developing the organizational ability to deliver microfinance loans to prospective clients (Wheeler et al., 2005).

Small business networks in sustainable entrepreneurship offer numerous benefits, but they also come with certain limitations and potential challenges that need to be addressed. Sustainable local firms confront ethical quandaries as they pursue economic objectives while also addressing social and environmental concerns. In this conundrum, they are attempting to strike a balance between serving their own interests and meeting the needs of others (Rosário, Raimundo & Cruz, 2022). Moreover, small firms in remote locations may face additional problems owing to resource limits, isolation from consumers and suppliers, and a lack of supporting government regulations. Many regional small firms are unable to successfully network with important stakeholders due to geographical isolation. This often hinders in propagating growth within the local economies the firms are embedded in (Sharafizad & Brown, 2020). Furthermore, it is imperative to take into account the expense of facilitating sustainability. Higher investments may be required to invest in environmental technologies or optimize operations to fulfill sustainability criteria. These additional fees might be difficult to afford for small projects with limited resources (Ibrahim, 2022). This also helps validate the presence of a small market for impact investment since these limitations often prevent small firms from approaching sustainable entrepreneurship. Finally, the advantages of sustainable entrepreneurship are significantly hampered by the conventional systems in place. The ecopreneurs must start institutional reforms aimed at laws, regulations, policies, and norms to make sustainability more accessible. For instance, non-renewable energy sources are typically priced and subsidized in a way that makes it challenging to promote renewable energy to the general population. Efforts to promote green energy are hampered by inadequate infrastructure and price fluctuations. Similarly, conventional entrepreneurship is supported by present public policies and practices, making it challenging for ecopreneurs to enter particular industries (Rosário, Raimundo & Cruz, 2022).

IV. Conclusion:

Business networks are extremely important in tackling local and global issues, including resource acquisition, environmental uncertainty, and local economic stagnation. National and regional policymakers are increasingly pushing business networks as a tool for strengthening local enterprises and economies. Business networks, both small and large, have the possibility of replacing lost enterprises by encouraging local entrepreneurship and offering the existing firms incentives to thrive. In turn, thriving local enterprises are projected to boost local employment, general economic activity, and local quality of life. Moreover, small business networks have an important role in fostering sustainability by encouraging a balance of economic, social, and environmental elements. Small enterprise networks also foster innovation, create local employment possibilities, and contribute to environmental issues (Ibrahim, 2022). The paper also reveals that hyperlocalism leads to business model innovation that creates shared value of both environmental and social character as well as the value of self-interest in the cases. The findings

point to shared benefits, such as lower transportation emissions, the use of ecologically sourced raw materials, the development of local jobs, and the revitalization of an industry. In the best-case scenario, localism can even lengthen product life cycles, especially if enterprises are successful in increasing customer awareness, therefore addressing some of the present global unsustainable challenges (Besser, Miller & Perkins, 2006).

However, sustaining fruitful business networks for the upliftment of local communities is often hindered by naturalistic elements in place like market competition, lack of access to resources, location of the firms, lack of effective policies, and more. As a result, numerous supportive activities from key parties in the country are required to build more sustainable local firms. Training and development programs, for example, should be offered to equip these small businesses with appropriate sustainability expertise. Because these firms have limited resources, financial aid is extremely beneficial in the early stages of sustainable management. Furthermore, non-financial help such as knowledge and technical support might be beneficial in encouraging local and small businesses to engage in long-term business networks (Koe & Majid, 2013).

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