1. Introduction

Laura J. Spence, Jedrzej George Frynas, Judy N. Muthuri and Jyoti Navare

Business is as much part of the social and ecological environment as it is of the economy. When we understand businesses not only as wealth creation mechanisms but also as inter-related, co-dependent structures that constitute part of the fabric of the community, we can begin to understand the full nature of their responsibilities. Nowhere is this put into sharper relief than in the case of small businesses.

The vast majority of businesses in every region of the world are small. This means that they contrast pointedly to the large multinational enterprises that dominate research, teaching in business schools and the caricature of business conveyed in the media. While large, well-resourced global corporations such as L'Oreal, Unilever and Levi's are generally what come to mind when business is mentioned, it could be argued that what we should be thinking about are businesses such as the small perfume factory in France that produces perfumes on behalf of L'Oreal, the independent retailer in Argentina that sells Cif cleaning products produced by Unilever or the small workshop in Bangladesh that cuts the fabric for export to a factory in Cambodia, which in turn assembles it into jeans for Levi's. In short, 95% of private sector businesses globally are defined as small or medium sized enterprises (SMEs) (International Trade Centre (ITC), 2015). Even this figure is conservative, since it does not include businesses in the huge but largely unaccounted for informal sector, which are also most likely to be smaller organisations, often categorised as micro businesses (ITC, 2015). Such informal enterprises are especially prevalent in countries that exhibit lower levels of economic development (Ayyagari, Beck and Demirgüç-Kunt, 2007) but a greater need for firms to contribute to social welfare (Blowfield and Frynas, 2005). The important role played by both formal and informal small firms in their communities is well recognised by policy makers in the World Bank and the European Union (EU), which distribute billions of dollars annually for the development of such firms (Ayyagari, Beck and Demirgüç-Kunt, 2007). It is the social responsibility of these smaller organisations from around the world, and how best we can understand and research them, which is the focus of this book.

Over the years, Edward Elgar has published important research handbooks on small business (Chell and Karataş-Özkan, 2014), on sustainable cooperatives (Mazzarol et al., 2014), on social entrepreneurship (Fayolle and Matlay, 2010) and on the social responsibility of business in general (Örtenblad, 2016). However, none of these books has specifically looked at Small Business Social Responsibility (SBSR). In fact, there is no comparable research handbook on SBSR on the market and our book is intended to fill this notable gap.

The existing research handbooks on sustainability and social responsibility largely concentrate on developed countries (e.g. Crane et al., 2008; Haynes, Dillard and Murray, 2013) and often focus on one aspect of responsible behaviour, such as social entrepreneurship or co-operative organisations (Fayolle and Matlay, 2010; Mazzarol et al., 2014). Such narrow perspectives may lead to misleading findings and inappropriate recommendations for the majority of firms. Our book specifically takes a global perspective on SBSR. The chapters not only provide interesting case studies from around the world, but we also try to understand the importance of different types of context in influencing the socially responsible practices of firms. Moreover, our book purposefully explores a wide range of themes from social entrepreneurship to finance. We have been fortunate to attract a highly knowledgeable and diverse group of authors, and we hope that the resulting collection will be useful for researchers and practitioners alike. In this introductory chapter, we consider the different meanings of SBSR and then we explore the themes of the book: the role of context, value chains, responsible finance, social entrepreneurship and engaged research. We finish with some, we hope, pertinent conclusions.

WHAT IS SMALL BUSINESS AND ITS SOCIAL RESPONSIBILITY?

We do not wish to limit our discussion to a set of prescriptive academic definitions; nor have we stipulated any standard definitions of terms among the contributors to the book. But it is useful to start with a quick reality check to understand what constitutes ‘small business’, and in turn ‘social responsibility’, to understand broadly what is meant by SBSR.

Categorisation of a business as ‘small’ is a contextual matter, as different regions and countries have their own definitions. These definitions are important because of the levels of support and regulatory requirements provided to these firms. There is no standard global definition of an SME, although there are some frequently referred to features. According to the International Finance Corporation (IFC), various governments and private financial institutions provide definitions based on common characteristics such as the number of employees, levels of capital and investment, total net assets, and turnover. This approach allows for some relatively straightforward measurement and therefore comparison. Table 1.1 gives an overview of some of the different definitions used across countries and regions. Globally, a common characteristic of the SME definition in many countries is the 'fewer than 250 employees' criterion (Kushnir, 2010; Kushnir, Mirmulstein and Ramalho, 2010). This, for example, has been agreed by the member countries of the European Union. In other parts of the world, the maximum size of an SME might be defined by as few as 80 employees (Albania), 100 employees (Costa Rica) or 50 employees (Malaysia).

We also note the use of different terminologies: for example, the European Union uses 'small and medium sized enterprise' nomenclature, and the United States use the term 'small business' rather than SME. Developing countries and emerging economies such as India and South Africa tend to include micro or very small enterprises when distinguishing the nature of businesses. Hence, these countries use the term 'micro, small and medium enterprise' (MSME). Other economies further define SMEs by sector or industry. For example, the United States takes a stratified approach with definitions varying quite significantly based on the industry, such that a small business in the mining sector has a maximum of 500 employees, but manufacturing can have up to 1,500 employees. Other sectors are financially measured, for example broadcasting small businesses are defined as up to US$38.5 million in average annual receipts (Small Business Association, 2016). China also uses a stratified system by sector, with, for example, wholesale trade SMEs having up to 20 employees, and property management up to 300 (China Briefing, 2011). India defines its MSMEs based on their investments in plant and machinery measured in the local currency, and the criteria are different for manufacturing and service enterprises (Ministry of Micro, Small and Medium Enterprises, 2017). In a nutshell, the range of definitions across economies is enormous and informed heavily by the local context.

It is clear that language is important. In many countries, with the notable exception of the United States, 'SME' is fairly familiar nomenclature (whatever the definition). Since the vast majority of small and medium sized firms are actually small, and these are the ones with characteristics distinct from large firms, we will also proceed with the 'small business' label, although most of the chapters in this book refer to SMEs or MSMEs. Critically from the point of view of a book on SBSR, we find it important to distinguish our work from the 'large firm' orientated corporate social responsibility (CSR). 'Corporate' is not a synonym for a firm or

Table 1.1 Small business definitions

	EU	USA	Nicaragua	Lao PDR	Philippines	Myanmar	Indonesia	Botswana	Ghana	Kenya	Trinidad & Tobago	Venezuela
Terminology used	Small and medium enterprise	Small and medium business	Micro, small and medium enterprise	Micro, small and medium enterprise	Micro, small and medium enterprise	Small and medium enterprise	Micro, small and medium enterprise	Micro, small and medium enterprise	Micro, small and medium enterprise	Micro, small and medium enterprise	Micro, small and medium enterprise	Small and medium enterprise
Number of employees												
Micro	<10	–	1–5	1–4	1–9	–	1–5	1–5	1–5	1–9	1–5	–
Small	<50	<100	6–30	5–19	10–99	10–50	5–19	6–25	6–29	10–49	6–25	1–50
Medium	<250	<500	31–100	20–99	100–199	51–100	20–99	26–100	30–39	50–150	26–50	51–100
Annual turnover												
Micro	<€2 million	–	<1 million NIO	<100 million kip			<Rp 300 million	<P60,000	<GH$10,000	<Kshs 500,000	<$250,000	–
Small	<€10 million	–	<9 million NIO	<400 million kip			< Rp.2.5 billion	<P1.5 million	<GH $100,000	< Kshs 5 million	<$5 million	<100,000 tax units
Medium	<€50 million	–	<40 million NIO	<2000 million kip			<50 billion	<P5 million	<GH$1 million	<Kshs 800 million	<$10 million	<250,000 tax units
Total assets												
Micro			<200,000 NIO	<70 million kip	<P3 million	–				<Kshs 5 million		
Small			<1.5 million NIO	<250 million kip	<P15 million	<1 million kyat				<Kshs 20 million		
Medium			<6 million NIO	<1200 million kip	<P100 million	<10 million kyat				Not specified		

Sources: Information extracted from www.ifc.org/msmecountryindicators; https://ec.europa.eu; and MSME country legislation and policies as at 5 November 2017.

a business, but applies to a particular legal form where liability is limited. Any mention of 'corporate' – by accident or design – excludes smaller firms. Hence the term 'small business social responsibility' also has greater applicability than the sometimes preferred 'corporate responsibility' (van Auken and Ireland, 1982; Lepoutre and Heene, 2006; Soundararajan, Spence and Rees, 2016).

Similarly, the notion of 'social responsibility' requires some explanation. Again, we have encouraged our contributors to use their own contextually informed definitions, but it is worth spelling out our position and acknowledging different perspectives in the literature and practice. A range of articles have sought to delineate definitions of social responsibility – generally packaged in the 'corporate' perspective (e.g. Dahlsrud 2008; van Marrewijk, 2003). Others, including Lockett, Moon and Visser (2006) and Okoye (2009), are sceptical about the value of repeatedly revisiting the question of definition for an essentially contested umbrella concept (cf. Blowfield and Frynas, 2005). Crane, Matten and Spence (2014, p. 9) go as far as to conclude that 'it is virtually impossible to provide a definitive answer to the question of what CSR "really" is'. Here, we point to the broad concept of positive social change as an indicator of social responsibility by business – in this we take inspiration from Aguilera et al. (2007). Most important here is to distinguish between corporate and small business perspectives on social responsibility.

In short, large enterprises are typically owned by shareholders and managed by their nominated person, governed by formal codes and regulatory requirements, focused on profit maximisation and contractual transactions, and normally characterised by hierarchical bureaucratic power structures. Smaller organisations, in contrast, are generally managed by their owners, imbued with personal and family influences of the founder and owner-manager (e.g. Aragón Amonarriz and Iturrioz Landart, 2016; Lähdesmäki, 2012). Both small and large enterprises can be domestic or international in their operations or family-owned (in fact most firms are indeed family businesses), and 'being ethical is not the preserve of either category' (Spence, 2016). What is emerging, however, is an understanding of different types and patterns of socially responsible activity.

Table 1.2 is drawn from a literature review of some of the pertinent differences. Small businesses are widely heterogeneous so we need to keep that in mind. They are influenced by sector, size, legal form (limited or unlimited), regulatory context and economic pressures. Wickert, Scherer and Spence (2016) have noted that, while large firms are more likely to communicate CSR effectively, smaller firms are more likely to embed social responsibility into their daily practices, not least for cost reasons. In sum though, research suggests that SBSR is broadly characterised by

Table 1.2 Differences between corporate social responsibility (CSR) and small business social responsibility (SBSR)

	Classic large corporation	Classic small business	CSR implications for small business
Ownership and control	Shareholders principal, chief executive officer (CEO) agent	Owner-manager as principal and agent; personal and family influence	*Partisan:* Discretionary CSR implicit Responsibility to family and self
Governance and reporting	Formalised and codified, professionalisation of management	Informal and personal	*Personalised:* No language or codification for social responsibility
Transactions (internal and external)	Contract based, profit maximisation and shareholder value	Relationship based in embedded community networks; reputation, status and legacy; importance of social capital	*Relationship based:* Personal trust, integrity, honesty
Power structures	Hierarchical and role orientated	Flat, flexible, multi-tasking; personalised responsibility	*Flat power structure and responsibility:* Owner-manager power, and responsibility for and reliance on employees

Source: Adapted from Spence (2016).

being uncodified and implicit in nature (Matten and Moon, 2008), driven at the discretion of the owner-manager and employees as key stakeholders (Spence, 1999), informed by key relationships, and based on personal reputation, integrity and trust (Spence, 2016).

This book is not intended only for followers of small business. Quite the reverse. It is our strong conviction that understanding SBSR is of global significance – both intellectually and geographically. Almost without exception, organisations are not born large (some public sector organisations and state-owned enterprises may be outliers here), they start small and scale up organically or via mergers and acquisitions. Those early years are crucial and the founder of the organisation often leaves a blueprint on business practices long after the firm has grown (Nelson, 2003). Business success is also becoming increasingly reliant on the success of supply chains – these necessarily comprise smaller organisations with which even the largest firm must find a way of understanding and working (Wickert, Scherer and Spence, 2016). And of course, large firms also consist of small units that may, on occasion, act more like small firms in their own right – dependent on relationships, reputation and face-to-face communication – than large bureaucratic organisations (Spence, 1999). In short, research on SBSR has a considerably wider sphere of influence than just SBSR researchers and practitioners.

SBSR IN CONTEXT

In this book, we specifically emphasise global perspectives and we recognise that an understanding of social responsibilities is frequently context specific. There is significant variation in the perception of social responsibilities in different countries, which can be traced back to culturally specific mental models of social responsibilities (e.g. Schlierer et al., 2012; Fassin et al., 2015) or distinctive political traditions, government policies or regulations with regards to the social responsibilities of business (e.g. Doh and Guay, 2006; Knudsen, Moon and Slager, 2015). We also know that there is significant variation in the understanding of social responsibility and its practice across different industries (Muthuri and Gilbert, 2011; Colombo, Guerci and Miandar, 2017; Örtenblad, 2016).

Social responsibilities may also be distinguishable between developing countries and developed countries (Jamali and Karam, 2016a), which can be attributed to social-cultural environments (Visser, 2008), religious influences (Perry and Ahmad, 2016) or levels of national economic development (Jamali and Karam, 2016b). The transferability of CSR or SBSR frameworks and recipes from developed to developing countries has been questioned (Blowfield and Frynas, 2005; Idemudia, 2011; Luetkenhorst, 2004). Specifically, there are concerns that these models 'may not sufficiently relate or respond to the context and circumstances encountered in developing economies' (Hamann, 2006, p. 179). As the global economy is becoming increasingly complex, we need to understand the meaning of social responsibility and sustainability in different contexts. Part I of our book, on the role of context, thus investigates three different types of milieu that matter most for SBSR: country, industry and regional cluster. At the country level, in Chapter 2, Sreevas Sahasranamam and Christopher Ball compare the impact of the institutional context of Scotland and India on the development of small social enterprises. They show that the national business system of a country can either encourage or hinder the development of social initiatives by small business. Here we must acknowledge that the chapters in various parts of the book are not entirely separate – issues related to social enterprise are also discussed elsewhere, for example. However, Sahasranamam and Ball notably remind us of the continuing crucial influence of national cultural traditions, educational systems, financial systems, government regulations and political decisions on the socially responsible activities of small organisations.

At the industry level, in Chapter 3, Angie Trần and Søeren Jeppesen consider what SBSR means to small businesses in two different industry sectors in Vietnam – textile/garment/footwear and food/beverage processing. They find marked differences between the two sectors in terms of understanding of SBSR and social/environmental initiatives, which can be explained through different industry norms, the differential impact of government regulations and different levels of linkage to global supply chains. Focusing in still further, Mukesh Gulati, Peter Lund-Thomsen and Sangeetha Suresh in Chapter 4 look at the role of industrial clusters – namely, geographical concentrations of enterprises that operate in the same or related industries. They investigate the drivers of SBSR in industrial clusters in India, demonstrating how governance initiatives can help to improve social and environmental standards in industrial clusters. Industrial clusters have now emerged as a key arena where (i) small businesses can take collective action initiatives to overcome their liability of smallness, and (ii) external agencies can upscale social and environmental improvements by targeting improvements in a whole cluster instead of targeting individual enterprises. These two chapters remind us of the huge importance of industry structure on socially responsible behaviour.

While we increasingly know more about the role of the national and industry contexts for social and environmental initiatives of small businesses, considerable gaps in our knowledge remain. Future researchers could study some of the following topics:

- Differences between medium sized enterprises and small sized and micro enterprises in terms of their understanding and practice of SBSR;
- Influence of different leadership styles in different countries on SBSR;
- Opportunities and capabilities of small businesses to interact and influence their context;
- Impact of institutional frameworks on SBSR;
- Cultural, historical and religious drivers and barriers to SBSR; and

- Regional differences in the understanding and practice of SBSR in large and culturally diverse countries such as India and Nigeria.

SBSR AND GLOBAL SUPPLY CHAINS

Globalisation has brought about increased global trade and production, with many small businesses in developing economies participating in global supply chains, as large firms – mainly from developed economies – engage small businesses due to their comparative economic advantages. On the one hand, the small businesses are expected to compete, sometimes aggressively, on price, cost, quality and flexibility to gain new contracts or keep existing ones with the lead firms. On the other hand, the lead firms in response to their stakeholders' expectations pass sustainability requirements down their supply chain, putting demands on the small businesses to adopt and implement their version of socially responsible practices. The inclusion of small businesses in the global supply chains presents conflicting demands for lead firms: evidence shows that to remain competitive, lead suppliers are not necessarily driven by the need for small businesses to embrace socially responsible practices but by their own need to continuously lower prices to achieve customer satisfaction (Navas-Aleman and Guerrero, 2016).

The integration of 'social responsibility' and small business into global supply chains is a complex phenomenon, yet this area has been largely neglected in supply chain and business research, notwithstanding that: (i) small businesses constitute 95% or more of private sector firms in emerging and developing economies (Moore and Spence, 2006), and (ii) emerging and developing countries face pertinent social, economic and environmental concerns, such as poverty, pollution, deforestation, and human and labour rights violations (Visser, 2008). To fill this relative void, Part II of our book on supply chains examines various issues of supply chain governance and inclusive business models, as we seek to understand the opportunities, trade-offs, and challenges small businesses face when embracing 'social responsibility'. The indication is that SBSR research in supply chains in a developing country context is explorative in nature and at the early stages of theorising and development. There is therefore an urgent need to begin to build theory on SBSR in the supply chain. The three chapters in Part II contribute to this agenda by their use of new theoretical adaptations to develop conceptual frameworks that account for the specificities of small businesses in developing country environments.

Small businesses in the supply chain face numerous social, economic and environmental challenges, with some issues (e.g. working conditions, decent work) receiving more research attention to date than others (e.g. modern slavery, poverty). The problem of deteriorating economic and social conditions of production in the global supply chains continues to be a major concern, especially among small businesses that are mostly represented in the second tier and further down the supply chains (see Navas-Aleman and Guerrero, 2016). In Chapter 5, Vivek Soundararajan highlights the shortfalls of research even in well-researched issues such as 'working conditions' and develops a multi-level conceptual model to help understand factors that shape working conditions in small businesses in developing countries that are part of global production networks.

As demands for SBSR in the global supply chain intensifies, we need to understand how small businesses make sense of, and operationalise, social responsibility and sustainability. Small businesses face numerous internal and external challenges in adopting and implementing responsible and sustainable practices, among them the lack of support by large firms towards small business development. However, the extent to which small businesses integrate social responsibility and sustainability into their business practices, and their impact on small firms' financial and social performance, is under-researched. In Chapter 6, Burcin Hatipoglu proposes a conceptual framework to better manage organisational change for sustainability that considers enablers and drivers for small businesses, internal transformation processes for sustainability, small business resources and capabilities, and emerging markets conditions. The implementation of SBSR, it is argued, follows its auditing and reporting. Diego Vazquez-Brust and Laura Spence in Chapter 7 remind us of the plethora of metrics, standards and guidelines (at company, industry or global level) that exist for measuring social, economic and environmental performance of firms. These offer different approaches, metrics and methodologies, making decisions of choosing the appropriate approach to evaluate, or even implement, SBSR difficult. The approaches are also geared to large companies on the whole, which potentially leads to the exclusion of small businesses in their design and development.

As observed earlier, we have barely scratched the surface on small businesses, supply chains and sustainability in a developing country context. Future research needs to investigate a greater range of issues on small businesses and supply chain governance, including:

- The impact of (quality) standards, (sustainability) certification, fair trade and global policies on small businesses;
- Inclusive business models and supply chain diversity, including the integration of micro-entrepreneurs, women, unskilled and poor people into supply chains;

- Modern slavery, terrorism and other armed conflicts and their impact on small businesses and supply chain sustainability;
- Small business process, product, and functional upgrading and its impact on social upgrading, characterised by improved working conditions, better wages, gender equality or economic security;
- Monitoring, auditing and measuring social, economic and environmental performance of small businesses throughout supply chains;
- Opportunities, challenges and trade-offs when small businesses embrace multi-dimensional sustainability;
- Transformation of the informal sector to formal small businesses and its impact on sustainability and sustainable development;
- Integration of 'indigenous sustainability approaches' by small businesses in developing countries; and
- The cultural embeddedness of the various economic and non-economic supply chain and value chain actors.

RESPONSIBLE FINANCE AND SBSR

Considerable progress has been made in recent years on the requirements for financial institutions to operate in a way that is responsible and ethical in the course of financing and investment decisions (e.g. the UK Financial Services Act 2012; the World Bank (2012) report on financial consumer protection). As Chiu (2014) notes, 'the social function of financial institutions has been extended to include impacts of their activities on credit accessibility, financial service development, financial literacy enhancement, the environment, and sustainable development'. The domain of responsible finance is varied and is circumscribed in consumer protection regulation, financial institutions' self-regulation, financial education and financial inclusion (World Bank, 2012). Yet to a greater extent, responsible finance has been a mainstream idea in the sense that it reflects the strategies of commercial banks and financial institutions in enabling access to capital. In many countries this has disenfranchised individuals and groups that are not seen as financially viable. A panoptic view of the complexities that surround responsible finance in many countries is necessary, and we have sought to achieve this in Part III of the book.

At the heart of economies in general, and developing economies in particular, are a significant group of small businesses that contribute to the growth of the economy through formal and informal means. Nevertheless, a large proportion of these businesses still struggle for access to financial capital. In recent years, the recognition that there is a need to elevate the contributions arising from microbusinesses (e.g. fewer than 10 employees) has led to the growth of microfinance institutions (MFIs), which have paved the way for enabling financial inclusion of these individuals and groups (United Nations, 2013; Griffith-Jones and Gottschalk, 2016). For example, we see this in the high profile case of the Grameen Bank's financing of Bangladeshi women small business entrepreneurs. The rampant growth in MFIs has led to a discussion about the efficacy of these forms of financial institutions and the extent that they encourage growth and sustainability. In this respect, in Chapter 8, Niels Hermes, Robert Lensink and Aljar Meester considers the relationship between the efficiency of the activities of MFIs and the level of financial development in a country and the level of competition. Competition can create two outcomes in that it can force efficacious behaviour through regulation and consumer choice or it can result in backdoor competition where regulation is ineffective and corrupt practices can arise. The monitoring of these activities becomes a crucial aspect of consumer protection and, in turn, the institutions themselves.

To enhance our understanding of efficacy of social responsibility schemes there is a need to consider how such schemes impact on welfare of the small and medium sized entrepreneurial communities. It is noticeable that there is limited discussion of responsible finance in the CSR literature. Emmanuel Benjamin, Ebele Maduekwe, Maarten Punt and Gertrud Buchenrieder, in Chapter 9, demonstrate the constraints and benefits of responsible finance faced by agricultural smallholders. They see responsible finance as a concomitant approach of social responsibility and sustainability in enabling business and welfare sustainability. However, there exists the question of vulnerability. As Jyoti Navare and Morrison Handley-Schachler in Chapter 10 (p. 255) state: 'Vulnerability is a function not only of the controllability, frequency and severity of the risk but also of the circumstances of the business itself'. Responsible finance to this extent is about reducing vulnerability of small businesses and considering how risks are managed through financial institutions, microinsurance schemes and a robust policy for financial inclusion. It is clear that financial education plays a significant part in reducing vulnerability and also enables more efficient portfolio management on the part of the capital providers.

The chapters on responsible finance and small businesses are thought-provoking. However, there is still much more work to do in this area. For example, the literature on institutional perspectives has been limited to front-end considerations and this begs the question as to the value of back-end and intermediation effects. The microfinancing literature overall tends to consider network and institution theory, yet there are other potentially fruitful theoretical perspectives. There has been only cursory consideration of management, leadership and cultural impacts. Many regions of the world are delineated by tribal, caste and language differences, and these distinctions have not been fully explored in the context of social responsibility and responsible finance. Some thoughts for future research could be in the following areas:

- The regulation of crowdfunding as responsible finance;
- Demand side (the entrepreneurs') perceptions and risk determination of funding mechanisms including crowdfunding;
- The impact of foreign and local financing models on sustainable local production;
- The relationship between microfinancing and food security, and the intrinsic ethical dilemmas that endanger production and sustainability;
- Leadership and financing (e.g. women as microfinance leaders, new financing models);
- Linguistic and cultural differences in microfinance institutional performance (including MFI considerations of ethnolinguistic fractionalisation);
- The financial implications for the different subsets of micro-entrepreneurs (e.g. livelihood subsistence versus growth-oriented micro enterprises);
- The 'missing middle' in some developing countries (i.e. the existence of many micro enterprises but far fewer SMEs, creating the small business gap); and
- The implications of different forms of financing for the triple bottom line (social, environmental and financial sustainability).

SOCIAL ENTERPRISE AND SBSR

Social enterprise has to date had an uninspiring relationship with small business research. This is somewhat of a missed opportunity. While most social enterprises – like most businesses – are small, the focus has been very much on the hybrid nature of the small business (Doherty, Haugh and Lyon, 2014), and what can be learned about that, and the contrast between social and commercial businesses (Austin, Stevenson and Wei-Skillern, 2006; Chell et al., 2016).

In this book we seek to explore the cross-learning potential between SBSR and social entrepreneurship. It is our contention that social entrepreneurship research has been in a kind of silo, whereas there is a good deal of value in bringing it to the study of small business and social responsibilities, not least in sharing theoretical approaches since they may be more valuable than traditional CSR perspectives to understanding smaller firms (see Spence, 2016). This in itself is a contribution to knowledge that can help to move both fields forward and we hope contribute in practical terms to the achievement of SBSR. Indeed, in the first chapter in Part IV (Chapter 11), Anica Zeyen and Markus Beckmann address this point head on, looking to the global potential of social entrepreneurship and SBSR for tackling societal value creation. Importantly, they go to the heart of the matter, addressing directly the 'inherent hybridity' of both small business and social enterprises, and clearly acknowledging the distinctions between developing and developed country contexts that are often overlooked. They also make significant strides in identifying types of hybridity. It is worth highlighting their clear elucidation of the difference between (corporate) social responsibility and social enterprise because it will be valuable for the reader of this whole handbook:

> CSR constitutes a qualifier of how companies obtain economic value. Thus, while economic value creation remains the end of a company, CSR describes the means of how to achieve it in an ethical, social, and environmentally friendly way. In comparison, the end of SE [social enterprise] is the solution of a societal problem. To this end, SE then qualifies how this end is to be achieved, i.e. they use economic value creation – either through non-profit or for-profit resources – to achieve a sustainable service or product delivery. (Zeyen and Beckmann, Chapter 11, p. 270)

The above definition brings us neatly to the subject matter of Chapter 12. David Littlewood and Diane Holt present an engaging discussion, which again addresses the cross-pollination possibilities of social responsibility and social entrepreneurship research, this time by looking to CSR studies to inform social entrepreneurship. They take a welcome theoretical perspective building on Spence's (2016) work on expanding core CSR theory, and use the illustrative case of a project in sub-Saharan Africa to bring their analysis to life. Whereas Littlewood and Holt's chapter is primarily theoretical, in Chapter 13, Fergus Lyon and Abdullah Al Furuq look to empirical examples in Ghana and Bangladesh to provide rich descriptions of aspects of social enterprise as hybridity, not least in terms of important organisational perspectives such as non-governmental organisations and cooperatives, which face some similar challenges.

While these three important chapters have made a good start, there is a great deal more that can be learned from social entrepreneurship and SBSR research. Possible avenues for future research include:

- Developing theory for social enterprise and SBSR;
- Understanding what happens when a social enterprise turns into a small business or vice versa;

- Identifying the tipping points for positive social change in a social enterprise or a socially responsible small business;
- Leadership characteristics of a social entrepreneur as distinct from a socially responsible small business owner-manager, and improved understanding of gendered perspectives;
- Identifying opportunities for collaboration between social enterprises and socially responsible small business and exploring how they might influence each other; and
- Sector-based characteristics as antecedents for social entrepreneurship and SBSR.

Part IV offers a new and exciting view of SBSR, in its focus on the social enterprise perspective and the mutually beneficial learning that can be gained from bringing these two research areas together. Such benefits are not just scholarly in nature, but have many and varied implications for practice. This opportunity for engaged research is expanded in Part V of the book.

ENGAGED RESEARCH FOR AND CASE STUDIES OF SBSR

Last but by no means least, the topic of this research handbook has excited a good deal of interest from those taking a practice-based approach to engaged scholarly work. We welcome this – small businesses are often highly engaged with their communities and environment, thus it seems fitting to study them in their context and from the practice perspective. Engaged scholarship is 'a participative form of research . . . to understand a complex social problem' (van de Venn, 2007, p. ix). van de Venn (2007) argues that this type of research produces more penetrating and insightful knowledge than when researchers or practitioners work in isolation. The chapters in this part of the book bear testament to this view.

First are Chapters 14 and 15 by Heather Stewart and Rod Gapp, and Patricia Hind and Arnold Smit, respectively. Continuing the theme of travelling around the globe to understand SBSR, Chapter 14 uses interpretivist case studies of Australian small businesses, and Chapter 15 incorporates action research with small businesses in southern South Africa. Stewart and Gapp explore collaboration between Australian small businesses using the innovative metaphor of a tree of knowledge to illustrate how their connections aid collaboration and support. Hind and Smit use a long-term action research project to explore the supporting of sustainability in small businesses, acknowledging the complexity and difficulty of the process along the way. This reality check reminds us that while we have somewhat inevitably highlighted the positive sides to SBSR, social and sustainable practice is not a given and there are as many barriers as there are drivers to success.

Nevertheless we can take heart from the valuable case examples presented by four case studies. We have included this slightly different approach in our research handbook because much small business work is based on case examples in policy and practice. These cases offer real substance in terms of their narrative potential, and can be used in a range of ways. They also allow for a practitioner perspective to be included, for example in the case study on social business in rural Nepal by Ingeborg Patsch (Chapter 19). Few if any academic researchers can match this kind of access to practice on the ground. Two of the case studies take a cluster perspective. Mukesh Gulati and Ruchita Sanwal (Chapter 16) describe in detail the issues and challenges to scaling up SBSR among a small foundry cluster in India. Darla Dore (Chapter 17) uses a 'creating shared value' perspective to explore a food and drink cluster's social contribution in northern England. Aqueel Wahga, Richard Blundel and Anja Schaefer (Chapter 18) give a focus on environmental responsibilities, providing a balance to most of the other chapters in the handbook. The authors explain in detail the Pakistan leather work industry and the importance of human capital to environmental performance. Our final case study (Chapter 19) draws our attention to contexts where need is extreme. Ingeborg Patsch, a practitioner, closely describes four social enterprises in a remote region of Nepal, mostly dealing with the most fundamental of human needs – nutrition. In her case study, Patsch draws our attention to the important contribution that business incubators can make to developing a region.

Since engaged scholarship is an approach rather than necessarily a source of research questions or topics in its own right (although there may be some thought-provoking methodological questions), we do not offer further suggestions here. We do, however, encourage researchers to reflect on the opportunities for non-academic impact of their work, not least when studying such an important area as SBSR. We need to build scholarship in this field and we must also reflect on the social good that our own studies are – sometimes at least – capable of generating.

CONCLUDING REMARKS

It is indeed greatly encouraging to see that there is a growing body of work beginning to explore a wide range of aspects of SBSR, not least contextual issues, supply chains, responsible finance and social enterprise, as well as engaged approaches to scholarship. Although much is in the early stages of theory determination, the area is open to new models of thought. We would urge future studies in these and other aspects of SBSR to search for innovative models that enable and build on the sustainability and positive social contribution of small business. The chapters in the handbook have raised a diversity of thought. We are particularly proud of the geographical diversity represented herein, with research genuinely from around the globe and – unusually – developing country perspectives outnumbering those from developed economies. There is a great deal to be learned from the research presented.

We commend the work of the contributors to this edited collection. While much progress is made here, most important is the momentum and credibility that this research handbook provides to future research on SBSR. We hope you will find it valuable.

REFERENCES

Aguilera, R.V., D.E. Rupp, C.A. Williams and J. Ganapathi (2007), 'Putting the S back in corporate social responsibility: A multilevel theory of social change in organizations', *Academy of Management Review*, 32 (3), 836–863.

Aragón Amonarriz, C. and C. Iturrioz Landart (2016), 'Responsible family ownership in small- and medium-sized family enterprises: An exploratory study', *Business Ethics: A European Review*, 25 (1), 75–93.

Austin, J., H. Stevenson and J. Wei-Skillern (2006), 'Social and commercial entrepreneurship: Same, different, or both?', *Entrepreneurship Theory and Practice*, 30 (1), 1–22.

Ayyagari, M., T.H.L. Beck and A. Demirgüç-Kunt (2007), 'Small and medium enterprises across the globe', *Small Business Economics: An International Journal*, 29 (4), 415–434.

Blowfield, M. and J.G. Frynas (2005), 'Setting new agenda: Critical perspectives on corporate social responsibility in the developing world', *International Affairs*, 81 (3), 499–513.

Chell, E. and M. Karataş-Özkan (2014), *Handbook of Research on Small Business and Entrepreneurship*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.

Chell, E., L.J. Spence, F. Perrini and J. Harris (2016), 'Social entrepreneurship and business ethics: Does social equal ethical?', *Journal of Business Ethics*, 133 (14), 619–625.

China Briefing (2011), 'China issues classification standards for SMEs', accessed 22 August 2017 at http://www.china-briefing.com/news/2011/07/07/china-issues-classification-standards-for-smes.html.

Chiu, T.K. (2014), 'Putting responsible finance to work for Citi microfinance', *Journal of Business Ethics*, 119, 219–234.

Colombo, S., M. Guerci and T. Miandar (2017), 'What do unions and employers negotiate under the umbrella of corporate social responsibility? Comparative evidence from the Italian metal and chemical industries', *Journal of Business Ethics*, DOI: 10.1007/s10551-017-3503-9.

Crane, A., A. McWilliams, D. Matten, J. Moon and D.S. Siegel (eds) (2008), *The Oxford Handbook of Corporate Social Responsibility*. Oxford, UK: Oxford University Press.

Crane, A., D. Matten and L. Spence (eds) (2014), *Corporate Social Responsibility: Readings and Cases in a Global Context*. London: Routledge.

Dahlsrud, A. (2008), 'How corporate social responsibility is defined: An analysis of 37 definitions', *Corporate Social Responsibility and Environmental Management*, 15 (1), 1–13.
Doh, J.P. and T.R. Guay (2006), 'Corporate social responsibility, public policy, and NGO activism in Europe and the United States: an institutional-stakeholder perspective', *Journal of Management Studies*, 43 (1), 47–73.
Doherty, B., H. Haugh and F. Lyon (2014), 'Social enterprises as hybrid organizations: A review and research agenda', *International Journal of Management Reviews*, 16 (4), 417–436.
Fassin, Y., A. Werner, S. van Rossem, E. Signori, H. Garriga, H. von Weltzien and H.-J. Schlierer (2015), 'CSR and related terms in SME owner–managers' mental models in six European countries: National context matters', *Journal of Business Ethics*, 128, 433–456.
Fayolle, A. and H.H. Matlay (2010), *Handbook of Research on Social Entrepreneurship*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.
Griffith-Jones, S. and R. Gottschalk (2016), *Achieving Financial Stability and Growth in Africa*. Abingdon, UK: Routledge.
Hamann, R. (2006), 'Can business make decisive contributions to development? Towards a research agenda on corporate citizenship and beyond', *Development Southern Africa*, 23 (2), 175–195.
Haynes, K., J. Dillard, and A. Murray (eds) (2013), *Corporate Social Responsibility – A Research Handbook*. Abingdon, Oxon, UK: Routledge.
Idemudia, U. (2011), 'Corporate social responsibility and developing countries: Moving the critical CSR research agenda in Africa forward', *Progress in Development Studies*, 11, 1–18.
ITC (2015), *SME Competitiveness Outlook 2015: Connect, Compete and Change for Inclusive Growth.* International Trade Centre, Geneva.
Jamali, D. and C. Karam (2016a), 'Corporate social responsibility in developing countries as an emerging field of study', *International Journal of Management Reviews*, DOI: 10.1111/ijmr.12112.
Jamali, D. and C. Karam (2016b), 'CSR in developed versus developing countries: A comparative glimpse', in A. Örtenblad (ed.), *Research Handbook on Corporate Social Responsibility in Context*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing, pp. 89–110.
Knudsen, J.S., J. Moon and R. Slager (2015), 'Government policies for corporate social responsibility in Europe: A comparative analysis of institutionalisation', *Policy & Politics*, 43 (1), 81–99.
Kushnir, K. (2010), *How do Economies Define Micro, Small and Medium Enterprises (MSMEs).* International Finance Corporation and the World Bank, accessed 12 January 2017 at http://www.ifc.org/wps/wcm/connect/624b8f804a17abc5b4acfddd29332b51/msme-ci-note.pdf?mod=ajperes.
Kushnir, K., M.L. Mirmulstein and R. Ramalho (2010), *Micro, Small, and Medium Enterprises Around the World: How Many are There, and What Affects the Count?* International Finance Corporation and the World Bank, accessed 12 January 2017 at http://www.ifc.org/msmecountryindicators.
Lähdesmäki, M. (2012), 'Construction of owner–manager identity in corporate social responsibility discourse', *Business Ethics: A European Review*, 21 (2), 168–182.
Lepoutre, J. and A. Heene (2006), 'Investigating the impact of firm size on small business social responsibility: A critical review', *Journal of Business Ethics*, 67 (3), 257–273.
Lockett, A., J. Moon and W. Visser, W. (2006), 'Corporate social responsibility in management research: Focus, nature, salience and sources of influence', *Journal of Management Studies*, 43 (1), 115–136.
Luetkenhorst, W. (2004), 'Corporate social responsibility and the development agenda', *Intereconomics*, 39, 157–166.
Matten, D. and J. Moon (2008), '"Implicit" and "explicit" CSR: a conceptual framework for a comparative understanding of corporate social responsibility', *Academy of Management Review*, 33 (2), 404–424.
Mazzarol, T., S. Reboud, E. Mamouni and D.L. Clark (eds) (2014), *Research Handbook*

on Sustainable Co-Operative Enterprise: Case Studies of Organisational Resilience in the Co-operative Business Model. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.
Ministry of Micro, Small and Medium Enterprises (2017), *MSME Annual Report 2016/17* accessed 22 August 2017 at http://msme.gov.in.
Moore, G. and L.J. Spence (2006). 'Editorial: Responsibility and small business', *Journal of Business Ethics*, 67, 219–226.
Muthuri, J.N. and V. Gilbert (2011), 'An institutional analysis of corporate social responsibility in Kenya', *Journal of Business Ethics*, 98 (3), 467–483
Navas-Aleman, L. and T. Guerrero (2016), *Good Procurement Practices and SMEs in Global Supply Chains: What We Know so Far?* Geneva: ILO SME Unit, International Labour Organization.
Nelson, T. (2003), 'The persistence of founder influence: Management, ownership, and performance effects at initial public offering', *Strategic Management Journal*, 24 (8), 707–724.
Okoye, A. (2009), 'Theorising corporate social responsibility as an essentially contested concept: is a definition necessary?', *Journal of Business Ethics*, 89 (4), 613–627.
Örtenblad, A. (2016), *Research Handbook on Corporate Social Responsibility in Context.* Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing.
Perry, P. and A. Ahmad (2016), 'Islamic and Buddhist perspectives of corporate social responsibility', in A. Örtenblad (ed.), *Research Handbook on Corporate Social Responsibility in Context*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar Publishing, pp. 69–88.
Schlierer, H.-J., A. Werner, S. Signori, E. Garriga, H. von Weltzien Hoivik, A. Van Rossem and Y. Fassin (2012), 'How do European SME owner managers make sense of 'stakeholder management'? Insights from a cross-national study', *Journal of Business Ethics*, 109, 39–51.
Small Business Association (2016), 'Summary of size standards by industry sector', accessed 22 August 2017 at https://www.sba.gov/contracting/getting-started-contractor/make-sure-you-meet-sba-size-standards/summary-size-standards-industry-sector.
Soundararajan, V., L.J. Spence and C. Rees (2016), 'Small business and social irresponsibility in developing countries working conditions and "evasion" institutional work', *Business & Society*, DOI: https://doi.org/10.1177/0007650316644261.
Spence, L.J. (1999), 'Does size matter?: The state of the art in small business ethics', *Business Ethics: A European Review*, 8 (3), 163–174.
Spence, L.J. (2016), 'Small business social responsibility: Redrawing core CSR theory', *Business & Society*, 55 (1), 23–55.
United Nations (2013), *Microfinance in Africa: Overview and Suggestions for Action by Stakeholders*. UN Office of Special Adviser on Africa, accessed 15 February 2017 at http://www.un.org/en/africa/osaa/pdf/pubs/2013microfinanceinafrica.pdf.
van Auken, P.M. and R.D. Ireland (1982), 'Plain talk about small business social responsibility', *Journal of Small Business Management*, 20 (1), 1–4.
van de Venn, A. (2007), *Engaged Scholarship: A Guide for Organizational and Social Research*. Oxford, UK: Oxford University Press.
van Marrewijk, M. (2003), 'Concepts and definitions of CSR and corporate sustainability: Between agency and communion', *Journal of Business Ethics*, 44 (2–3), 95–105.
Visser, W. (2008), 'Corporate social responsibility in developing countries', in A. Crane, A. McWilliams, D. Matten, J. Moon and D. Siegel (eds), *Oxford Handbook of Corporate Social Responsibility*. Oxford: Oxford University Press, pp. 473–479.
Wickert, C., A. Scherer and L.J. Spence (2016), 'Walking and talking corporate social responsibility: Implications of firm size and organizational costs', *Journal of Management Studies*, 53(7), 1169–1196.
World Bank (2012), 'Good practices for financial consumer protection June 2012', accessed January 2017 at http://siteresources.worldbank.org/EXTFINANCIALSECTOR/Resources/Good_Practices_for_Financial_CP.pdf.