

Review of: "Sustainable entrepreneurial ecosystems in developing economies: A conceptualisation of complex adaptive systems approach"

Julian Lauten-Weiss¹

¹ Bergische Universität Gesamthochschule Wuppertal

Potential competing interests: No potential competing interests to declare.

Dear author,

This paper covers a very interesting and relevant topic which is not sufficiently researched, especially in the context of developing countries. In my eyes, the text has a lot of potential which I aim to point to and help unfold further with the following comments.

First, I will mention some general points and, second, I will give some detailed feedback on several (sub-)chapters.

A general question that arose at the beginning was whether the object of analysis was sustainability in entrepreneurial ecosystems (EEs) or sustainable EEs? In connection to that I was wondering what aspect of sustainability is referred to here? For example, the term "productive entrepreneurship" in the abstract only refers to potential economic benefits. What is the role and relevance of sustainability in this paper? It seems like the findings apply to entrepreneurship in general, whether it is sustainability-oriented or not. Thus, my recommendation would be to either significantly deepen or remove the reference to sustainability as the main points made in this paper do not rely on the concept.

Another question regarding the framing of this paper was why "rural areas" and "poor countries" are mentioned in the paper as the initial focus was said to be "developing countries" which can contain rural as well as urban areas. In the same vein, less (industrially) developed countries can be rich by some metrics, e.g., due to a wealth in natural resources. I believe it is important to clearly delineate the research scope and not to mix concepts that might have overlaps but are not the same.

A methodological observation was that up to reading chapter 3, I was not sure what methods were applied for this paper. In chapter 3 it becomes clear that it is a conceptual discussion on how the concept of EEs can be expanded by exploring it through the complex adaptive systems approach. This should be made explicit in the introduction.

Abstract

From this abstract, I understand the relevance of the research topic but not fully of the paper itself. This does become clear later but elaborating a little more on the last sentence of the abstract might give the reader a better idea of what to expect.

Chapter 2

As someone with little knowledge about the specificities of EEs in developing countries, I would welcome some information on the context and how it differs from the - so far - more deeply researched context of EEs in developed countries.

Chapter 2.3

Paragraph 1: I question whether EEs can be described as more complex than biological ecosystems as they consist of many, at times globally, interrelated parts whereas EEs have a stronger regional anchoring. You can say that EEs have an added layer of complexity but the comparison to biological ecosystems seems misplaced here.

Paragraph 3: Can a complex system really consist of two elements?

Paragraph 4: It is unclear what “small initial competitive market conditions” are. Why are they small? And are they always competitive? And could “initial conditions” not also include conditions beyond the level of competition in a market, e.g., institutional or social conditions?

Chapter 3

Figure 1: I would like to see all propositions represented in Figure 1, i.e. not just P1 but P1a, P1b and P1c. In addition, the figure could potentially be developed further to also represent the propositions more visually, e.g., by mapping key actors involved or by increasing the level of detail of the various processes. The placement of P2 in the figure is also unclear as P2 states that “each level of entrepreneurial activities” is affected, however, in the figure it is placed besides the unidirectional arrow pointing from the micro and meso level to the macro level, suggesting an effect only on the macro level.

Chapter 3.1

Paragraph 1: Where does this definition of a sustainable entrepreneur come from? Its focus on economic development surely makes up a relevant part of sustainable development, especially in developing countries. However, sustainability is usually understood to comprise of environmental and social aspects as well. Furthermore, the questions introduced in the first paragraph of chapter 3.1 appear somewhat surprisingly here. My expectation would be that the questions guiding the research are either formulated in the introduction or at the end of the literature review (chapter 2 in this case).

Paragraph 2: The first sentence here is a bit confusing to me. Is this about a lack of coherence in EEs or interdependent effects of ecosystem factors on entrepreneurship or both?

Paragraph 3: The terms subsistence entrepreneurship, local entrepreneurship, systemic entrepreneurship and socially productive entrepreneurship are introduced in this chapter. Where does sustainable entrepreneurship fit in here? How is it different from the other types of entrepreneurship?

Figure 2: The figure title should either contain a reference to a source or some information that the figure was created by

the author.

Chapter 3.1.1

Paragraph 3: I do not fully understand the relevance of mentioning subsistence entrepreneurship here. Is it meant to further explain sustainable entrepreneurship by contrast or is subsistence entrepreneurship one of the local conditions commonly found in developing countries?

Paragraph 4: The claim that rural areas are typically environmentally unsustainable seems odd to me as rural means less humans which I would assume means less human activity. This would lead to a healthier environment unencumbered by human activity. Some further explanation of what is meant by this point would be helpful here.

Proposition 1a: My understanding of the proposition does not fully reflect what I understood from the text leading up to it. On the one hand, the text explains a process in which entrepreneurial intention and contextual factors create adaptive tensions that spark actions which in turn shape the EE. On the other hand, the proposition describes entrepreneurial intention and adaptive tensions as factors that jointly (and not consecutively) catalyze EEs.

Chapter 3.1.2

Paragraph 2: The same point as the one regarding subsistence entrepreneurship comes up here in connection with local entrepreneurship. What does this have to do with sustainable entrepreneurship and how is this concept relevant to the proposition development? (It very well might be but the text does not make it explicit.)

Paragraph 4: This paragraph makes some important points and shows linkages between them. However, it is not clear whether “ecosystem actors” refers only to support organizations or to any actors in an EE.

Chapter 3.1.3

I understand that the systemic perspective is used as the macro perspective here. From my understanding, an EE cannot exist on the macro level as it is characterized by a regional embeddedness and connectedness and would therefore exist at the meso level. Thus, it would be useful to make it more explicit what the macro perspective comprises of for the sake of this paper, i.e. is it the interregional, national, supranational or even continental level?

Proposition 1c: This is formulated in a quite general manner and thereby loses some of its potential informative value. It could benefit from more specific wording on what is meant by “rules of the game” (e.g., laws, norms, customs) and “coherence of interactions” (not sure what is meant by that here).

Chapter 3.2

Due to a lot of references to institutional conditions here and in other chapters, a deeper look into research on institutional theory could add value to this paper. I included some useful papers at the end of this review.

Proposition 2: At first glance, this reads like an obvious statement, i.e. output = rewards. Is there more nuance and novelty that can be reflected in the proposition?

Chapter 3.2.1

This subchapter is quite short which is might be why Proposition 3 does not appear clearly distinguished from Proposition 2. It might help to further clarify in the text how the outcomes of socially productive entrepreneurship differ from entrepreneurship output and how it affects the rewards at all levers of entrepreneurial activity differently.

Chapter 4

Paragraph 2: A new definition of sustainable EEs is introduced here (“sustainable entrepreneurial ecosystems are rural systems with socially productive entrepreneurship outcomes”). Some would argue that sustainable EEs do not only exist in rural areas which is true for developing as well as developed countries. It might make sense to either limit the scope to sustainable EEs in developing countries or to broaden the definition. Introducing a new definition is also a major output of a research paper and could therefore be highlighted more here.

Paragraph 3: This paragraph summarizes the propositions but ends with a reference (Roundy et al., 2018). This implies that the information was taken from this source and not developed through argumentation in this article. To avoid confusion, it might be best to remove the reference and only summarize the findings/propositions developed in this paper.

Chapter 5

The contributions are clearly stated and understandable. To further develop the conclusion, limitations and avenues for further research could be elaborated on here.

Finally, I would like to add one more consideration. Sustainable entrepreneurship is sometimes described as a way of resolving market inefficiencies or even failures by moving the market towards an equilibrium. This perspective does not consider that not everything that has value in life such as air, the oceans or happiness can be privatized and traded. These and other “goods” are therefore affected by externalities that have so far not been addressed, remedied or even reduced through efforts to conduct business in a less harmful way, as prescribed by the idea of sustainable entrepreneurship. Thus, I would like to encourage thought about further concepts such as regenerative and indigenous practices as well as the circular economy which can all be adapted to the entrepreneurship and EE context – in developing or developed countries.

Additional literature that might be helpful

Henry, M., Hoogenstrijd, T., Kirchherr, J., 2023. Motivations and identities of “grassroots” circular entrepreneurs: An initial exploration. *Business Strategy and the Environment* 32, 1122–1141. <https://doi.org/10.1002/bse.3097>

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Zhao, E.Y., Lounsbury, M., 2016. An institutional logics approach to social entrepreneurship: Market logic, religious diversity, and resource acquisition by microfinance organizations. *Journal of Business Venturing* 31, 643–662. <https://doi.org/10.1016/j.jbusvent.2016.09.001>