

Chapter 2

Smart Citizens, Wise Decisions: Sustainability–Driven Tourism Entrepreneurs

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ABSTRACT

This chapter takes as its research starting point a critical and convergent review and reexamination of existing theory and knowledge about entrepreneurship and sustainability. We question whether smart cities provide the ideal context for sustainability entrepreneurship (SE) to emerge and how sustainability-driven entrepreneurs can contribute to the development of smarter and more sustainable tourism destinations. Hence, we examine SE tourism and hospitality businesses implemented by these so-called ‘smart citizens’ in Lisbon (Portugal), a city that arguably provides the necessary context for smart decisions to flourish. This chapter thus aims at opening up new modes of inquiry and questioning existing epistemologies on the study of smart cities and entrepreneurship that help breaking new ground about the role of entrepreneurs in the tourism activity.

INTRODUCTION

Most societies are nowadays facing a paradoxical situation. On one hand, sustainability is arguably the main concern of the current and certainly many future generations at a global scale. On the other hand, the pressure to create jobs and guarantee reasonable well-being for populations has led to the belief that entrepreneurship lies at the forefront of economic development. However, continuous economic growth is many times viewed as unsustainable, at the environmental level and many times also at the social level. Is there a way to overcome this paradox? Some scholars propose sustainability entrepreneurship as a possible compromise. This principle understands sustainability in all its forms and goes hand in hand with a focus on companies’ responsibility towards the planet, society and the consumer.

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This chapter will question whether smart cities provide the ideal context for sustainable entrepreneurship (SE) to emerge and how sustainability-driven entrepreneurs can contribute to the development of smarter and more sustainable tourism destinations. Hence, we will examine grassroots initiatives undertaken by these so-called smart citizens within the context of tourism and hospitality in Lisbon, the capital city of Portugal, which we believe that, although it is not considered as a smart city according to the standards defined by the EU (European Parliament, 2014), presents, nevertheless, the cultural and creative entrepreneurial context that facilitates the development of innovative ideas. Indeed, Lisbon has been accoladed as one of the most attractive European capital destinations which has led to the development of many tourism-related businesses in recent years, many of which showing sustainability concerns and a reinvention of Portuguese traditions.

Entrepreneurship: Opportunities, Entrepreneurs, and Effects

For the last two decades, more and more researchers have become interested in entrepreneurship following the work of Schumpeter (1934) and Kirzner (1973). However, entrepreneurship has been considered as an elusive concept (Carree & Thurik, 2003; Shane & Venkataraman, 2000). Some of the difficulties around the concept rest on the fact that many scholars define entrepreneurship in relation to the entrepreneur. However, two phenomena are involved in entrepreneurship –

- The entrepreneur and
- The existence of an opportunity.

A common definition of entrepreneurship is that advanced by Shane and Venkataraman (2000):

Entrepreneurship focuses on identifying new opportunities for creating value for customers or users, and commercially developing those opportunities to establish a profitable business.

We argue, however, that entrepreneurship does not have to be limited to business creation. Wennekers and Thurik (1999) propose that entrepreneurship is the manifest ability and willingness of individuals or teams, within an established organization or independently, to perceive and create opportunities, albeit facing uncertainty and other obstacles, and to introduce their ideas in the market, by making decisions on location, form and the use of resources and institutions. Entrepreneurship is not synonymous to new business creation, neither is the entrepreneur synonymous to a business owner. For instance, intrapreneurs¹ are a type of entrepreneurs.

In the entrepreneurship literature, three roles are usually attributed to entrepreneurs:

1. The role of the innovator – the individuals whose function is to carry new combinations are called entrepreneurs (Schumpeter, 1934);
2. The role of perceiving opportunities (Kirzner, 1997); and,
3. The role of assuming risks (Knight, 1921).

By performing these roles, entrepreneurs have a relevant effect on economic growth, as it has been demonstrated by several empirical studies (Audretsch & Fritsch, 2002; Carree & Thurik, 1998, 1999).

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