

1. Introduction to *Inclusive and Responsible Entrepreneurship in a Turbulent Era*

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INTRODUCTION

This chapter briefly introduces the topic and the book's background. It offers an overview of the relevant terms and explores the meaning and scope of the key concepts discussed in this book – namely, inclusive and responsible entrepreneurship and crisis. The book is designed to stimulate broad-based thinking but deliberately does not provide concrete solutions for specific situations. The key terms are considered from different angles and perspectives, enabling a more comprehensive understanding.

In a time of profound turbulence, economic crises, global pandemics, political unrest and environmental challenges, the demand for a new paradigm of entrepreneurship has never been greater. Inclusive and responsible entrepreneurship is considered an essential and promising approach to address these challenges by fostering resilience, innovation and equity within societies. However, although entrepreneurship is seen as a catalyst for economic growth and social change, it is also argued that traditional entrepreneurship has often functioned within systems that exclude marginalized groups (OECD/European Commission, 2023), restrict access to resources, networks and capital, especially in times of crisis (Doern, Williams and Vorley, 2016), and prioritize profit over people and the planet (EURECA-PRO, 2023).

This book, *Inclusive and Responsible Entrepreneurship in a Turbulent Era*, highlights the multidimensional aspects of different types of entrepreneurship and its crucial role in creating sustainable and equitable solutions in times of crisis and other adversities. We live in turbulent times where inequalities are widening, and we are faced with the need to

address systemic change through immediate and sustainable solutions. This book emphasizes the importance of inclusive and responsible entrepreneurship and its potential to actively manage and mitigate the consequences of these turbulent times.

This chapter sets the tone and introduces the key themes and ideas that will be explored in more detail in the subsequent chapters. In other words, the following sections explain the background and definitions of key terms essential to understanding inclusive and responsible entrepreneurship, laying the groundwork for a more in-depth discussion in the subsequent chapters.

BACKGROUND DEFINITIONS

The following subsections will briefly discuss the terms entrepreneurship and crisis.

Entrepreneurship

Entrepreneurship is recognized as crucial in promoting innovation and economic development, as it enables individuals to turn ideas into viable businesses. Not surprisingly, the promotion of entrepreneurship plays an important role in many countries and economic areas (De Freyman and Durst, 2023). Entrepreneurship is seen as relevant for societies' development (Acs and Audretsch, 2010) and renewal (Kuratko, 2005).

The definition of entrepreneurship is not easy because, as with other inflationary terms, what people mean when they use the term often needs to be clarified. The following is a brief attempt to address this situation and provide definitions of entrepreneurship. The primary forms of entrepreneurial activity will also be presented.

In the literature, broad and narrow definitions of entrepreneurship can be found. From a narrow perspective, entrepreneurship can be equated with the founding of a company, the existence of a company, and the development of a business. In contrast, the broader definition is more focused on change and emphasizes the inclusion of innovative characteristics and behaviours (Bridge, O'Neill and Cromie, 2003). Shane and Venkataraman (2000, p. 218) associate entrepreneurship with 'the processes of discovery, evaluation, and exploitation of opportunities', while Mole (2012) emphasizes that entrepreneurship is more than what an entrepreneur does; it is also about the circumstances that enable an

entrepreneur to start a business and the processes that lead to more entrepreneurship in some places.

Existing literature has also discussed different modes of entrepreneurship. The main ones are starting a company from scratch or taking over an existing company (Cooper and Dunkelberg, 1986). Existing research on entrepreneurial activity has focused on the former (Durst, 2024b). We see both modes as equally important for inclusive and responsible entrepreneurship.

Crisis

According to Cater and Beal (2014, p. 65), a crisis is ‘a low-probability situation with significant consequences for the organisation, a high degree of uncertainty, and a sense of decision-making urgency’. Crises can be sudden or smouldering (Institute for Crisis Management, 2004). Crises may be unexpected events such as natural disasters in which organizations have virtually no control and perceived limited fault or responsibility. In contrast, smouldering crises refer to events that start as minor, internal problems within an organization that become public at some point and, over time, escalate as a result of inattention by management. Bribery is a good example. This also shows that crises can be divided into internal and external crises, and organizations could simultaneously be exposed to different types of crises.

Today’s world is characterized by a multitude of different internal and external crises and adversities that often occur simultaneously. Under such conditions, organizations need to learn to adopt new ways of thinking and working and to move away from old ones. The COVID-19 pandemic, for example, has highlighted the vulnerability of existing systems and emphasized the need for permanent adaptability. To overcome these challenges, there is a need for new innovative entrepreneurial approaches that incorporate inclusivity and responsibility to develop resilient organizations (Williams et al., 2017).

THE CONCEPTS OF INCLUSIVE AND RESPONSIBLE ENTREPRENEURSHIP

To better define inclusive and responsible entrepreneurship and thus set the scope of this book, it seems useful to first analyse the concepts of inclusive and responsible entrepreneurship separately in order to understand their aims:

- *Inclusive entrepreneurship* is based on the idea that individuals from diverse backgrounds have an equal opportunity to engage in entrepreneurial activities (Wu, Si and Yan, 2022). This approach emphasizes that entrepreneurship should not be limited to a privileged few but should be accessible to all, regardless of gender, age, ethnicity or socio-economic status. It often involves building social support networks that foster collaboration and innovation among diverse entrepreneurs, and thus, it is expected to enhance community well-being and economic sustainability (Wu, Si and Yan, 2022).
- *Responsible entrepreneurship* emphasizes ethical practices and businesses' social responsibilities. It stresses the importance of considering the broader impact of business decisions on society and the environment. This responsibility covers all phases and aspects of entrepreneurial activity (EURECA-PRO, 2023). Hence, responsible entrepreneurs are expected to have a long-term perspective and align these principles with their entrepreneurial endeavours.

The above highlights that inclusive and responsible entrepreneurship advocate for a more equitable and sustainable approach to business while simultaneously recognizing the importance of social impact alongside economic success. Bringing these concepts together leads us to propose the following definition of inclusive and responsible entrepreneurship, which frames the discussions in this book:

Inclusive and responsible entrepreneurship is a holistic approach that ensures that individuals from diverse backgrounds have equal opportunities to engage in entrepreneurial activities. It encourages collaboration and innovation among diverse entrepreneurs and incorporates ethical practices and a strong sense of social responsibility. Hence, it forms the necessary basis for an entrepreneurial ecosystem that stimulates economic growth and promotes social justice and environmental protection.

The Importance of Inclusive and Responsible Entrepreneurship

Inclusive and responsible entrepreneurship is increasingly important in an ever more uncertain and turbulent landscape:

1. *Fostering qualitative economic growth.* Inclusive and responsible entrepreneurship expands the pool of entrepreneurs by providing opportunities to people from diverse backgrounds, including

marginalized groups. This inclusion can lead to more innovation and creativity and boost qualitative economic growth as new ideas and businesses emerge from broader perspectives. By ensuring that everyone has the chance to participate, societies can benefit from the talents and skills of all citizens, which in turn can contribute to more robust and sustainable economic and social development. These ideas are developed further in the chapters on support systems, education and finance (see Chapters 3, 4, 5 and 6).

2. *Reducing inequality.* Inclusive and responsible entrepreneurship can be critical in addressing social and economic inequalities. By empowering under-represented groups such as women, minorities, people with disabilities, and people from low-income backgrounds, this approach can help close gaps in access to resources, networks and capital. Ultimately, this empowerment can promote social mobility and reduce inequalities, contributing to a fairer society where opportunities are more evenly distributed. The topic of reducing equality is discussed in more detail from different perspectives in Chapters 3, 4, 5 and 6.
3. *Enhancing social cohesion.* Inclusive and responsible entrepreneurship contributes to the promotion of social cohesion by integrating people from diverse backgrounds into the entrepreneurial ecosystem. This integration can foster collaboration and understanding between different communities, helping to break down barriers and build stronger social bonds. When entrepreneurs work together across differences, they can create a more inclusive environment that benefits everyone. Ideas for strengthening social cohesion through inclusive entrepreneurship are presented in Chapters 3, 4, 5 and 7.
4. *Promoting sustainable development.* Inclusive and responsible entrepreneurship emphasizes ethical practices and sustainability, ensuring that business activities contribute positively to society and the environment rather than causing harm. This approach aligns with global efforts to combat climate change and address pressing social challenges by prioritizing long-term societal and environmental well-being over short-term profits. Responsible entrepreneurs play a pivotal role in creating innovative solutions that meet market demands and advance broader sustainability goals. Chapters 4, 5, 6 and 8 highlight different ways and approaches to promoting sustainable development by inclusive and responsible entrepreneurship.
5. *Driving innovation.* Innovation is important for development and adapting to new circumstances. The diverse perspectives created

through inclusive and responsible entrepreneurship can lead to more innovative solutions to actively address present and future societal challenges. Entrepreneurs from diverse backgrounds often recognize unique community problems, leading to the development of products and services that better meet local needs. This innovation not only improves market offerings but also makes a positive contribution to society. Chapters 3, 4, 5, 6 and 8 show how innovation that is based on an inclusive and responsible approach to entrepreneurship can be implemented and promoted in different areas of society.

6. *A means of tackling internal and external crises.* Inclusive and responsible entrepreneurship is also seen as a crucial approach to better tackling the multiple crises that companies and society face. These crises, which are usually interlinked and occur simultaneously, can only be tackled together, and everyone should have the opportunity to make an active contribution, regardless of their background. Furthermore, these challenges also require sustainable solutions to increase the chance that they will help many and not just a few. Chapters 2, 3, 4, 5, 6 and 8 emphasize the crucial role of inclusive and responsible entrepreneurship in creating crisis-aware citizens and thus societies.

Barriers to and Enablers of Inclusive and Responsible Entrepreneurship

Inclusive and responsible entrepreneurship is influenced by various factors that can either hinder or promote its development. Below are some barriers and enablers.

Barriers

1. *Access to capital.* Under-represented entrepreneurs often need help to obtain funding due to discriminatory lending practices and limited access to networks that connect them with investors. This financial barrier affects their ability to start and grow a business (Frid et al., 2016; Leitch, Welter and Henry, 2018).
2. *Bias and discrimination.* Bias – whether overt or subtle – can manifest in various forms, influencing how entrepreneurs are perceived based on their gender, race or socio-economic status. Such biases can lead to unequal opportunities and resources, further marginalizing under-represented groups (Conley and Bilimoria, 2022; Song, Mellon and Shen, 2020).

3. *Limited networks and mentorship.* Many aspiring entrepreneurs need access to robust professional networks and mentorship opportunities. With connections to experienced mentors who understand their unique challenges, these entrepreneurs may find it easier to navigate the business landscape effectively (Javadian, Opie and Parise, 2018; Neumeyer et al., 2019).
4. *Educational and skill gaps.* Disparities in education and training can hinder the entrepreneurial potential of individuals from disadvantaged backgrounds. Limited access to quality education restricts their ability to acquire essential skills required for successful business management (Krieger et al., 2022; Yasin and Hafeez, 2023).
5. *Cultural and societal expectations.* Cultural norms and societal expectations can impose additional challenges for women and individuals from specific backgrounds. These expectations may discourage entrepreneurship or create additional hurdles that must be overcome (Weiss et al., 2023).

Enablers

1. *Supportive policies.* Government initiatives to promote diversity and inclusion can significantly improve opportunities for under-represented entrepreneurs. Long-term policies that provide targeted funding, training and resources help to level the playing field (Blackburn, Do and Kasperova, 2018; Malhotra et al., 2024).
2. *Access to mentorship programmes.* Establishing mentoring programmes that bring together diverse entrepreneurs with experienced business leaders can provide important guidance and support. These programmes help close knowledge gaps and reservations and foster a sense of community among entrepreneurs (Assenova, 2020; Elliott, Mavriplis and Anis, 2020).
3. *Awareness and training on bias.* Educating society about unconscious bias can help to reduce discriminatory practices in the entrepreneurial ecosystem and everyday interactions. Training initiatives aimed at promoting inclusion can create a more equitable environment for all entrepreneurs (Song et al., 2020).
4. *Leveraging technology.* Digital technologies can democratize access to entrepreneurial resources by providing online platforms that offer tools, information and networking opportunities to a wider audience, regardless of geographic location or background (Elia, Margherita and Passiante, 2020).

5. *Collaboration among stakeholders.* Partnerships between governments, educational institutions, nonprofits, and industry associations can pool resources and share knowledge to implement effective initiatives supporting inclusive and responsible entrepreneurship (Geraghty et al., 2022).

CONCLUSION

The aim of this chapter has been to lay the foundation for understanding the core concepts of this book, *Inclusive and Responsible Entrepreneurship in a Turbulent Era*. The introduction to the underlying concepts of inclusive and responsible entrepreneurship emphasizes its transformative potential for addressing some of the most pressing crises and adversities of our time.

Entrepreneurship that has inclusivity and responsibility in its DNA means a fundamental rethinking of how companies and their ventures operate. This entrepreneurial approach challenges entrenched inequalities, prioritizes long-term social and environmental impact over short-term gains, and actively promotes the resilience and adaptability that are critical in an unpredictable global landscape.

In light of the book's title, the concept of crises also plays a key role in understanding the urgency of inclusive and responsible entrepreneurship. Crises, whether sudden or smouldering, 'disrupt' existing systems and require innovative and adaptive solutions. Inclusive and responsible entrepreneurship is better able to recognize and overcome the multilayered challenges of crises. It provides the approaches to weather these storms while offering a path to social renewal and transformation. As inclusive and responsible entrepreneurship incorporates diverse perspectives, opinions and ethical considerations into the entrepreneurial process, solutions that are equitable, sustainable and future-orientated become possible.

The discussion of barriers and facilitators highlights the systemic nature of this type of entrepreneurship and the need for comprehensive support structures to promote it. This chapter has highlighted the interplay of different factors that hinder or facilitate this approach, from access to capital and mentors to the role of public policy and technological innovation. By identifying these aspects, it becomes clear that achieving inclusive and responsible entrepreneurship requires a concerted effort from numerous actors, including governments, the media, private companies, educational institutions and civil society.

The following chapters delve deeper into the themes introduced here, exploring them in greater detail and offering practical and forward-looking insights, highlighting the relevance and impact of inclusive and responsible entrepreneurship. By the end of this book, readers will have a comprehensive understanding of the transformative potential of inclusive and responsible entrepreneurship. Whether you are an entrepreneur seeking to align your business with ethical principles, a policymaker striving to create equitable opportunities, or a scholar interested in the evolving landscape of entrepreneurship, this book offers diverse perspectives and inspiration.

In a time of uncertainty and complexity, the principles of inclusive and responsible entrepreneurship are not just ideals, but commandments. Enjoy reading the next chapters!