Sustainable and Social Entrepreneurship

Editorial
Sustainable and Social Entrepreneurship – Drivers of a Sustainable Development

Report
Business Models for Sustainability – A new Perspective for Research on Corporate Sustainability

Report
Innovations for Sustainability by Stakeholder Integration

Report
Social Entrepreneurship Education: Students established Ashoka Youth Venture Lueneburg

Report
A “Social Change Hub (SChub)” – Creating Social Competencies and Fostering Students’ Social Entrepreneurial Ventures
Sustainable and Social Entrepreneurship

Editorial
Sustainable and Social Entrepreneurship – Drivers of a Sustainable Development

Report
Business Models for Sustainability – A new Perspective for Research on Corporate Sustainability

Report
Innovations for Sustainability by Stakeholder Integration

Report
Social Entrepreneurship Education: Students established Ashoka Youth Venture Lueneburg

Report
A “Social Change Hub (SCHub)” – Creating Social Competencies and Fostering Students’ Social Entrepreneurial Ventures

Short Reports

New Books

The Centre for Sustainability Management (CSM) is an international competence centre for Sustainability Management at the Leuphana University of Lueneburg, Germany. It is headed by Prof. Dr. Stefan Schaltegger and currently employs 30 researchers trained in environmental sciences, business management and economics.

CSM conducts theoretical, transdisciplinary and practice-oriented research projects. It offers the first world wide distance learning MBA in Sustainability Management and is involved in several national and international education programmes. Furthermore, CSM organises knowledge and know-how transfer in corporate sustainability management.

The research projects of CSM deal with: “Fundamentals of Corporate Sustainability Management”, “Measurement, Information, Accounting and Communication”, “Management of Stakeholder Relations” and “Integrative Sustainability Economics and Management”.

Contributions with a specified author do not necessarily reflect the opinion of the CSM.

Copying and printing are allowed under the following conditions:
Please quote the CSM-Newsletter and send a copy to CSM.

IMPRINT
Publisher
Centre for Sustainability Management (CSM)
Prof. Dr. Stefan Schaltegger
Leuphana University of Lueneburg
D-21335 Lueneburg, Germany

Editor
Alexander Wall
Tel: +49 (4131) 677-2224
Fax: +49 (4131) 677-2186
wall@uni.leuphana.de

Language Support
Vivian Schaltegger

Layout
Stefan Behrens
stefan.behrens@gmx.de

Photos
Leuphana University of Lueneburg,
Press-Office & CSM

Free Download (PDF)
www.leuphana.de/csm

ISSN: 1614-2403
Sustainable and Social Entrepreneurship – Drivers of a Sustainable Development

The possibilities of governmental organisations, political programmes and legal regulations are often more limited than what is perceived whereas the creative and shaping role of companies and entrepreneurs is mostly underestimated with regard to sustainable development. It requires more than just progressive changes to existing patterns of production and consumption to achieve sustainability. Instead, there is a need for fundamentally new solutions in the way of doing business and governing our economies. Imperfections and failures in the markets as well as in the public sector demand entrepreneurial activities that propose social and environmental improvements. Consequently, corporate sustainability needs also to be discussed from an innovative and entrepreneurial perspective. Thus, this newsletter is dedicated to sustainable and social entrepreneurship.

In economic theory, the concept and function of entrepreneurship has been discussed since the 18th century. Affected by the pre-classical French works, entrepreneurship is etymologically ascribed to the term “entreprendre” (in English: to begin, embark upon and set about). This could be interpreted as a request to act.

In spite of enduring discourses for more than 200 years, including economic approaches as well as sociological and psychological paraphrases of the subject, there is no consistent scientific definition, so far. The entrepreneur is a risk bearer, innovator or industrial leader – the discussion is often focussed on personal characteristics of entrepreneurs. However, there are also functional points of view that refer to the societal functions of entrepreneurship. Such dynamic functions are e.g. “assuming risk associated with uncertainty” (Knight 1921), “enforcing innovation” (Schumpeter 1934), “discovering of arbitrages” (Kirzner 1978) or the “coordination of resources” (Casson 1982).

In this regard, the one important difference between conventional entrepreneurship and sustainable entrepreneurship could be that innovation, for instance in terms of new products, new services, new techniques or organisational modes, needs to essentially reduce negative environmental and social impacts. Yet, this merely describes technological progress. However, a sustainable concept of entrepreneurship has to additionally consider sustainability effects of its core business activities on society.

With regard to Schumpeter, sustainable entrepreneurship is understood as “creative destruction” by destroying conventional production methods, products, market structures and consumption patterns, and substituting them with superior sustainable solutions. Sustainable entrepreneurs are actors and companies who realise market success in the mass market and, at the same time, ensure environmental and social progress in their core business – a constitutive difference to the administration of sustainability issues. This kind of sustainable entrepreneurship can also be noticed in established firms – understood as the spirit and process of creating market success with sustainability promoting products or services.

Contextually, social entrepreneurship describes the innovative allocation of resources to create and sustain social value. According to Ashoka, the world’s largest support network for social entrepreneurs, those entrepreneurs are individuals with innovative solutions to society’s most pressing social problems. They are ambitious and persistent, meeting major social challenges and offering novel ideas for wide-scale change.

For the last 15 years, a broad scientific discussion has developed concerning aspects of entrepreneurship in ecological and social contexts. Subsequently, we want to emphasise specific facets of sustainable entrepreneurship that we are researching at CSM: e.g. the promotion of sustainability innovation, business models for sustainability and last but not least social entrepreneurship and its impact on societal transformation.

With this newsletter on sustainable and social entrepreneurship, we hope to provide some insight into our manifold research, education and transfer activities in this important field of corporate sustainability.

Prof. Dr. Stefan Schaltegger
Business Models for Sustainability –
A new Perspective for Research on Corporate Sustainability

Growing interest in business model concepts can be recognized in business and management sciences. Following primarily practical discussions, academic contributions on the relevance of business model concepts are emerging. But so far only little effort has been made to explore whether business model thinking can enrich research on corporate sustainability.

In its program “Research for Sustainability” the German Federal Ministry of Education and Research (BMBF) emphasizes the relevance of research on business models at the intersections of economy and sustainability. The research field “Concepts for sustainability in industry and business” contains the category “Successful business models in a sustainable market economy”. The BMBF argues that technology and management have been oriented too strongly to the structures that have evolved and to existing business models. Therefore, successful “business models for sustainability” are an approach to enable decision-makers in companies to exploit the sustainability potential available in their sphere of influence.

A new perspective

Likewise, more and more researchers from the fields of sustainable entrepreneurship and sustainability management point to the importance of business model thinking. It becomes a relevant factor for corporate sustainability if companies try to improve their sustainability performance with a strategic long-term perspective. Since true corporate sustainability is based on the integration of all three sustainability dimensions into business management, business model transformations might be necessary to secure sustainable operations. But besides such general ideas only a few extensive thoughts can be found in literature, i.e. further conceptual and theoretical work is missing.

An internet enquiry showed that the term “business model for sustainability” is hardly being applied; the BMBF was amongst the first to use it. Some authors propose “sustainable business models” or “sustainability business models”, but the intentions seem to be similar. This CSM research project attempts to contribute to the conceptualization and theory building of “business models for sustainability”. This term is chosen because it shall directly refer to the concept of the “business case for sustainability”. A business case can be realized by well-directed sustainability oriented measures: The idea is to translate voluntary, i.e. beyond legal compliance, and outstanding environmentally and socially oriented measures into economic success. Analogous, a business model for sustainability includes a business logic and architecture that “boosts” the creation of business cases for sustainability.

Starting from a generic concept

Business model cases that are related to sustainability issues stem from different industries, address different problems and reveal different ideas about the roles business models play. Accordingly, choosing an appropriate conceptual basis is a challenging task. A vast literature review was conducted using several meta-studies. Finally, Osterwalder’s (2004) generic concept was chosen as a working basis for two reasons: First, it provides an extensive and systematic synthesis of earlier research on business models and current academic discourses show that his work is of utmost significance. Second, the concept’s foundations belong to management theory and are amongst others influenced by Kaplan’s and Norton’s (1992) Balanced Scorecard approach. Therefore, this generic concept should be familiar to academics and practitioners from the fields of entrepreneurship and business management. Building a bridge to sustainable entrepreneurship and corporate sustainability management seems promising.

What is a business model?

A business model is related but is not equal to strategy. It can be a planning tool but it is not equal to business modelling; it can serve visualization purposes but it is not an organizational chart. A business model is a conceptualization of the “what”, “who” and “how” of business activities that differs from other management concepts and tools because of its holistic and systemic approach. Osterwalder (2004, 15) defines the business model in a complex but condensed way:

“A business model is a conceptual tool that contains a set of elements and their relationships and allows expressing a company’s logic of earning money. It is a description of the value a company offers to one or several segments of customers and the architecture of the firm and its network of partners for creating, marketing and delivering this value and relationship capital, in order to generate profitable and sustainable revenue streams.”

An illustrative case: Shell’s “responsible energy”

In 1997 Shell built up the business unit Shell International Renewables and the business area “responsible energy” which is the company’s locus of corporate sustainability and CSR activities. This area was erected strategically and with great efforts in carrying out wind, solar and bio fuel projects, but in March 2009 chief executive Jeroen van der Veer proclaimed a strategic diminution of investment activities in these fields, except bio fuels. The Times Online cited him as follows, “I don’t expect them to grow much at Shell from here, due to portfolio fit and the returns outlook compared to other opportunities” (http://business.times-online.co.uk; emphases added). According to Porter, this strategic move could be interpreted as a measure to sustain Shell’s
R E P O R T

Business model thinking explicitly asks if and how this and other pieces of a venture fit in; but the impression from Shell’s case is that fit is defined only in strategy terms like “portfolio fit” and “comparative return outlook”. A committed strategy of developing “responsible energy” must instead be complemented by more far-reaching business model planning to create fit between components like e.g. value proposition, customers, infrastructural and financial needs.

Another is like putting “old wine in a new bottle” – a “strategy” that leads to inappropriate expectations and valuations. The strategic what-decision was clearly made, whereas the business model related who- and how-decisions should have gone further. In other words, different strategic positions – like operating huge wind-farms and photovoltaic facilities – require different business models.

Further research

Realizing the business case for sustainability does not only depend on formulating competitive strategy but also on business model effects:

- Strategy decides for a subject of corporate sustainability (e.g. a specific value proposition for a specific market) and has to find answers to the question of how competitiveness and business success can be improved by voluntary and outstanding environmental and social performance.
- A business model configuration which translates strategy into activities and places the chosen subject in an adequate company/environment setting is a precondition for successfully realizing the business case and may therefore be labeled a business model for sustainability.

In some cases the choice of a strategy is a necessary but not sufficient concept. Shell’s decision to invest in “responsible energy” was a sustainability-related strategic move, but the large-scale oriented and shareholder-driven business model did not complement it. Some scholars directly point to this critical relationship of strategy and business models: Following Magretta (2002), neither is the interplay between corporate strategy and business models trivial, nor is a good strategy or a convincing business model alone and in itself a key to competitiveness and success. The interrelations between both concepts are decisive. Their conceptualization is one of the main tasks for further research on business models for sustainability.

Florian Lüdeke-Freund

Contact and further information:
Dipl.-Oec. Florian Lüdeke-Freund
Phone: 04131/677-2522
E-mail: luedeke@unileuhpana.de
Internet: www.leuhpana.de/csm

Further reading:
Innovations for Sustainability by Stakeholder Integration

Innovation drives competitive success in many firms. Moreover, innovation is an essential factor for the realisation of sustainable development. Companies’ environmental and social innovation activities play a major role in local as well as global transformation processes towards a more sustainable future. Due to limited resources and capacities, business actors cannot and should not solve the increasingly complex and intertwined challenges of sustainable development by themselves.

Beyond integrating lead users and suppliers into their innovation processes, co-opetition efforts as well as the integration of stakeholders from different sectors of society can positively contribute to the generation and successful market realisation of innovations for sustainability.

Think differently

Innovations for sustainability require managers to think differently. For an increasing number of cases cooperation is a strategic option to create innovation. It is difficult for a firm to possess all the knowledge and resources required to compete successfully in the long term. Managing the integration of stakeholders (lead-users, competitors, government bodies, research institutes, nongovernmental organisations and financial institutions, etc.) strategically into a firm’s innovation processes can be one of the key elements for the successful generation and realisation of innovations for sustainability. Innovations for sustainability and especially radical systems innovations affect actors from diverging sectors of society. Dealing with these stakeholders does not only mean having to gain their legitimacy but there is also huge potential in terms of resources, skills and capacities to be realised. Hence, it can be advantageous to strategically integrate affected stakeholders throughout the entire innovation process. The various phases of the innovation process such as idea generation, R&D, prototyping as well as market introduction and mass market dispersion can benefit from stakeholders’ knowledge. Besides being a core element of corporate competitive success, these innovations have the potential to make society abandon generally accepted unsustainable paths and walk the talk to novel and possibly unusual yet more sustainable behaviour.

Managing opportunities and risks

Multi-stakeholder initiatives such as the Forest Stewardship Council (FSC),...
the Global Reporting Initiative (GRI), the Global Alliance for Improved Nutrition (GAIN) or the Extractive Industries Transparency Initiative (EITI) are prominent examples as to how cross-sectoral cooperation can lead to novel concepts and solutions for sustainable development. These initiatives take into account the interests of multiple stakeholders from different sectors of society and thus benefit from the ideas and support of involved actors. Considering the innovation process as being embedded into a system of innovation, various actors from within this system can positively as well as negatively contribute to different phases of the innovation process. Hence, innovation management is increasingly about managing opportunities and risks of stakeholder integration when opening up company-internal innovation processes towards integrating external knowledge, ideas and resources. Open-innovation (e.g. Chesbrough 2003), lead-user integration (see e.g. von Hippel 2006), co-operation (see e.g. Bengtsson & Kock 2000) and clustering (see e.g. Porter 2000) are just a few strategic key concepts a sustainability and innovation manager should be aware of and be able to manage effectively.

**Novel means for novel ends**

Despite risks of knowledge-spillover and competitive appropriation coming along with the integration of stakeholders into innovation processes, awareness is substantially growing that the locus of innovation cannot just be internal, but that integration of external resources may lead to much more radical breakthrough innovations. This understanding is of significant importance for the generation and realisation of innovations for sustainability. Sustainable development cannot just bank on mere incremental innovations that resemble an improvement of the means-end relation in already existent structures and markets. In order to prevail over path dependent behaviour Schumpeter's idea of creative destruction should be applied. Hence, revolutionary, functional innovations providing novel means for novel ends with a very high degree of newness and comprehensive change of organisational processes need to be generated. And, additionally to being generated, these innovations need to be realised in the market as well and thus be accepted by stakeholders. Here, stakeholder integration (e.g. by means of lead-user integration, installment of state subsidies or introduction of supportive legislation) can again be ascribed a prominent role in supporting the successful introduction and subsequent dispersion of a social innovation or eco-innovation throughout the mass market.

**Societal transformation and competitiveness through innovations for sustainability**

Besides being a process of technological advancement, innovation, moreover, includes co-evolving social aspects such as new markets, user practices, regulations, infrastructures, cultural meanings, maintenance networks and supply networks. Thus, an innovation for sustainability is characterised as a highly complex and dynamic socio-technical transformation process, which, if successfully facilitated and accepted by stakeholders, could become a system innovation ultimately leading to societal transformation and a more sustainable future. At the same time stakeholder integration into innovation processes requires firms to simultaneously protect and share their stock of knowledge, identify core competencies and to develop strong human resources to manage those core competencies and inter-organisational innovation activities. Hence, innovation for sustainability does not only lead to societal transformation but also plays a prominent role in supporting firms in strategically building core competencies in innovation management and in achieving long-term competitive success. Mechanisms of stakeholder integration and collective learning processes towards the generation of innovations for sustainability are highly dynamic and complex. Thus, further analysis of the related processes is to be carried out in order to identify their full potential and determine success factors for performance management.

Marianne Esders
**Social Entrepreneurship Education: Students established Ashoka Youth Venture Lueneburg**

Social entrepreneurship is emerging as a new buzz word in literature and newsprint. This is partially due to the fact that the Noble Peace Prize Winner of 2006, Muhammad Yunus, received this honour for a social entrepreneurship venture. The remarkable aspect here is often seen in the fact that he received the Peace Prize.

His business idea demonstrated that poor Bangladeshi women are capable of being entrepreneurial as well as responsible enough to pay back credit loans. This concept is now widely known as ‘micro credits’.

Nevertheless, even before Yunus, social entrepreneurship or social business has received attention from scientists. As a newly discovered phenomenon, social entrepreneurship has fostered a vast number of understandings and interpretations and so has social business. Social entrepreneurship is a further development of the entrepreneurship concept. Entrepreneurship stands for new innovative ways to tackle certain issues and markets. One of the more well-known authors is Joseph Schumpeter who developed the concept of creative destruction meaning that new ideas, products or services destroy established and existing ones. In the case of social entrepreneurship, the tackled issues are found in the social sector. Furthermore, social entrepreneurship ventures are not simply addressing symptoms but are focussing on the root of a specific social problem. Consequently, most social entrepreneurship ventures have a social mission that is directly integrated into their core business activities. However, there are many disputed facts such as if a social mission has to be a separate venture or can be included in an existing one, if it can rely on donations or needs to be self-sufficient and so forth.

Another unclear issue concerns the following terms: Social business and social entrepreneurship. As a form of social entrepreneurship or as a concept that parallels social entrepreneurship. For organisations such as Ashoka and Schwab Foundation which financially and knowledge wise support social ventures, social businesses are self-sufficient and thus, do not need any donations or other outside support.

“Ashoka: Innovation for the Public” was founded in 1981 by W. Drayton, a former McKinsey employee. Ashoka is a worldwide non-profit organisation that fosters social entrepreneurs through social venture capital. Every year, a number of outstanding social entrepreneurs are nominated as Ashoka Fellows. With this honour comes the access to finance, know-how and a worldwide network. Up to now, roughly 2,000 social entrepreneurs have become Ashoka Fellows. These Fellows can be found in about 70 countries including Brazil, Canada, Germany, India and the USA. Some of the more well-known fellows are M. Yunus and its Grameen Bank, Zackie Achmet who provides affordable AIDS medicine and Sakeene Jacoobi, founder of the Afghan Institute of Learning.

As a vast number of social entrepreneurship ventures are dealing with some kind of youth-related issue, Ashoka Fellows and Ashoka decided to found Ashoka Youth venture which supports projects of adolescents between the age of 12 and 20. The main objective is to empower juveniles by showing them that they can change their surroundings for the better. This falls under the general slogan of Ashoka “Everyone’s a Change Maker”. With their programme “Ashoka Youth venture”, Ashoka wants to foster entrepreneurship education at a young age so that, once grown up, these adolescents will become social entrepreneurs.

Ashoka Youth Venture is established in about 17 countries and its German subsidiaries are located in Berlin, Friedrichshafen, Stuttgart and, only very recently, in Lueneburg. The Leuphana University Lueneburg started cooperating with Ashoka Youth Venture in late 2008. The kick-off event outlined the initiative itself and enabled students to receive answers to their questions. Afterwards, students were acquired to establish the initiative on campus as well as to execute a trial run.

The Ashoka Youth Venture concept consists of several steps. During the first step, young adults (21-years) participate in the so-called “Train the trainer”-workshop to qualify as official ‘Ashoka Trainers’. As the trial run was integrated into a seminar conducted by CSM staff Anica Hähnel, all participants were students.

In a second step, the Ashoka Trainers spread out to acquire juveniles willing to participate in this programme. After having acquired a sufficient number of adolescents, the students (Ashoka Trainees) execute 3 “Dream it, do it” workshops with them. During these workshops, Ashoka Trainers help adolescents to find out what it is they want to change in their surroundings and to guide and assist them in finding solutions to these societal problems. The most important factor here is that the trainers take a more passive role and do not make any suggestions. They merely react if proposals made by the teams are too farfetched or not compatible with the maximum amount of funding of 800 €. After the teams of juveniles have determined their idea and the resulting project, they are required to write a miniature business plan (“action plan”) including a project outline, finance plan, naming an adult coach who will assist during implementation as well as the social benefits derived from the project.

This action plan is then presented during a jury session. The aim of these jury proceedings is to compare the projects with the criteria set by Ashoka Youth venture including innovativeness, strong team, feasibility and sustainability (here: more in the meaning of long-lasting). In contrast to ordinary jury sessions, the goal is to present all teams with the funding they require.

The first jury session in Lueneburg took place on 22nd June 2009. The jury
REPORT

consisted of four members: one Ashoka Youth Venture representative, two CSM staff members and one staff member of the chair of entrepreneurship.

The students participating in the seminar were responsible for all tasks surrounding the jury session including photography, setting up, looking after the adolescents during off-times as well as for catering. Due to the fact that it was a trial run there were only two participating teams: “Save the skate park Sülzwiesen” and “no rubbish cotton no plastic”.

The first team aims to rebuild a formerly well-known skate park in Lueneburg. By doing so, they hope to offer teenagers and young adults of Lueneburg and the surrounding villages an improved choice of leisure activities.

Furthermore, they aim to promote more social exchange while skating. The team had a sound financial plan and had already spoken to the manager of a hardware store and had bargained better prices for the required timber. Additionally, they found a way to transport this timber for free and had permission from their parents to borrow the necessary tools. The team convinced the jury with their enormous drive and enthusiasm.

The second team aimed to exchange one plastic bag of every pupil of their school with one green bag. By doing so, they wanted to increase awareness of the pollution impact of plastic bags. Unfortunately, this team could not be sponsored by Ashoka Youth venture as this constitutes a one-off event. However, the team was encouraged to rethink their idea and to include aspects such as informative events throughout the school year and to apply again.

Overall, the trial run of Ashoka Youth venture Lueneburg was successful. Consequently, the university will continue its cooperation with Ashoka for the following semesters.

Anica Hähnel

Contact and further information:
MBus Anica Hähnel
Phone: 04131/677-2212
E-mail: haehnel@uni.leuphana.de
Internet: www.leuphana.de/csm
A “Social Change Hub (SCHub)” – Creating Social Competencies and Fostering Students’ Social Entrepreneurial Ventures

To enhance the social structural change and provide new ways of solving social problems, social entrepreneurs play an increasingly important role. Public institutions and non-governmental organisations need support of innovative entrepreneurial ventures that can combine market-induced economic necessities with socially focussed products and services. This requires an advanced entrepreneurship education that also concentrates on social and ecological issues and the specifics of social and sustainable entrepreneurship.

In the last ten years several universities have launched competence centres to promote the advancement of social entrepreneurship from an academic direction. Established examples are the Skoll Centre for Social Entrepreneurship of the SAID Business School at the Oxford University, the Centre for the Advancement of Social Entrepreneurship (CASE), Duke University, or the Center for Leadership and Values in Society (CLVS), University of St. Gallen. However, to foster social business activities the Leuphana University of Lueneburg also starts to employ teaching staff, mobilize contact persons and restructure their curricula towards a profound social entrepreneurship education. For now, several seminars have picked up the scientific discourse on these topics and a junior professorship will be implemented in this autumn.

Contextually, the project „Social Change Hub (SCHub)” will be launched at Leuphana University of Lueneburg. It will constitute an interdisciplinary centre of excellence and communication for social entrepreneurship which shall predominantly be organised by students and merely supported by university staff.

A hub describes a telecommunication appliance that physically connects routers of a network. Thus, SCHub will be a central access point for education and research in the realm of social entrepreneurship.

For more than ten years, research on social entrepreneurship has discussed issues such as: how to start up and manage social projects as well as how to do this in a financially self-sufficient and economically sustainable way. This can, for example, be realised through innovative financing models (e.g., mixed funding through membership fees, donations, subsidies, public social investments). An alternative could be complementary business models in which products and services are sold and revenues are reinvested in the initiated social projects. SCHub aims at motivating students for topics of social entrepreneurship and helping them to realise their own ideas and projects.

Concrete objectives of SCHub are:
• improvements of education through innovative and progressive courses (entrepreneurship, social change theories)
• improvements to mentoring and support of students by centralising the realisation and promotion of social entrepreneurship projects
• networking between existing social initiatives on campus, regionally and, in the medium term, internationally
• networking between institutes of the university (e.g., Start-Up Lab (Gruendungslabor), Centre for Sustainability Management (CSM), Institute for Environmental Education (INFU), umbrella association of the students’ initiatives (DSI), institutes of education (related to the topic)
• networking with other university social entrepreneurship labs (e.g., Harvard Business School, University of St. Gallen, University of Liechtenstein) and non-university hub initiatives (Berlin, London, Brussels)
• enhanced communication of the students’ social commitment (professionalised PR support)

Improvements of education
SCHub will develop and organise diverse courses within the Leuphana Bachelor and it will hold extra-curricular events to grant access for all students. In those courses and events, the concept of social entrepreneurship will be taught, discussed, implemented and advanced. Students will be advised on societal issues (e.g., poverty, discrimination or xenophobia, low educational opportunities for marginal groups). With respect to the concept of “service learning”, students should learn how to challenge those problems sustainably and innovatively. In addition, students will learn interpersonal skills which will gain project experience as well as methodological competencies. This will lead to a higher “project culture” on campus. Finally, students should be given the opportunity to write their bachelor and master theses in this subject area.

Improvements to mentoring and (peer) support
SCHub shall become an access point for students who want to get involved with societal development. Students will be offered practical as well as scientific support during idea creation and idea realisation processes. Extra-curricular information meetings, workshops and competent contact persons (peer supporters) should lead for a fast project implementation and can assure a continuous mentoring after the end of seminars and courses.

Communication of the subject area
With the project SCHub, the topic of need for social entrepreneurship will be communicated on campus and externally. To announce and communicate SCHub, a competition for social entrepreneurial students and a bulletin are planned.

Outlook or Milestones of SCHub
• Networking with external project partners. A first step is done. The Youth Venture Initiative by Ashoka shall be established on campus. In a seminar students were trained to act as trainers for youth social projects. Further cooperation with NGOs and nonprofit companies is planned.
• Interactive exchange. To increase the perception and recognition of SCHub an interactive web presence shall be developed. Such a website needs to
support web 2.0 elements like forums and wikis.

- **Public Relation and involvement of existing initiatives.** Furthermore, a yearly bulletin covering reports of current students’ initiatives on the campus and fostering scientific discourses in the realms of sustainable and social entrepreneurship shall be published.

- **Advancement of curricula.** SCHub shall emphasize the relevance of innovative, practice and project-oriented university courses. Especially, it shall provide a participative development process of university managed student projects.

**Alexander Wall**

---

**Dr. Markus Beckmann holds the new Junior Professorship ‘Social Entrepreneurship’**

“Everyone is a change maker.” This is how Bill Drayton, founder of the organisation Ashoka, put a central idea behind the concept of social entrepreneurship. At the same time, this very idea explains the background against which Leuphana University has decided to promote social entrepreneurship as a field of scholarly research, academic teaching, and student involvement. Taking a leading role among German universities, Leuphana University Lueneburg has now created a new position at the Centre for Sustainability Management. In November 2009, Dr. Markus Beckmann has filled this new position as junior professor for social entrepreneurship.

Like Bill Drayton, Markus Beckmann believes that everyone can be a change maker. Not surprisingly, social entrepreneurship combined with corporate citizenship and business ethics have long been his key research interests. He has published his research in a number of journals ranging from “Ökologisches Wirtschaften” to “Business Ethics Quarterly”. In 2009, Dr. Beckmann received his PhD in business and economic ethics from Martin-Luther-University Halle-Wittenberg. Drawing on institutional economics, his doctoral thesis looks at how individuals, organisations, and companies can address unmet societal challenges through the entrepreneurial creation of value. In addition to his research, Markus Beckman spent two years working at the Wittenberg Center for Global Ethics, a civil society platform for dialogue between political actors, the civic sector, and business corporations.

At Leuphana University, Markus Beckmann will work to give social entrepreneurship a distinguished profile in the fields of research, teaching, and student involvement. For him, the idea that everybody can be a change maker will be influential in all three fields. In its research, the junior professorship will look both at social entrepreneurs as individual change agents as well as at the potential of social intrapreneurs within existing civil society and business organisations. As for teaching, the junior professorship’s central objective is to assist students from all disciplinary backgrounds to acquire conceptual tools and management competencies that empower them in their capacity as future change makers.

Finally, social entrepreneurs are not (only) dreamers but above all doers. This is why the junior professorship is dedicated to fostering and supporting practical student involvement through SCHub, the Social Change Hub at Leuphana University, in the form of student run entrepreneurial ventures as well as service learning. The vision is thus to create an environment that inspires not just the few but the many to be a change maker.

Contact and further information:

Prof. Dr. Markus Beckmann
Phone: 04131/677-2167,
E-mail: markus.beckmann@uni.leuphana.de
Internet: www.leuphana.de/csm
Sustainability Challenges for Export

Foreign trade is an essential part of Germany’s economy. Most exports are with OECD countries. However, the share of developing and newly industrialized countries is increasing. Some export transactions with developing countries imply high commercial and political risks for exporting companies. This is why the German federal government supports exports of German companies by offering financial risk coverage for their foreign trade activities. When making a decision whether to cover export transactions, ecological and social issues are of paramount importance for the German government. The environmental and social assessment procedure is governed by an OECD’s recommendation (the so-called “OECD Common Approaches”).

CSM analysed the OECD and German framework of the current environmental and social assessment procedure and its effects on the competitiveness of German companies in the utilities and infrastructure development sector. The analysis starts from the observation that some German companies judge this assessment procedure as a competitive disadvantage because their low-cost competitors from non-OECD countries like China are not subject to the same requirements. The focus on core competition issues between exporting companies from Germany and China allowed for a better understanding if and how the OECD Common Approaches could support the creation of a business case for sustainability for German companies.

To increase competitiveness, German export companies should rather focus on differentiating competitive strategies and quality leadership. CSM developed innovative business and financing models based on efficiency advantages and Clean Development Mechanisms (CDM). Such efficiency-advantage based approaches can help German companies to create competitive advantage.

Furthermore, a possibility to create attractive financing and insurance packages is to establish a Clearing House which coordinates the different assessment procedures of banks and insurance companies for exporting companies.

From a long-term perspective, the German government is challenged to actively support the international harmonization between OECD and non-OECD countries.

Matthias Schock

Sustainability Management in Public Administration

The public administration is an important player for Germany’s sustainable development. Whereas sustainability management is mostly discussed in the context of corporate performance only, the focus of this project is laid on the potentials of sustainability management in Germany’s public administrative sector.

To find out about further potentials to improve the performance of the public sector the German Council for Sustainable Development (Rat für Nachhaltige Entwicklung der Bundesregierung) supports this project. Its aim is to identify and systematise methods of sustainability management for the public sector.

In Germany, public administration is a group of actors with vital importance for the promotion of sustainable development. Many fields of action exist which provide potential to foster sustainable development, as e.g. in the field of green purchasing, mobility or facility management.

In this report, CSM describes important management tools and their potential to foster sustainability in the German administrative sector. The survey of the “methodological tool box” starts with the identification of particularities of public administration and various potential actors and their fields of action to promote and implement sustainability issues within the public body and beyond.

Approaches from corporate sustainability management are analysed whether they could be useful to decision makers in public management pursuing sustainable development. Adaptations and areas of application are discussed for each management tool as well as strengths and weaknesses in the context of public administration.

Astrid Müller
Developing New Markets for Biomass: An Eco-Efficient Approach of Dehydrating Agricultural Biomass

An objective of public energy and environmental policy is to increase the amount of biomass used for energetic purposes. One strategy is to exploit moist agricultural biomass as a resource for renewable energies. But such biomass causes problems for transport and storage, especially if it is supposed to be processed in industrial scales. New markets for biomass like grass, silage or by-products from rural conservation have to be developed to contribute to a diversified energy supply.

In this research project an eco-efficient technique is developed to reduce the water content through mechanical pressure. Based on the technical development of a screw-extruder for processing grass silage different value chains and markets are explored. Two products result from this technical process: dehydrated solid matter and a fluid. The water content of the solid matter is reduced from about 70% to 40%. Downstream drying through rejected process heat provides a further reduction of water content to less than 30%. The solid matter can be used as combustible, for “Biomass to Liquid” production (BtL production) or as physical raw material. Economic comparisons show that the solid matter competes with wood chips and straw. Given a purchase price of currently 45 € per tonne of grass silage, the total costs of the process amount to 130 € per tonne of solid matter. The silage price is crucial to the cost structure; therefore a low purchase price substantially leverages the economic success. Based on the developed dehydration process, new biomass markets, value chains and business models were developed for materials with a currently low demand and value added.

Additionally, the fluid was tested as a resource for biogas production. Chemical analyses demonstrate that it possesses advantageous characteristics e.g. compared to slurry. Because of its low energy density transport distances should be short. So far, there is no market for the fluid; approaches to new markets, e.g. ecological fertilizer, are evaluated in this project.

Although the volatile and regionally specific markets complicate drawing general conclusions it could be shown that the developed dehydration process can stimulate new regional biomass markets for currently unattractive resources. New markets, value chains and business models can be designed according to the characteristics of the developed energy- and cost-efficient extrusion process. The project will be finished in Spring 2010.

Florian Lüdeke-Freund

A transatlantic Line to CSM: The Latin-American Class of the MBA Sustainability Management

Three years ago, CSM launched together with InWEnt (Capacity Building International, Germany) the first Latin-American class of the MBA Sustainability Management. We are proud that 15 participants successfully completed their studies. In December 2008, Jordis Grimm and Torsten Klinke, as representatives of the CSM MBA team, handed over the Diplomas to the graduates in Cartagena de las Indias in Colombia. On the occasion of a networking event of InWEnt the participants of the first Latin-American class came together and reported on their professional and personal development. For many of them the MBA and the experience in Germany served as a career booster. The participants work as change agents and multiplicators in their enterprises and organisations, thereby contributing to a more sustainable development of their regions.

In March 2008 fifty new participants from Latin-America started with the six month long introduction course “Sustainability Management”. This course was held in Spanish and Portuguese in an e-learning format. After a four day selection workshop in August 2008, twenty-two participants were selected for the whole MBA programme.

Most students of the Latin-American class are at the same time InWEnt fellowship participants in the “International Leadership Training”, with in-depth German courses, a four-month internship and additional seminars. Apart from studying the MBA modules the participants are collecting experiences in German enterprises. The students return to the Leuphana University in autumn to complete a “six weeks on campus phase” before they enter the final stage with a transfer project in their home country and their master thesis.

Jordis Grimm

Contact and further information:
Jordis Grimm, Torsten Klinke
Phone: 04131/677-2539, 04131/677-2525
E-mail: grimm@uni.leuphana.de, klinke@uni.leuphana.de
Internet: www.leuphana.de/csm
NEW BOOKS

2009


2008

NEW BOOKS


Since the publication of the report Our Common Future in 1987 by the World Commission on Economic Development (WCED), the term sustainable development has seen wide use, and is generally defined as a practice to meet the needs of the present without compromising the ability of future generations to meet their own needs. The WCED asserted the simultaneous adoption of environmental, economic, and social principles to pursue sustainable development.

This book makes an attempt to reply to the WCED’s effort in higher education in Korea. On the higher education and university education level, a broad range of topics are covered under different faculties and departments. As a result, students encounter some difficulties to obtain a clear and systematic picture what is sustainable development in the society. The book introduces the paradigms of science and economics in the Western and the Oriental sphere. With a social science approach, the authors explore the paradigm shift since the 15th century and sustainability issues of sustainability in our society. The book covers social developments, trade and economy, business and the environment, business paradigms, philosophical issues in the Western and the Oriental world, and educational development and approaches for a sustainable society.
How should markets and organisations be designed to lead economic activities to more efficient results? Under which circumstances does the market fail as co-ordination mechanism and how can its functionality be assured? Which influence should the governance exert? On an economic level as well as on inter-company and intra-company levels the articles of this book are looking for perfect market designs. A multitude of objectives of investigation e.g. regulation of the energy market and rail traffic, corporate governance, remuneration schemes or auctions are discussed with diverse research methods. This book is based on a conference of the student council of the economic and social sciences of the Cusanuswerk in November 2007.

Wind power can play an important role within the electricity supply in developing countries. Until now a boom within the sector in South America can not be observed despite excellent wind conditions and first promotion schemes. The rivalry to conventional energies and the little availability of wind turbines have a negative impact on the development of wind power in the region. Additionally, the existence of a public promotion scheme is not a positive driver per se. However, sector affiliated companies should rely on personal contacts, academic degrees and language skills as positive impact factors for further growth.

Social aspects like child labour, equal opportunities, corruption and demographic transition are becoming increasingly relevant for corporate success. But up to now there is no theoretically well-founded concept that allows companies to manage these topics systematically. This doctoral dissertation firstly analyses characteristics of social sustainability and strengths and weaknesses of approaches for management control and social management. Based on this a new concept is developed that allows companies to manage the climate-related business risks and maintain the long-termed business success.

The economic and financial consequences of the climate change are becoming increasingly perceptible: Today but especially in the near future corporations will be affected by direct risks and costs, for example caused by extreme weather events. This could concern diverse market areas. Companies need to face the depreciation of their consumers or disarrangements of market demand as well as political regulations on CO₂ emissions or the loss of legitimation and reputation within the society. Despite these problems the climate change implies also economic and competitive advantage potentials for future-oriented companies, which requires adequate strategic management methods. This Book covers a corporate climate risk management concept (CCRM) that can support companies to identify and manage the climate-related business risks and maintain the long-term business success.