

Project Group (Number and Name): 48 The role of sustainable entrepreneurs in societal U-turns for sustainable development

## Comment

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### **Critical Comment on Sustainable Entrepreneurship**

Sustainable development is the most pressuring issue of our time. Yet, market failure, a capitalistic mindset, and restricting policies hinder the progress enormously. However, these barriers can be an entry point for sustainable entrepreneurs. Using radical innovations, sustainable entrepreneurs can bring change to the market and society and put pressure on market-leading companies.

Nevertheless, entrepreneurs face challenges in their impact on sustainable development. Firstly, the urgency of the problem leads to time pressure, to achieve sustainable development. On the one hand, there are only a few years left before global warming leads to irreversible changes in our climate. On the other hand, entrepreneurs need time to grow in the market and thus create impact.

Moreover, to sustain their businesses and create their products according to their sustainability standards, they must set rather high price standards for these products making it harder for them to be sold to a large audience of consumers. Even though environmental awareness and the willingness to invest in sustainable products are growing in modern western society, there are still groups that do not have the financial capacities, the education nor the willingness to make conscious product choices.

Market growth and contributing to landscape change of the global market, therefore, is a difficult and long-term process for sustainable start-ups. In order to grow faster and to have a chance at contributing to market change, it is an essential challenge for ecopreneurs to create unique selling points and provide real user benefits, making the product not only a better choice for the small audience of environmentally aware people, but also for wider groups in society in order to make the product an actual alternative and competitor to the established market.

While it can be argued that start-ups can have an impact on the market by providing incentives for market development by offering sustainability-oriented solutions, time pressure, and the dimension of the issue call for policies and regulations that affect the whole market immediately. One example of such a policy is the EU directive to ban single-use plastic issued in 2019, which supports more sustainable materials instead of single-use plastics (European Commission, 2019). While regulations and policies may have the effect of accelerating sustainable development at the regime level (Hörisch, 2017) and might even lead to landscape change, these policies, however, reduce the opportunities for sustainable entrepreneurs to enter the market. The market advantage, that sustainable entrepreneurs have while offering a sustainable innovation gets lost if external regulations enter the market and change the regime.

In conclusion, the pressure of time, high consumer costs, and restricting policies make it difficult for sustainable entrepreneurs to have a noticeable impact on the market and contribute to a U-Turn towards sustainable development.