BAR Brazilian Administration Review

ANPAD

Editorial

Digital Entrepreneurship and the Challenges for Social Change

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How to cite: Klein, A. Z., Pedron, C., Elaluf-Calderwood. S, & Picoto, W. N. (2024). Digital entrepreneurship and the challenges for social change. BAR-Brazilian Administration Review, 21(4), e240192.

DOI: https://doi.org/10.1590/1807-7692bar2024240192

Publication date: December 11, 2024.

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Digital entrepreneurship, here defined as the pursuit of entrepreneurship opportunities based on digital technologies (Davidson & Vaast, 2010), has become increasingly prevalent in many sectors of the economy (Geissinger et al., 2019). This special issue has the purpose of diffusing knowledge about the use of generative and emerging digital technologies for digital entrepreneurship, especially when it aims to generate social impact.

Digital technologies empower entrepreneurs to create innovations that span beyond traditional industry boundaries, integrating digital and non-digital assets to establish new products, services, and business models (Nambisan, 2017). In this sense, digital entrepreneurship is crucial for promoting socioeconomic growth, addressing unemployment, and enhancing regional prosperity, especially in countries of the Global South (Klein & Braido, 2024; Pigola et al., 2024). If we do not understand the dynamics of digital entrepreneurship and change in this context, the countries face the risk of being mere consumers of digital technologies provided by countries in the Global North, losing the opportunity to develop them, creating new ventures and skilled jobs that can help boost local economies (Klein & Braido, 2024).

Digital entrepreneurship is also fundamental for the advancements in the competitiveness of local industries, in tandem with the concept of Industry 4.0 (Schwab & Davis, 2018). It is also key for dealing with societal challenges associated with the digital transformation and the green transition, also called the 'twin transition' (Secundo et al., 2024). In this sense, the digital transformation promoted by innovators and entrepreneurs needs to support environmental sustainability, aiming for economic resilience and alignment with Sustainable Development Goals (SDG). Particularly in Latin America, SDGs require tackling digital challenges to deal with economic inequality, environmental degradation, and social exclusion (Pigola et al., 2024)

All these advances reinforce the importance of fostering digital entrepreneurship ecosystems, which can be defined as the combination of elements within a region that supports the development and growth of innovative startups pursuing new opportunities presented by digital technologies (Du et al., 2018; Elia et al., 2020). The digital entrepreneurship ecosystem needs to blend technology with societal benefits, emphasizing digital entrepreneurship as a means for economic and social progress.

As an example, the rise of the sharing economy promoted by the use of digital platforms constitutes one of the social benefits of digital entrepreneurship ventures; at the same time that it can promote social growth and employment, it also raises concerns about fair labour practices and social justice. Therefore, understanding the potential of digital technology for entrepreneurship and social change needs to occur in parallel with the understanding of its potential risks and 'dark sides.' The emergence of digital technology and associated entrepreneurship has sparked economic growth, but also competitive turbulence and creative destruction along with institutional change (Geissinger et al., 2019).

The seven articles in this special issue provide knowledge about all these different sides of digital entrepreneurship for social impact, focusing on three main axes: (1) Entrepreneurship and Digital Capabilities, (2) Social Change and Social Innovation, and (3) Challenges and Risks of Digital Technologies.

Regarding Entrepreneurship and Digital Capabilities, we begin with the article titled 'The Functions of the Proto-entrepreneur in Building up Startup Innovation Capabilities' by Fábio Marquesan, Paulo Zawislak, and Guilherme Camboim. In this article, the authors propose that, contrary to the established Schumpeterian definition, many agents driving early-stage startups still need the robust innovation capabilities typically associated with entrepreneurial success. These 'proto-entrepreneurs' play a fundamental role in the startup ecosystem but must undertake a transformative journey of knowledge acquisition and capability development to generate change at the level of established companies or society.

Related to this need for developing capabilities for entrepreneurship in the realm of digital technologies, we have the article titled 'Sustainable Entrepreneurship and Digital Technologies: Challenges and Potential Aspects for Brazilian Agtechs' by Graciele Tonial, Leani Lauermann Koch, Simone Sehnem, and William Gomes Peres. The article explores sustainable entrepreneurship in agtechs and links sustainable practices with digital technologies. The companies examined here tend to employ opportunity-driven entrepreneurship while focusing on sustainability in resource allocation, organizational structures, and management systems. It should be noted that principles of sustainability and the application of digital technologies are not yet central to their operations and business models.

The question of digital capabilities' impact on business is central to José Carlos da Silva Freitas Junior, Antonio Carlos Gastaud Maçada, and Rafael Brinkhues in their article 'Digital Capabilities on Business Performance: Does it Matter?' This article highlights the importance of ecosystem orchestration and innovation beyond traditional industry boundaries, and it shows how digital capabilities impact business performance. Also, by innovating beyond traditional industry boundaries, one can integrate digital and non-digital assets and allow new initiatives to scale with innovative products, services, and business models.

Other important insights on the complementarity between 'the digital and the non-digital' are provided in the article by Valéria Feitosa de Moura, Cesar Alexandre de Souza, and Eusebio Scornavacca titled 'Managing Value Creation Paradoxes in Social Business: The Role of the Digital Platform Business Model.' This article investigates digital platform-based models (DPBMs) and their implications for creating social value. The findings reveal that social enterprises based on DPBMs integrate traditional value drivers, such as complementarity, lock-in, and novelty, with social value drivers, including impact complementarity, shared values, and novelty. Although DPBMs can help social organizations address the learning paradox and improve activity efficiency for scaling up, they also present challenges related to user group selection, revenue models, and platform access regulation, which can exacerbate paradoxes found in performance and learning.

The second axis examined in this special issue is Social Change and Social Innovation, which is addressed by the article titled 'Technological Platforms and Social Change: The Uber Case' by Wilquer Ferreira, Glaucia Vale, and Victor Corrêa. The article studies the social impact of peer-to-peer platforms, Uber in this case, and how they contribute to social change, quality of life, and employability. The study reveals that Uber positively impacts the quality of life and employability of passengers, while drivers particularly value its role in providing economic opportunities. The results highlight that employability and environmental concerns are the main predictors of platform use, with implications extending to cultural, political, organizational, and economic changes.

Also addressing societal challenges is the paper titled 'The Role of Digital Technology in Scaling Social Innovations,' by Gabriela Zanandrea, Julhete Mignoni, Claudia Bitencourt, and Ana Facco. The article addresses how scalability of social innovations can be enhanced, and digital technologies' role in solving social challenges. Although social innovation is important for developing effective solutions, these initiatives often remain limited in scope and duration. This research highlights the importance of establishing a robust digital infrastructure to support initiatives aimed at addressing social challenges, and the importance of reflecting on how digital advancements can amplify the impact of social innovation efforts.

Finally, regarding the axis related to Challenges and Risks of Digital Technologies, we have the article 'Who Stands to Blame? Digital Platforms as Enablers of Insidious Acts' by Bruno Luis Avila Freischlag and Bruno Anicet Bittencourt. This article analyzes the dark side of digital platforms and how they can facilitate harmful interactions by focusing on the enablers that permit harmful actions. This research expands the understanding of the digital platform ecosystem by addressing its 'dark side' and identifying its structural elements.

In conclusion, the articles in this special issue advance our understanding of digital entrepreneurship and its multifaceted impact on both social and economic spheres. By exploring digital capabilities, social innovation, and the risks associated with entrepreneurship based on emerging technologies, these studies reveal the complex landscape in which digital innovations take place.

As new digital ventures continue to shape economies and societies, they hold the potential to drive meaningful social change, improve economic resilience and sustainability, and address societal challenges. However, they also present ethical and strategical risks that must be thoughtfully considered and managed. The insights provided by the articles highlight the importance of fostering digital entrepreneurship ecosystems that are inclusive, sustainable, and socially responsible, ensuring that digital entrepreneurship not only generates economic and business value but also contributes positively to social progress and well-being in our society

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