

**Sustainable Entrepreneurship
Research Platform Info Sheet**

Sustainability, definition and concepts



What is sustainable entrepreneurship?

To define sustainable entrepreneurship, we need to start with sustainability. Sustainability differs from corporate social responsibility (CSR) and refers to sustainable development. Sustainable development is basically ensuring that the present generation meets its needs without compromising the ability of future generations to meet theirs (Brundland Commission, 1987). We like very much the definition from the Network of Business Sustainability (nbs.net) that defines business sustainability as:

“Business models and decisions that create economic value and that benefit the world today and tomorrow.”

“Sustainability” implies having an orientation on the future not just the present and often runs counterintuitive to the short-term expectations of shareholders and financial markets. That’s why sustainability is often talked about in the context of stakeholders rather than just shareholders. More groups of people benefit from sustainability than just shareholders of companies.

Social, ecological and economic issues are important to everyone and in recent years a new wave of entrepreneurs have made it their mission to address these issues. There has been a growth in social entrepreneurship, ecopreneurship and sustainable entrepreneurship. See Table 1 for the differences. We focus on sustainable entrepreneurship because we feel that it covers a wider spectrum of sustainability issues and entrepreneurship.

Table 1: Different types of entrepreneurs

Type of entrepreneurship	Ecopreneurship	Social Entrepreneurship	Sustainable Entrepreneurship
Core motivation	Contribute to solving environmental problems and create economic value	Contribute to solving societal problems and create value for the society	Contribute to solving environmental and societal 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	Create sustainable development through entrepreneurial corporate activities.
Role of non-market goals	Environmental issues as integrated core element	Societal goals as ends	Core element of integrated end to contribute to sustainable development

Source: Bachelor thesis, Tuanh Lam, Spring 2014, International Business School, AUAS, adapted from Schaltegger and Wagner, 2011

Ideas about sustainability have been around for decades, but sustainability, or sustainable development, is hard to measure. What do you measure and how do you know if you’re sustainable? The triple bottom line provides a framework to help.

Triple bottom line (TBL)

Sustainability refers to three main areas: social, ecological and economic sustainability. This is also referred to as people, planet and profit, or the 3 Ps or pillars of sustainability. Essentially the triple bottom line is a cost-benefit analysis of each pillar of sustainability. The idea is to be balanced so that each pillar is sustainable in the long term. See Figure 1.

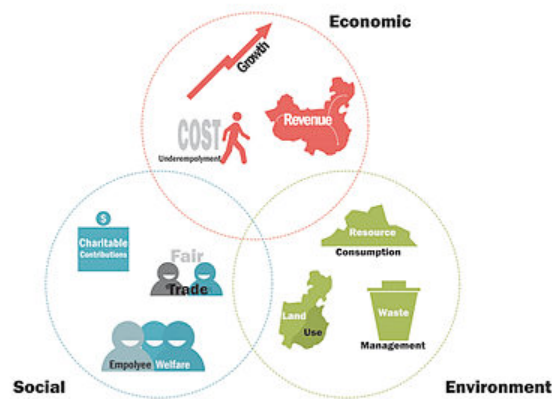


Figure 1. Spheres of Triple Bottom Line, source Wikipedia

The key word is “balance”. Often decisions to use a certain material, say organic cotton, may lead to lower profits. So, where you gain or improve the bottom line in the ecological pillar of sustainability, you may lose long term sustainability in the economic pillar.

Balancing the TPL is becoming more and more important in business decision making. Resource scarcity and depletion is threatening our well-being, and if left unchecked will pose even greater challenges in the future. Carbon dioxide emissions are changing weather patterns around the planet and pollutants such as hazardous chemical waste are endangering ecosystems and water reserves. Sustainability is not just an issue for businesses; it matters to everyone. But businesses can make a big difference.