

Stockholm School of Economics

M.Sc. Business & Management

Master thesis, Spring 2020

Submitted on May 12, 2020

Between System Hackers and Trojan Horses

How Entrepreneurs Drive Paradigmatic Change Towards a More Sustainable Economy

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Abstract: To combat global challenges such as climate change or social inequalities, more and more voices are calling for a transformation of today's capitalist economies. However, without outlining how actors can enact change from within the current setting, visions of a fundamentally different and more sustainable economy may not become reality. The purpose of this study, therefore, lies in investigating how a societal transformation can be initiated and, in particular, what role pioneering entrepreneurs can play in driving paradigmatic change towards a more sustainable economy. To answer this question, this thesis integrates theory from institutional entrepreneurship and transition management, and conducts an exploratory study based on interviews with so-called post-capitalist entrepreneurs as well as politicians. The study finds that entrepreneurs can drive paradigmatic change through a recurring cycle of four transition management activities: envisioning paradigmatic change, developing innovations, diffusing them to change economic structures and evaluating progress. In doing so, entrepreneurs are constrained by current economic structures, but they leverage enabling factors such as intangible resources, superior skills or dedication to overcome these constraints. The findings suggest that for driving paradigmatic change, two types of entrepreneurs are needed: those driving the transformation with radical changes and those implementing incremental steps.

Keywords: post-capitalist entrepreneurship, institutional entrepreneurs, sustainable transformation of economy, transforming capitalism

ACKNOWLEDGMENTS

I would like to express my sincere thanks to all my interview partners – thank you very much for the inspiring insights into your work and for your time despite the challenging circumstances for your organizations due to the outbreak of the Covid-19 pandemic in spring 2020.

I also want to extend special thanks to my supervisor Max Jerneck, who has guided me over the past months with his valuable expertise, relentless patience and constructive feedback.

In addition, I want to thank Prof. Dr. André Reichel for his insights and thoughts on the research topic at hand. Last but not least I am also grateful for the valuable feedback from Maiken Wallinger, Franziska Grünwald, Franziska Schlauß and Fabian Keske.

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GLOSSARY

Benefit Corporation – Benefit Corporations, or B Corps, are companies that are committed to balance profit and purpose by meeting the highest standards of social and environmental performance, public transparency and legal accountability. To be recognized as a B Corp, companies must demonstrate responsible business practices along five dimensions: governance, treatment of employees, interaction with local communities, environmental impact and value to customers. Together, certified B Corps strive to accelerate a global cultural shift to redefine success in business and build a more inclusive and sustainable economy. *Website: www.bcorporation.eu*

Community-supported agriculture (CSA) – Community-supported agriculture is a form of agricultural organization in which a group of consumers and a group of farmers build a direct consumer-producer community. Consumers pay a monthly fee, invest in the building of necessary infrastructure and offer long-term purchase guarantees to producers, who in turn provide consumers with food as well as with insights into and influence on production. Often, the goal is to establish ecologically and socially sustainable cultivation methods which would not be economically viable in the free market due to constraints such as price pressure.

Website: <https://communitysupportedagriculture.org.uk/what-is-csa/>

Cooperative – According to the International Co-operative Alliance, cooperatives are people-centered enterprises owned, controlled and run by and for their members to realize their common economic, social, and cultural needs and aspirations. Regardless of the amount of capital invested into the enterprise, all members share equal voting rights. Cooperatives are common in agriculture, where consequently consumers and producers can take full control of their economic future and, as cooperatives are not owned by shareholders, the economic and social benefits of their activity stay within the communities in which they are established. Profits generated are either reinvested or returned to the members. *Website: www.ica.coop*

ECG Balanced Company – ECG Balanced Companies are companies certified to operate in accordance with the principles of the economy for the common good (see below). In particular, these companies have created a common good balance sheet, that shows a company's contribution to the common good on four dimensions: human dignity, solidarity and social justice, environmental sustainability, as well as transparency and co-determination. After the balance sheet has been externally reviewed, the company receives a certain score that reflects its performance on these dimensions. According to the ECG model, companies with higher scores should receive tax advantages and other incentives. *Website: <https://www.ecogood.org/what-is-ecg/ecg-in-a-nutshell/>*

Economy for the common good (ECG) – The economy for the common good is a model for a future economy that is not designed to maximize profits and growth, but to serve the common good and protect the planet’s health. In an ECG, businesses gain competitive advantages thanks to innovations and operations that maximize the positive impact on the planet and society. In an economy for the common good, inequalities in income, wealth and power are within modest limits, the environmental impact of consumption and production remains within planetary boundaries, and present and future generations enjoy equal opportunities for human welfare. *Website: <https://www.ecogood.org/what-is-ecg/ecg-in-a-nutshell/>*

Holacracy – Holacracy is a governance system for organizations which aims to abolish formal hierarchies and power relations while strengthening internal transparency and autonomy. Within this system, classical job descriptions are dissolved, and employees choose and change their fields of activity, so-called roles, freely. Similar roles are combined into circles that can decide autonomously in day-to-day operations and in accordance with the principles of self-management. Individual representatives from more specialized circles are delegated to higher-level, more generalist circles. This means that although conventional hierarchies no longer exist, clear structures that holistically determine the activities of companies persist. *Website: www.holacracy.org*

Non-violent communication – Non-violent communication is an approach that guides people how to interact without violence – for example without blaming, accusing or judging – so that they can build more authentic relationships with others. Today, the principles of non-violent communication are being applied by more and more companies that want pay more attention to the emotional needs of their employees. *Website: www.cnvc.org*

Steward-ownership – Steward-ownership is an alternative to the conventional shareholder ownership model in today’s capitalist economies where short-term return objectives of shareholders are often achieved at the expense of long-term interests of employees, surrounding communities and the environment. Steward-ownership addresses these structural and participatory deficiencies by committing to two principles: Firstly, *self-governance*, according to which control remains inside the company and with the people directly connected to stewarding its mission. Secondly, *profits serve purpose*, according to which wealth generated by the business cannot be privatized and instead must serve the company’s integral mission. Often, shares of companies with steward-ownership are given to charitable foundations to ensure that the original purpose of the company is continuously pursued. *Website: www.purpose-economy.org/whats-steward-ownership*

1. INTRODUCTION

When this master's thesis was written, scientists influenced more directly than almost ever before the everyday life of people, the state of the economy and important questions in politics all over the world. In response to the existential threat caused by the corona virus in spring of 2020, many decision-makers around the world followed the advice of virologists, epidemiologists and infectiologists, but also sociologists and economists (Schütte, 2020). In most countries, experts' recommendations resulted – at least temporarily – in nothing less than a paradigm shift that reunites what has often been at odds before: individual interests and the common good. Whereas in pre-corona times, individualization within society was constantly on the rise (Genov, 2015), during the corona crisis people accepted massive restrictions on their individual rights in order to stop the spread of the virus among fellow citizens (The Local, 2020). Whereas in pre-corona times, companies used to primarily focus on maximizing profit and growth even at the expense of people and planet (Jackson, 2009), during the corona crisis the well-being of employees and citizens served as decisive criterion in the discussion about when to revive economies from lock-down.

Already before Covid-19, an increasing number of scholars have advocated the pressing need for paradigmatic change and an orientation of the economy towards the common good, as society faces global challenges such as climate change, environmental degradation or social inequalities (e.g. Felber, 2010; Paech, 2012; Reichel & Perey, 2018): More and more studies suggest that these challenges are also caused by the current capitalist paradigm, in which structures, norms and practices systematically incentivize actors to prioritize individual economic benefits over human and environmental wellbeing (e.g. Jackson, 2009; Piketty, 2014). But while many decision-makers from politics and business were responsive to scientific recommendations during the corona crisis (Schütte, 2020), visions of an alternative economy that serves the common good are not yet on the political agenda (Daly, 1991; Felber, 2010; Latouche, 2006). How can this imbalance be explained considering that climate change may cause even more devastating consequences than the corona virus did (Jones, 2020)? Part of the answer may lie in the fact that for some parts of society global challenges such as climate change do still not seem imminent enough (Jones, 2020).

Another part of the answer could be that visions of a fundamentally different and more sustainable economy cannot unfold their full potential if trajectories into these imagined futures are not clearly outlined. By examining how actors can proactively enact change, this thesis aims to address this issue. To do so, this research sheds light on how a long-term and controlled societal transformation towards an alternative economy can be initiated and shaped before catastrophic events require extreme and costly measures. A particular focus lies on how individual actors can initiate and drive such a major transformation from within today's capitalist economies.

1.1 Purpose and Research Question

The purpose of this thesis is to contribute to answering the question of how a societal transformation towards an economy that serves both people and planet can be initiated and shaped. Thereby, the focus does not lie on various visions for a future economy, which have already been developed by numerous scholars. Rather, this thesis addresses a research gap by shedding light on processes and actors necessary to initiate a transformation away from the current economic paradigm in the first place.

This thesis assumes that pioneering entrepreneurs¹, that are already in the course of developing and implementing elements of a fundamentally new and more sustainable economy, could play a crucial role in driving paradigmatic change. More specifically, they could serve as examples that make the envisioned changes tangible and, therefore, enable the public and politicians to discuss and assess the feasibility and desirability of a major transformation. However, what strategies do entrepreneurs pursue to drive paradigmatic change? Do they confront existing structures with radical changes, or do they improve structures incrementally? Are individual actors even able to implement radical changes from within established structures? The central research question of this exploratory study, therefore, is:

RQ: How can entrepreneurs drive paradigmatic change towards a more sustainable economy?

To answer this question, I have interviewed 18 representatives from 17 companies driving paradigmatic change towards a more sustainable economy within their respective sector as well as three politicians as they can directly influence economic structures. The interviews provide insights into entrepreneurial activities and strategies to drive the transformation as well as into factors that either constrain or enable entrepreneurs in doing so.

In chapter 2, this thesis begins with a review of existing research on the necessity, design and actors of a major transformation. In chapter 3, I will introduce theoretical concepts on institutional entrepreneurship and transition management that help to understand how entrepreneurs drive major transformations. Subsequently, in chapter 4, I will synthesize the findings of chapters 2 and 3 to describe how this thesis contributes to the current state of research. In chapter 5, I will explain the qualitative and exploratory research approach used to collect and analyze empirical data. This is followed by the presentation of the findings of this research in chapter 6, based on which I will develop a theory answering the central research question in chapter 7. The last chapter concludes and outlines areas for future research.

¹ Unless otherwise highlighted, in this thesis, the term “entrepreneur” is used pars pro toto to describe an organization that is operating in an entrepreneurial way and not for an individual entrepreneurial person.

2. THE GREAT TRANSFORMATION: MOVING BEYOND TODAY'S CAPITALISM

Various scientific contributions have come to the conclusion that threatening societal outcomes such as climate change, resource depletion or global inequalities, require solutions that do not combat symptoms but their systemic root causes. Therefore, drawing on existing literature, I address three questions in this chapter: *Why* is there a need for paradigmatic change? (2.1) *What* can paradigmatic change look like? (2.2) *Who* can drive paradigmatic change? (2.3)

2.1 At the Roots of Global Challenges: Capitalism in Crisis

As Hall and Soskice (2001) show in their seminal work “varieties of capitalism”, capitalist economies around the world differ in several respects. According to Jackson (2009, p. 166), however, these “differences are differences in degree rather than fundamental differences in kind”. Central to capitalist economies is, for example, that they are driven by an engine of economic growth (Jackson, 2009, p. 88). Two default settings are important to understand how this engine is constructed: First of all, this engine operates based on an economic definition of which value should grow. For politicians, growth in total monetary value of nationally produced goods and services, the gross domestic product (GDP), is the primary measure of their country’s prosperity (Jackson, 2009). And for many business executives, financial performance indicators such as profits are the most important measures of success (Posse, 2015). The second default setting of the engine is that it is dependent on continuous growth (Reichel & Perey, 2018). One of the most important structural growth drivers is the way capital is financed in capitalist economies: Whether it raises money as equity or debt, a company has to repay not only the principal value, but also interest or dividends, and is thus obligated to make profits (Binswanger, 2009, p. 313). A second driver of growth stems from the fact that companies have advantages when they are larger in size, which allows them to invest in innovation, exert power on competitors, suppliers or politicians and cut costs thanks to economies of scale (Posse, 2015, pp. 41–45). Taken together, the economic understanding of value and the structural necessities to grow have shaped the way how market actors think the economy works or should work. The resulting structures, norms and practices in capitalist economies shall be summarized as the *current economic paradigm* (Martin, 2016).

It is true that decades of economic growth have spread wealth throughout the entire world: Between 1800 and 2017, the share of the world population disposing of less than 2 US dollars a day has dropped from 85% to 9% (Rosling et al., 2018). Nevertheless, a growing body of research considers capitalist structures, norms and practices to be central root causes for global challenges such as climate change, resource scarcity or social inequalities. Therefore, Brand (2016b, p. 687) refers to a crisis of capitalism with multiple facets, necessitating paradigmatic changes in the functioning of today’s capitalist economies. Drawing on existing literature, the following summarizes how the structural design of capitalist economies gives rise to problematic practices of firms along four dimensions.

Environmental dimension. A first strand of literature criticizes the exploitative relationship of capitalist economies with nature (Brand, 2016a). In the conventional calculation of profits (and societal progress), damages to natural ecosystems caused by economic activities are not taken into account but treated as externalities outside the scope of the firm (Friedman, 2007). This wrongly implies an inexhaustibility of natural resources and transforms them into seemingly free commodities used to fuel the economy's quest for growth (Brand et al., 2017; Jackson, 2009). "No subsystem of a finite system can grow indefinitely, in physical terms", describes Jackson (2009, p. 14), revealing that an anthropocentric economy, in which humans try to subordinate nature, is doomed to destroy its own basis for survival (Daly, 1992).

Cultural dimension. Some authors criticize how the capitalist economy has created a culture of consumerism, endlessly striving to meet material wants (Spangenberg, 2018). Entrepreneurs, on the one hand, introduce novelties to the market, driven by fear of being outcompeted (Schumpeter, 1942). Consumers, on the other hand, are driven by fear of being left behind in social comparison and, consequently, seek novel products that express their social status (Booth, 2004). Taken together, these two mutually reinforcing processes create a culture of restlessness locked in an "iron cage of consumerism" (Jackson, 2009, p. 87), and provide the basis for long-run growth that does not necessarily foster genuine human satisfaction (Jackson, 2009).

Social dimension. A third research area analyzes the social inequalities implicit to and created by the capitalistic mode of production (Jackson, 2009). Fierce global competition for profits and survival pushes companies towards minimizing not only resource but also labor costs, thereby neglecting non-economic human values (Wanner, 2015), exploiting existing forms of domination (Brand, 2016a) and furthering income disparities between and within countries (Blühdorn & Welsh, 2007). On a similar note, Brand concludes that globalized markets have generated an "imperial mode of living" (Brand, 2016a, p. 114) of the Global North whose accumulation of wealth is based on cheap labor, problematic working conditions and de-industrialized economies in the Global South (Qingzhi, 2017).

Participatory dimension. A fourth group of studies analyses the tensions between capitalism and democratic participation (Merkel, 2014). One strand of criticism highlights the contradiction that on the one hand, companies have important effects on public welfare through their influence on society and nature. On the other hand, in a globalized economy, companies are increasingly independent from the reverse regulatory influence of the public through civil society and politics (Altvater & Mahnkopf, 1997; Merkel, 2014; Wanner, 2015). Another strand of criticism has focused on participatory inequalities between the stakeholders of a firm: In many capitalist economies, major decisions about the direction of publicly traded companies are strongly influenced by the short-term return objectives of the shareholders, often at the expense of the long-term interests of employees, surrounding communities and the environment (Ebrahim et al., 2014; Eldar, 2017).

2.2 Visions for a Post-Capitalist Economy

In response to the multiple crises of today's capitalism (Brand, 2016a), scholars proposed various visions for a sustainable future economy. Some of these visions require a radical departure from the status quo. This thesis does not intend to assess whether these visions are socially desirable or not, but rather to investigate how individual actors could initiate such a transformation in the first place. Nonetheless, in order to better understand what agents of paradigmatic change are striving for, I will briefly present the most relevant visions for a future economy in this section.

Not all of these visions imply a fundamental change in the way capitalist economies function. For example, decision-makers in politics and business are promoting strategies of a green economy that does not abandon its capitalist logic but merely shifts to a "different engine of growth" (Jackson, 2009, p. 132): efficient products, services, circular resource streams, innovative technologies and investments into sustainable infrastructure (The Global Commission on the Economy and Climate, 2018). Literature on the business case for sustainability indicates that there can, indeed, be win-win situations in which companies benefit economically from generating sustainable value (e.g. Barnett & Salomon, 2006; Dyllick, 1999; Porter & Kramer, 2011). Yet various researchers warn that relying on efficiency gains and innovative technologies alone may not be sufficient to avoid the collapse of natural ecosystems for several reasons: Firstly, according to forecasts for 2050, the expected increase in world population and in per capita consumption could outweigh anticipated efficiency gains (Spangenberg, 2018). Secondly, even with continued efficiency gains beyond 2050, absolute decoupling of consumption from material throughput may never be feasible, and, therefore, any economic growth may have a negative impact on nature and eventually overburden its ecosystems (Heinberg, 2010; Seidl & Zahrnt, 2010). Thirdly, rebound effects observed in the past suggest that resources freed up thanks to efficiency gains may be reinvested in other areas and ultimately increase the absolute level of consumption (Herring & Sorrell, 2009).

These arguments drive more and more researchers to call for a shift away from technological solutions as suggested by green growth proponents, and towards systemic solutions that fundamentally challenge the current capitalist paradigm (Brand, 2016a; O'Brien, 2012). Consequently, scholars have developed contributions for example on steady-state-economies (Daly, 1991), post-growth economies (Latouche, 2006) and on the economy for the common good (ECG, see glossary; Felber, 2010). These accounts will be summarized as *visions for a post-capitalist economy*, because they all fundamentally question certain structures, norms and practices of the current capitalist logic (see 2.1). It is important to note that these visions were deliberately not labeled "anti-capitalist" because the authors advocate neither for the abolition of capitalism nor for the introduction of socialism. Instead, they initiate an exploration of more sustainable future economic models which are built upon, yet fundamentally transform capitalist economies (Jackson, 2009).

One central agreement among proponents envisioning a post-capitalist economy is that the economy as such can no longer be oriented towards continuous economic growth. This finding goes back to a

report “The Limits to Growth” by the Club of Rome in 1972 (Meadows, 1972), and has since been repeated by several authors (Daly, 1992; Jackson, 2009; Latouche, 2006; Sekulova et al., 2013). According to Daly (2007, p. 40), economic “growth has already become uneconomic” because its marginal costs due to negative environmental and social impacts now exceed its marginal benefits. However, Laloux and Kauschke (2015) stress that the post-capitalist criticism of growth is only directed at growth measured in economic terms such as by the GDP. Consequently, in a post-capitalist economy, growth could still be maximized for values such as human well-being or ecological integrity. For example, literature on the economy for the common good describes how, in an economy free from the necessity to grow in economic terms, profits are no longer the ultimate ends but the means for a firm to maximize its contribution to the common good (Felber, 2010). In such an economy, tax rates or other policy instruments would motivate companies to invest in long-lasting, decarbonized products as well as to contribute to a cultural shift towards a resource-saving lifestyle (Paech, 2012).

On the macro-level, moving away from the primacy of economic growth would alter the scale and scope of the global economy: According to Paech (2013), long global value chains would be limited to those products, whose production makes global sourcing inevitable. Instead, more value chains could be organized regionally to increase firms’ ability to meet individual needs (Paech, 2012, p. 118). Moreover, according to Latouche (2006), a post-growth economy would have a large decommercialized sector in which people at the local level participate in value creation processes of a subsistence economy. Examples include activities such as agricultural cultivation, product repairs instead of new production, arts, education and communal sharing.

On an organizational level, the envisioned change towards an economy that primarily focuses on people and ecological integrity rather than economic profits could come along with a very different kind of how companies are organized internally. After analyzing pioneering organizations from around the world, Laloux and Kauschke (2015) describe a new organizational paradigm in which companies are living systems with features such as a shared purpose, participatory decision-making and employee autonomy. Central to their vision is the idea of bringing back “wholeness” (Laloux & Kauschke, 2015, p. 48) to the organizational life, thereby reuniting what has been separated by today’s organizational structures and practices: rational arguments and human values, the professional and private self, work and life as well as the organization and its social and natural environment.

2.3 The Role of Entrepreneurs in Driving Paradigmatic Change

The previous section presented existing visions of a more sustainable future economy. Since some of these visions fundamentally question the status quo, the question arises whether individual actors like entrepreneurs can drive such a major transformation at all? Traditionally, research attributes individual actors only a limited ability in advancing paradigmatic changes from within established structures. Fligstein (1996) highlights how existing formal and informal market norms and structures primarily reflect the interests of incumbent powers in politics and business. These structures provide the

institutional landscape with stability, which in turn enables companies to maximize their interests within the current regulatory frame (Loasby, 2001). Even if Schumpeter (1942) explains how entrepreneurs change obsolete structures through a process of creative destruction, he does not particularly refer to those changes that fundamentally alter the underlying logic of an economic system. Accordingly, Porter and Kramer (2011) describe how companies exploit emerging win-win opportunities of economic profitability and sustainable value creation without initiating change to the underlying economic paradigm. Following this logic, sustainability efforts are pursued if they also yield economic gains, which comes close to Milton Friedman's doctrine that a company's only social responsibility is to make profits and it is the role of policymakers to decide on institutional change (Friedman, 2007).

Other voices attribute a more active role to private actors in driving paradigmatic change: Seidl and Zahrt (2012, p. 114), for example, claim that politics and society need pioneering companies that implement radically new ideas in order to evaluate their desirability and feasibility. This entails entrepreneurs who go beyond exploiting existing win-win opportunities and instead are ready to forego immediate returns for the sake of driving paradigmatic change towards an entirely new and more sustainable economic system (Posse, 2015, p. 55). The identity of such companies is, therefore, both of economic and political nature: Even if they act based on a business model, they primarily intend to initiate fundamental changes to the current capitalist paradigm (Schneidewind, 1998). It is true that such a mission could overlap with the goals of other types of entrepreneurs, such as social entrepreneurs (Santos, 2012), political entrepreneurs (Maurya & Mintrom, 2020) or post-growth entrepreneurs (Posse, 2015). However, for none of them, driving change to capitalist structures, norms and practices is the most defining element. Therefore, based on Cohen (2017), the umbrella term *post-capitalist entrepreneur* is used in this thesis pars pro toto to describe organizations that challenge and reshape the current capitalist logic, and thereby drive paradigmatic change towards a post-capitalist economy. This characterizes them as a specific type of what is called *institutional entrepreneur* in literature: a concept which has originally been introduced by DiMaggio (1988) and is used for entrepreneurs "who initiate changes that contribute to transforming existing, or creating new, institutions" (Battilana et al., 2009, p. 66).

3. THEORETICAL FOUNDATIONS

The previous chapter concludes that entrepreneurs do not necessarily take their institutional environment for granted, but can indeed initiate paradigmatic changes to existing structures, norms and practices. In order to better understand what enables individual entrepreneurs to do so, this chapter reviews important concepts from the fields of institutional entrepreneurship (see 3.1) and transition management (see 3.2). I will then link these concepts back to the research question and summarize how the concepts help to observe how post-capitalist entrepreneurs initiate and manage paradigmatic change (see 3.3).

3.1 Theory from Institutional Entrepreneurship: The Paradox of Embedded Agency

The term *institutional entrepreneur* combines two seemingly contradictory concepts and creates a tension between institutional continuity and entrepreneurial power to enact change. This points to a debate in organizational studies about the extent to which actors can exert influence on their structural environment (Battilana et al., 2009; Garud et al., 2007). While institutional theory emphasizes that the activities of organizations are determined by their institutional setting, agency theory emphasizes that actors themselves can purposefully influence their social environment. The main concepts of this structure versus agency debate (Battilana et al., 2009, p. 72) will be described in the following.

According to North (1990, p. 3), “institutions are [...] humanly devised constraints that shape human interaction”. These constraints are twofold: On the one hand, institutions favor actors operating within the institutional framework by coordinating interactions and reducing complexity (Loasby, 2001). On the other hand, institutions have constraining effects on actors such as institutional entrepreneurs who strive to change institutional structures. This results from existing institutions being able to determine which behaviors or beliefs are considered legitimate and which are not (Scott, 2013, p. 72). They do so in three different ways (Scott, 2013, pp. 59–70): *Cultural-cognitive* elements of institutions – often subconsciously – influence common beliefs, how actors make sense of reality and what they rely upon. *Normative* elements of institutions are expressed in socially shared values and expectations to adhere to a certain behavior that is considered appropriate. Finally, *regulative* elements of institutions apply formal rules or laws to sanction behavior outside the norm. These elements result in specific *market structures* and influence the design of value chains, the availability of suppliers or the nature of disposable knowledge.

Contrastingly, proponents of agency theory criticize institutional theory for introducing an overly socialized view on actors according to which companies mechanically follow beliefs, expectations and rules of the institutional setting they are embedded in (Granovetter, 1985). Unlike principal-agency theory in the context of corporate governance (Jensen & Meckling, 1979), agency theory in the context of institutional change is closely linked to entrepreneurship literature (Kirzner, 1997; Schumpeter, 1942). Instead of emphasizing institutional continuity and structural determinism, agency theory highlights individual actors’ rational choice and capacity to drive institutional change thanks to

differential access to financial resources as well as intangible assets such as social position, formal authority or social capital (Battilana et al., 2009, p. 83). In addition, Kirzner (1997) highlights how entrepreneurs change existing market structures thanks to acquiring knowledge and applying it in creative ways.

Whereas institutional theory was criticized for being over-socialized, agency theory was accused for being under-socialized due to its interpretation of an entrepreneur who is seemingly independent from the social and institutional context (Garud et al., 2007). From these opposing perspectives follows that institutional entrepreneurs face what Seo and Creed (2002, p. 223) call a “paradox of the embedded agency”: How can entrepreneurs transform their institutional context while being determined by its structures? Several authors have attempted to integrate the different viewpoints of this structure versus agency debate (Battilana et al., 2009, p. 72) and thus resolve the paradox of embedded agency (Hoffman & Ventresca, 2002; Thornton & Ocasio, 2008). They conclude that institutions constrain and enable actors but due to individual agency, they cannot determine entrepreneurial action (Battilana et al., 2009, p. 73). Figure 1 illustrates the resulting field of tension in which institutional entrepreneurs find themselves: When driving institutional change, they are, on the one hand, constrained by the gravitational forces of existing institutional settings. On the other hand, their differential access to and use of resources enables them to overcome constraints and drive divergent change towards a new status quo.

Knowledge about the concrete processes by which entrepreneurs implement paradigmatic change is still underdeveloped in the field of institutional entrepreneurship (Battilana et al., 2009, p. 86). To address this gap, the next section draws on knowledge from the field of transition management.

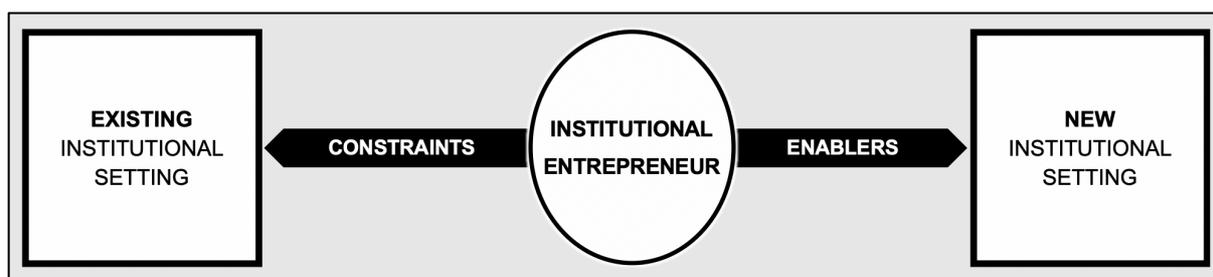


Figure 1. *The paradox of embedded agency (own illustration, based on Battilana et al., 2009).*

3.2 Theory from Transition Management: The Multi-Level Framework

The field of transition management originally emerged from analyzing the diffusion of new technologies and today also observes how governmental actors proactively manage systemic transformations. Nevertheless, the multi-level framework emerging from the works of Geels (2002b) and Loorbach et al. (2015) is also relevant for the investigation of entrepreneurial change efforts within this thesis, as it emphasizes the individual transition management activities of proactive change agents and the different societal levels at which they occur. In the following, I will first introduce the different societal levels and then the individual transition management activities. Figure 2 summarizes the resulting multi-level transition management framework.

Fundamental transitions arise from mutually reinforcing developments in all areas of society, such as politics, economics, technology, culture and the environment. According to Geels (2002a), these developments can occur at several levels of societal aggregation: on the meso, micro and macro level. The meso-level represents the dominant societal *regime* with its cultural-cognitive elements such as beliefs and collective sense-making, normative elements such as societal values and expectations as well as regulative elements such as rules or laws that ultimately shape market structures (Scott, 2013, pp. 59–70). Together, these elements guide decision-making and behavior of actors at the micro-level. As described in section 3.1, this institutional infrastructure gives stability to the societal system as a whole and prevents minor innovations from disrupting the dominant regime (Loorbach et al., 2015, p. 20).

It is at this meso-level that institutional entrepreneurs initiate fundamental change, with transition studies showing how their effectiveness in implementing change depends on factors at the two remaining layers below and above the meso-level (Geels, 2002b). At the micro-level, the *niches*, effectiveness depends on individual pioneers' capacity to develop radically novel products, technologies or organizational practices, to validate them and to successfully transfer them from the niche to the dominant regime (Loorbach et al., 2015, p. 22). At the macro-level, the *landscape*, this effectiveness is then mediated by developments in the external environment in which the societal regime and the individual niches are embedded. Exemplary developments are changes in societal values or economic developments but also major trends such as climate change (Loorbach et al., 2015, p. 22). Such developments evolve autonomously, determining both the type of novelties developing in niches and their probability of diffusing into the regime (Loorbach et al., 2015, p. 22).

Since societal transitions involve complex interdependencies between developments on these different levels, driving transitions as an individual actor is challenging. To analyze how actors still proactively shape complex transition processes, Loorbach (2007) differentiates between strategic, tactical, operational and reflexive activities. Although this categorization is mainly used to analyze governmental change agents, below it will be described from the perspective of proactive companies based on an account by Loorbach and Wijsman (2013).

Strategic transition management involves a company's activities to develop an understanding for challenges that become visible in the landscape through threatening social, environmental or economic

developments. In response, proactive companies develop and promote visions for an ideal future state of society and align their daily practices accordingly (Loorbach & Wijsman, 2013, p. 26). With *tactical* activities, proactive companies confront and initiate change to the dominant regime structures that are responsible for threatening developments in the landscape. To overcome barriers posed by established structures, norms or routines, companies must not only convince external stakeholders to change but also join forces with like-minded organizations to exchange knowledge and gain influence together (Loorbach & Wijsman, 2013, p. 26). In *operational* activities, companies turn their long-term vision into daily action and lead the change with innovative niche solutions. This includes experimenting with novel business model components, technologies or organizational practices. The degree to which these innovations create systemic impact depends on the effectiveness of a company's tactical activities (Loorbach & Wijsman, 2013, p. 26). Finally, in *reflexive* activities, companies monitor and assess progress of change in the dominant regime. In addition, these activities involve learning from past experiences and from those of like-minded organizations, to ultimately inform and readjust strategic activities of problem definition and vision development (Loorbach & Wijsman, 2013, p. 26).

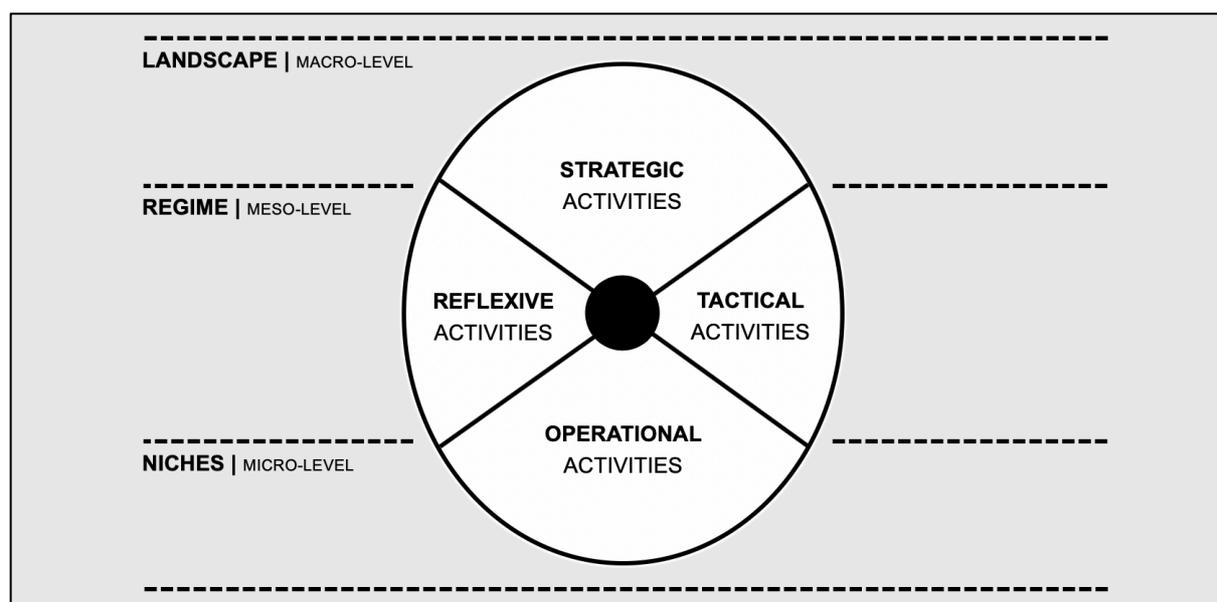


Figure 2. Multi-level transition management framework (own illustration based on Geels, 2002a; Loorbach & Wijsman, 2013).

3.3 Concluding Remarks

The theoretical concepts from institutional entrepreneurship and transition management presented before can help in analyzing how post-capitalist entrepreneurs drive paradigmatic change towards a more sustainable economy. The findings from transition management suggest that post-capitalist entrepreneurs can drive paradigmatic change by implementing various transition management activities at different levels of societal aggregation. The findings from institutional entrepreneurship imply that when implementing these activities, entrepreneurs find themselves in a field of tension between the existing capitalist economy in which they are embedded and the post-capitalist economy which they aspire to. According to this body of research, the entrepreneurs' effectiveness in driving paradigmatic change depends on the constraining effects of the dominant capitalist structures and on an individual actors' ability to leverage enabling factors to overcome these constraints.

Finally, the insights from institutional entrepreneurship and transition management allow a breakdown of the central research question into three components:

RQ1.1: What are the different activities with which entrepreneurs drive paradigmatic change?

RQ1.2: What constraints do entrepreneurs face when driving paradigmatic change?

RQ1.3: What enablers do entrepreneurs leverage to overcome the constraints they face when driving paradigmatic change?

4. SYNTHESIS OF LITERATURE REVIEW

This thesis aims to contribute to existing literature in three different ways. Firstly, it complements existing macro-level contributions that envision a post-capitalist economy with an agency-based view on how a major transformation into this imagined future can be shaped in the first place. For now, the debate between proponents of a green growth economy and those envisioning a post-capitalist economy is mainly theoretical and normative in nature (Posse, 2015, p. 15). Instead, analyses of implementing post-capitalist elements on the micro-level from a company's perspective are rare (Posse, 2015, p. 15) and mainly focus on motivation (Burlingham, 2016; Dietsche & Liesen, 2013), strategies (Reichel, 2018; Schneidewind et al., 2012) or business models (Bocken & Short, 2016; Dyllick & Hockerts, 2002) underlying such efforts. What is missing are empirical studies that investigate how entrepreneurs drive change towards a fundamentally different and more sustainable economy despite the constraining influence of predominant structures, norms and practices (Posse, 2015, p. 16). Yet these insights are crucial as visions of a post-capitalist economy cannot unfold their full potential if trajectories into these imagined futures are not clearly outlined. This thesis aims to address this issue by analyzing post-capitalist entrepreneurs that make envisioned changes tangible and, therefore, enable the public and politicians assess the feasibility and desirability of a major transformation.

Secondly, for the first time, this thesis draws a connection between research streams on institutional entrepreneurship and transition management. In doing so, it aims to apply and advance a perspective introduced by Loorbach and Wijsman (2013): Not only governmental actors but also private sector actors can act as proactive change agents in societal transformations. In the current body of literature, however, an analytical tool for investigating how entrepreneurs drive paradigmatic change processes is still missing. Theoretical insights from the findings of this thesis could help to close this gap.

This thesis, thirdly, contributes to expanding the number of empirical studies and the diversity of literature on institutional entrepreneurship and transition management. So far, authors in the field of institutional entrepreneurship have focused on theoretical contributions (Battilana et al., 2009, p. 92). Pacheco et al. (2010), for example, have reviewed existing research and consolidated tactics of entrepreneurs bringing about institutional change, such as cooperation, collective action, lobbying or framing. Yet there is a need for more case-study-based research that analyzes the actual practices and struggles of institutional entrepreneurs (Battilana et al., 2009, p. 92). In addition, Battilana et al. (2009, p. 92) encourage more researchers to exploit synergies by integrating knowledge on institutional entrepreneurship with perspectives of adjacent fields, including transition management. In this field, authors have started examining how actors initiate transitions in sectors such as renewable energy (Gasbarro et al., 2018; Thompson et al., 2015), urban development (Klein Woolthuis et al., 2013) and health care (Sotarauta & Mustikkamäki, 2015). In view of these studies targeting institutional transitions in distinct sectors, Geels (2018, p. 230) calls on future researchers to extend their "analytical attention [...] to whole system change". This thesis responds to these various calls by adopting a case study-based approach to analyze entrepreneurs who intend to bring about change to the current capitalist paradigm.

5. METHODOLOGY

In the first part of this chapter I will explain why I have decided to collect qualitative data from expert interviews to answer the research question of this thesis and how an abductive approach has shaped the research process (5.1). In the second section, I will justify the selection of interview partners and the interview design (5.2). Section 3 describes how the qualitative interview data was analyzed based on the Grounded Theory approach (5.3). The chapter concludes with a reflection on how I addressed important quality criteria from the field of qualitative research (5.4).

5.1 Methodological Approach

This thesis follows a qualitative research approach based on in-depth expert interviews. In doing so, this study adopts an exploratory character since the question of how post-capitalist entrepreneurs can drive paradigmatic change has so far been under-researched. In contrast to quantitative designs, qualitative designs can capture rich information and consequently seem more suitable for the present thesis (Bell & Thorpe, 2013, p. 47): The situations in which entrepreneurs drive paradigmatic change despite the constraining influence of institutions are expected to be multifaceted and may involve complex actor interactions. Expert interviews are a frequently used data collection tool in qualitative research in general and for exploratory studies in particular (Guest et al., 2013; Qu & Dumay, 2011). Interview data offers a deep understanding of what constraining or enabling factors post-capitalist entrepreneurs are faced with, but also of what struggles or contradictions they find themselves in (Qu & Dumay, 2011). In addition to the primary data, I collected secondary information from publications, websites and podcasts to validate and complement the interviewees' accounts (see 5.2).

This study follows an abductive logic since it combines elements of both deductive theory testing and inductive theory building (Dubois & Gadde, 2002). On the one hand, this thesis uses deductive elements by drawing on existing theory from institutional entrepreneurship and transition management, which guides both the collection and analysis of data. On the other hand, the research goes beyond testing and validating existing theory: It aims to extend or challenge existing knowledge and, thus, contribute to theory building in the under-explored field of post-capitalist entrepreneurship. This abductive approach requires a constant juxtaposition of existing theoretical knowledge and new empirical findings.

The research process adopted for the sake of this thesis reflects this interplay (see figure 3): The theories reviewed in chapter 3 informed the selection of interview partners and the design but also questions of the interview instrument (see 5.2). Interviewee selection and interview design were applied in the next step when actually conducting the interviews. The qualitative data collected in the interviews was then analyzed (see 5.3) and used to expand existing theoretical knowledge.

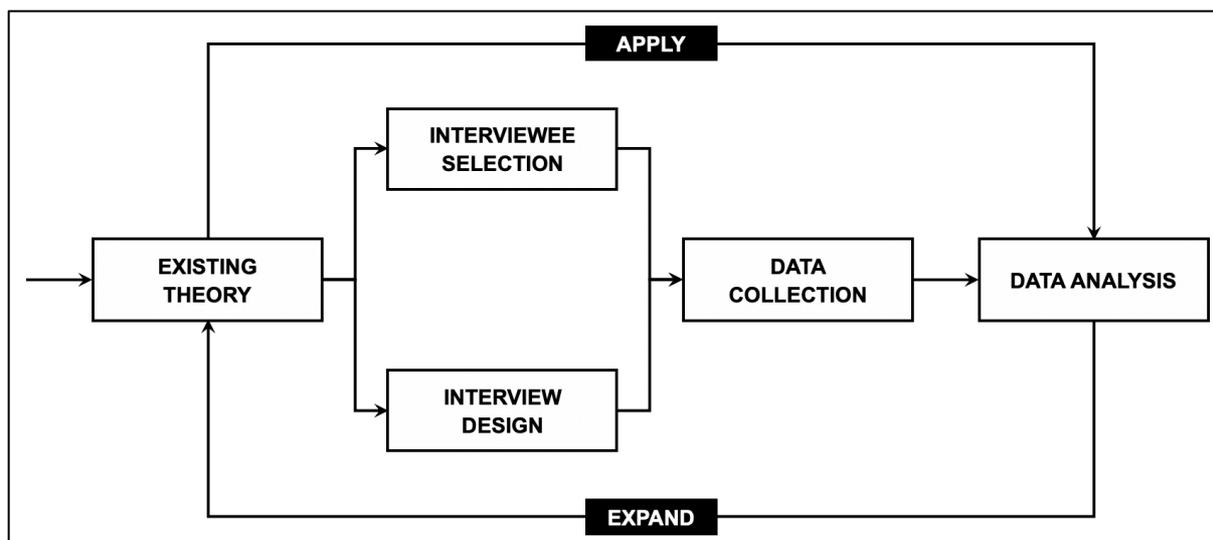


Figure 3. Visual representation of the research process (own illustration).

5.2 Data Collection

For the purpose of this thesis, I have mainly collected qualitative data from semi-structured in-depth interviews with experts and complemented it with information from various secondary sources. In the first part of this section I will explain what motivated the selection of interview partners and other sources. In the second part I will describe how the interviews were designed and structured.

5.2.1 Interviewee selection

In total, I conducted 21 in-depth interviews between February and April 2020. All of the interviews were held by phone or Skype, since physical meetings were not possible due to geographical distance or social distancing during the outbreak of the corona virus. Primarily, I interviewed representatives of post-capitalist companies but, in order to gain insights into constraints exerted from the regime, I also added politicians to the interviewee pool. While annex A shows a list with information on all interviewees, their companies' missions are described in annex B.

I interviewed a total of 18 representatives of 17 post-capitalist companies. The interviews lasted between 45-65 minutes. For the selection of suitable companies, I used two criteria based on Battilana et al.'s (2009) definition of institutional entrepreneurs: First, post-capitalist entrepreneurs “initiate divergent change” (Battilana et al., 2009, p. 68) by pursuing business models or practices that fundamentally differ from existing templates which follow a capitalist logic. This criterion was met, if a company credibly conveyed on its website that its core mission is both to raise awareness for one or several of the problematic practices in capitalist economies (see 2.1) *and* to follow a fundamentally different but more sustainable alternative instead. Second, applicable post-capitalist entrepreneurs must “actively participate in the implementation of these changes” (Battilana et al., 2009, p. 68). This criterion was applied to exclude those companies that passively exploit existing win-win opportunities between economic returns and sustainable value. Instead, I only selected those companies that actively contribute to the transformation of the current capitalist paradigm and intentionally mobilize resources to do so,

for example by sacrificing economic returns. From an outside perspective, it is not always apparent whether a company fulfills this criterion. Therefore, I used several secondary sources such as articles or podcast interviews to assess the authenticity of a company's commitment.

When screening relevant companies, I deliberately decided not to restrict this research to a specific country or sector, as I expected the number of companies that meet the criteria described above to be small. Companies were found via online publications or podcasts on purpose-driven companies such as 'Geil Montag' (GoodJobs, 2020). Out of 46 companies contacted via email and phone, 17 companies cancelled due to lack of time or due to the corona crisis. 10 companies did not respond to the interview requests. The interviews were conducted with company representatives who have strategic insights into the struggles and motivations behind driving paradigmatic change. Therefore, wherever possible one of the founders was interviewed.

As mentioned above, I interviewed three politicians to gain insights into constraining factors faced by post-capitalist entrepreneurs from the perspective of those who have a significant influence on the design of the dominant regime. The interviews were conducted by telephone and lasted 20-30 minutes. I applied several selection criteria to the interviewees from politics: Firstly, only politicians from Germany were selected, as the majority of the companies interviewed is also based there. Furthermore, politicians from both progressive and conservative parties were interviewed. Finally, I only selected candidates with a mandate in a regional, national or the European Parliament and with a certain expertise in the field of sustainable transformation of the economy. I contacted eleven politicians by mail – eight of them rejected due to a lack of time or because of the corona crisis.

5.2.2 Interview design

For the interview guide, I chose a semi-structured design to ensure a good balance between comparability and exploration (Guest et al., 2013): To ensure comparability, the interview included a predefined number of main questions that were asked to all interview partners. To avoid biases, I tried not to use leading formulations and double-barreled questions. To ensure exploration, the semi-structured design allowed to adapt the order of the questions to the course of the conversation and to each interviewee's background. In addition, I asked further probing questions in order to obtain rich answers and, thus, a deeper understanding (Qu & Dumay, 2011).

The content of the interview guide was designed in such a way that all important theoretical concepts reviewed in chapter 3 were covered, ensuring that all research (sub-)questions would be answered. The guide included four parts: In the first part I tried to build rapport to the interviewee through pleasant small talk (Guest et al., 2013). In addition, I informed the interviewee about the purpose of the interview and asked for consent concerning the audio recording. The remaining three parts followed the three levels of the multi-level framework (see 3.2): landscape, regime and niche. On each level, I directed questions towards activities implemented to drive paradigmatic change and towards factors constraining or enabling the implementation of the activities. An exemplary interview guide can be found in annex C.

I adapted the guide in two situations. Firstly, after the initial interview, I changed the order of the questions to ensure a more logical flow for the interviewee. Secondly, I tailored the questions to the individual respondent and adjusted the focus of the interview according to the amount of information already publicly available.

5.3 Data Analysis

The analysis of the collected data occurred in four steps. First, immediately after the interview, I checked the quality of the recording and, if necessary, made written notes on incomprehensible passages. After having conducted most of the interviews, I transcribed the audio recordings into text using the software Transcribe by Wreally (2020). During this stage, I complemented the interview data with other publicly available information about the respective company.

In a third step, I coded the raw data so that it could be analyzed. In order to ensure methodological rigor during theory building, I followed the coding process suggested by Grounded Theory, which is used especially in inductive but also in abductive research to credibly transform raw data into theory (Bruscaglioni, 2015). This included three levels of text processing (Easterby-Smith et al., 2015, p. 193) of which an example is presented in annex D: First, I labeled parts of the interview script with a descriptor, or code, that is close to the original text. Then I developed categories of codes to combine similar descriptors and decrease complexity. In the last step, I aggregated important categories and their mutual relationships to build concepts. During the coding stage, I was attentive to links with theoretical concepts from institutional entrepreneurship and transition management, while staying alert for novel insights that go beyond or even challenge the reviewed theories.

In the final step, I compared the outcomes to the theoretical concepts introduced in chapter 3. Chapter 7 explains in more detail how the findings of this thesis give rise to a theory that expands existing knowledge.

5.4 Critical Reflection on the Research Quality

In qualitative research, internal and external validity are important quality criteria (Bell & Thorpe, 2013). Even though I examined a relatively large number of case studies, external validity is less relevant for this study since it adopted a rather exploratory character.

Internal validity is, therefore, even more important for evaluating this thesis. According to Leitch et al., it is not so much the internal validity as a result, but rather the trustworthiness of the research process – a “process of validation” (Leitch et al., 2010, p. 72) – that matters. Building on that, the following three quality criteria are particularly relevant: The first criterion, which is especially crucial in interpretivist research, is *understanding* (Bell & Thorpe, 2013), namely the degree to which the researcher grasps the individual worldview of the interviewee. The semi-structured interview design was helpful, as it allowed for probing follow-up questions during the interview to achieve a deeper understanding (Qu & Dumay, 2011). In addition, I built upon prior knowledge on the researched topic

derived from my academic background in Management and Environmental Policy as well as practical experience in the field of social entrepreneurship. A second important quality criterion is *reliability* (Bell & Thorpe, 2013), which is why I took several measures: This chapter, for example, provides transparency about the structure and motivation behind both research process and approach. In addition, the semi-structured interview guide served to reduce interviewer biases during data collection. A final important quality criterion is what Leitch et al. (2010, p. 74) call „*ethical validation*“: This includes, on the one hand, that research has the sincere ambition to contribute to enlightenment and enhance the current state of knowledge. Consequently, I provided a detailed review of existing literature and a careful elaboration of the research gap that this thesis aims to close (see chapter 4). On the other hand, it is also important to critically reflect on and disclose factors that may distort the research results. I will describe the four most important factors in the following.

A first factor concerns a desirability bias pointing to the risk that in their answers, interviewees tried to conform to what they expect is a desired result. Therefore, prior to the interview, I provided the respondents with only the most necessary information about the interview purpose. Nevertheless, this effect is partially unavoidable, as interviewees are aware of being investigated (Guest et al., 2013). A second disadvantage of interviews is that it is difficult to verify whether respondents actually do what they say. For this reason, I collected secondary data to check the authenticity of statements. Thirdly, it is impossible to say whether statements of interviewees are shared by other employees within the same company. Indeed, most often I interviewed one of the co-founders, as they are believed to offer the deepest insights into the research topic. In other cases, where I interviewed other employees with strategic insights, the accounts were cross-checked and supplemented with publicly available statements of the founders. A last factor concerns distortions that may arise because it is not always possible to clearly determine whether a company can actually be defined as post-capitalist according to the criteria described in section 5.2. In fact, the examined companies differ in the extent to which they meet the selection criteria. To ensure that they meet the criteria to a sufficient extent, I consulted several secondary sources which enabled an informed selection.

6. EMPIRICAL FINDINGS AND ANALYSIS

This thesis investigates how entrepreneurs can drive paradigmatic change towards a more sustainable economy. In this chapter, I will present the findings from interviews with 18 representatives of 17 post-capitalist companies and three politicians to answer the central research question. The framework depicted in figure 4 provides a quick summary of the findings. Before I will describe the individual results in detail, the most important components of the framework shall briefly be introduced here.

Figure 4 shows four transition management activities with which the entrepreneurs reported to drive paradigmatic change from the current capitalist towards a future post-capitalist economy:

- envisioning a post-capitalist economy (6.1),
- developing post-capitalist innovations within the niche (6.2),
- diffusing post-capitalist innovations into the regime (6.3),
- and evaluating progress (6.4).

These activities build upon, but tailor the strategic, operational, tactical and reflexive activities introduced in section 3.2 to the specific context of entrepreneurial instead of governmental change agents. Together, the activities form a recurring transition management cycle on three analytical levels. At each of the levels, entrepreneurs are exposed to gravitational forces that try to prevent change (constraints), but they also benefit from enabling factors that help overcome these constraints. As the different shades of grey in figure 4 illustrate, macro-level constraints or enablers also influence activities on the underlying meso- and micro-level. Equally, meso-level constraints also indirectly constrain activities on the micro-level. Conversely, since micro-level enablers arise from company-internal characteristics, they are also available at the meso-level.

As this chapter will show, in carrying out these activities the companies differ in whether they confront capitalist structures with radical alternatives or whether they partially conform and improve them in incremental steps. These differences point to two archetypal strategies used to drive paradigmatic change.

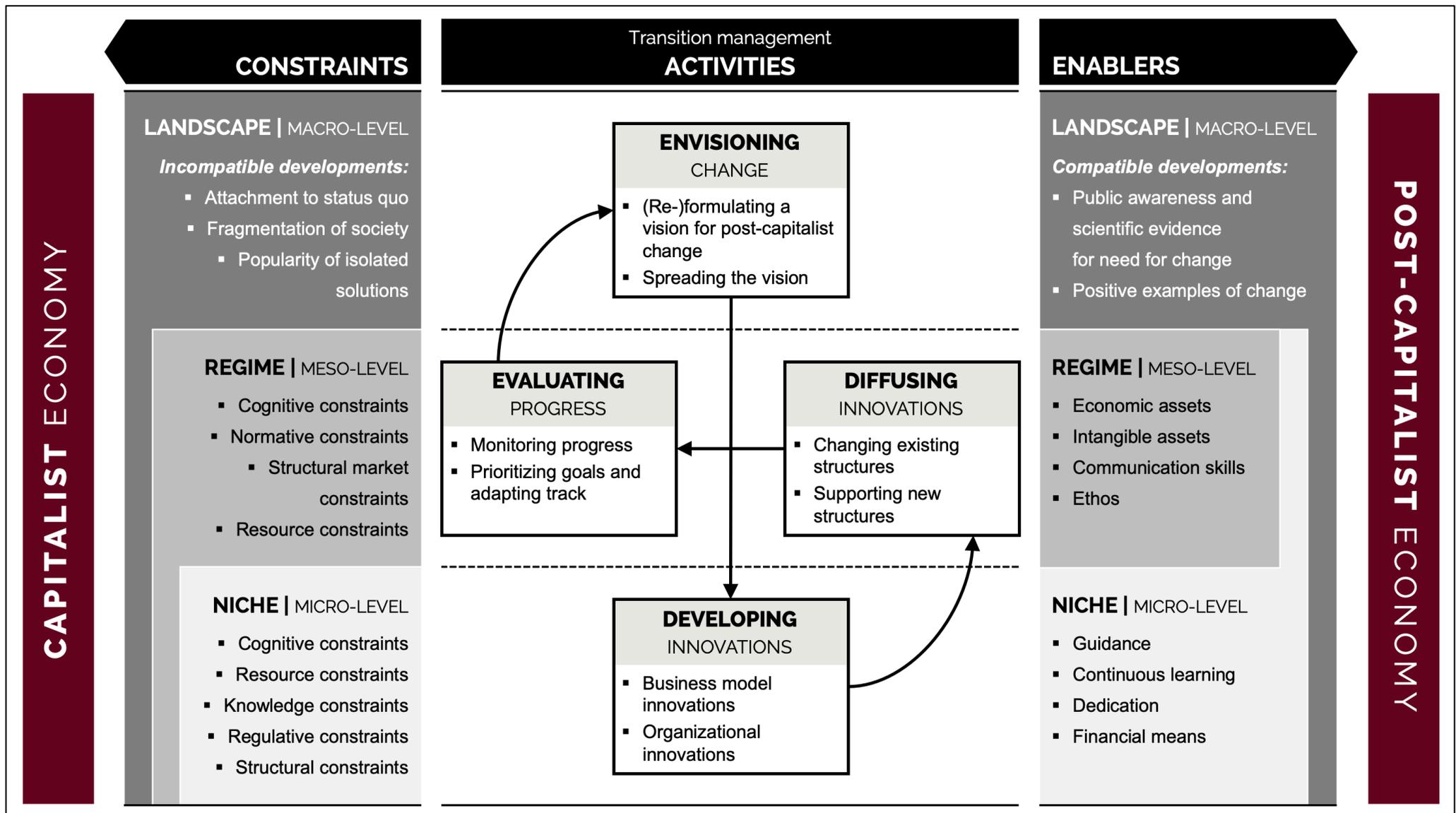


Figure 4. Summary of the research findings (own illustration).

6.1 Envisioning a Post-Capitalist Economy

Before other activities to promote paradigmatic change follow, the post-capitalist entrepreneurs develop the vision for a post-capitalist economy or adapt the vision of a previous transition management cycle. This process relates to the landscape level, because the vision addresses problematic societal developments and presents an alternative, better future. This vision serves as a reason-for-being, guiding all other transition management activities of an organization, but it is also publicly communicated to raise societal awareness of the need for paradigmatic change and thus to create a fertile ground for the diffusion of post-capitalist innovations.

In the following, I will first describe how the post-capitalist entrepreneurs proceed in formulating a compelling vision for internal and external stakeholders. Then I will summarize how the vision is used to increase social awareness of the need for change. Finally, I will explain which developments at landscape level reduce (constraints) or increase (enablers) the effectiveness and credibility of the post-capitalist vision.

6.1.1 (Re-)formulating a post-capitalist vision

Common to many post-capitalist entrepreneurs is that their reason-for-being is not linked to issues within a single area of life or industry, but rather to fundamental shortcomings of the current economic design as a whole. Accordingly, August Bard Bringéus, co-founder of the Swedish fashion start-up ASKET, explains:

“We envision to end the era of fast consumption. We define that as fast consumption very consciously and not as fast fashion because fashion is just our playing field, but our ideology and passion extend way beyond that.”

Since the envisioned change fundamentally questions the status quo of the economy, it is important to analyze how the post-capitalist entrepreneurs formulate their visions to ensure that it is accepted both within the company and in society at large. According to social movement literature, formulating a compelling vision of change involves structuring problems of the status quo and promoting a certain understanding among recipients of how these problems shall be tackled. This process of structuring and making sense of reality is referred to as *framing* (Markowitz, 2007). To make sense of observations at the landscape level such as climate change or social inequalities, the post-capitalist entrepreneurs – consciously or unconsciously – make use of three different types of framing.

First, they use *diagnostic framing* (Markowitz, 2007) to highlight that problematic developments at the landscape level can be attributed to shortcomings of the dominant capitalist regime. For example, with regards to environmental challenges, David Griedelbach, co-founder of the beer brand Quartiermeister, identifies a market failure due to negative externalities:

“Environmental damages are not included in product prices. Instead, nature is simply used and exploited, sometimes irreversibly. This inevitably leads to the destruction of the economic basis of all of us.”

On the other hand, Eva Fischer, responsible for PR & Communications at the reusable glass bottle brand Soulbottles, criticizes the capitalist focus on profits: “Today it is all about making profits and competing in the market – the social purpose of companies hardly plays a role anymore.” In line with problematic practices of the capitalist regime identified in section 2.1, other interviewees also mentioned social (Udo Schulte, LemonAid), cultural (Astrid Brederbeck, Räubersachen) and participatory shortcomings (Anna-Lilja Moll, Premium Cola) of the capitalist regime.

In addition, the entrepreneurs use *prognostic framing* to propose solutions that address the diagnosed systemic deficiencies (Markowitz, 2007). More specifically, respondents mentioned three recurring themes that can be attributed to visions of a post-capitalist economy introduced in section 2.2. A first group called for a reorientation of the economy towards human needs rather than profits and growth. “In an economy that only provides what humans really need, 95% of all products would probably no longer exist”, concludes Astrid Brederbeck, founder of the online fashion retailer Räubersachen. A second group proposed a partial re-localization of the economy to reduce the environmental and social costs of globalization. Accordingly, Frederik Henn, co-founder of the cooperative (see glossary) PlantAge, finds that “the ideal economy has a high degree of local self-sufficiency”. And a third group proposed democratizing the economy to avoid exploitation and accumulation of wealth by a few at the expense of many.

As a last type, *motivational frames* are used to highlight benefits associated with achieving the post-capitalist visions proposed by the prognostic frames (Markowitz, 2007). Several respondents pointed out that redirecting a company’s operations towards the common good does not necessarily imply economic losses. Frederik Henn, for example, argues that “agricultural practices that primarily serve the people and protect biodiversity can also be economically beneficial”. Furthermore, Anna Deparnay-Grunenberg, Member of the European Parliament for the Green Party, stresses that the current way of doing business cannot be maintained forever and that the need for alternative economic designs is therefore only a matter of time: “The world is round – in other words, at some point there will be no one left to exploit, and all resources will be exhausted.”

Literature on social movements suggests that when communicated in an integrated way, diagnostic, prognostic and motivational frames can enable a post-capitalist vision to unleash its full power (Markowitz, 2007). Within the organization, this can ensure that employees identify with the common purpose and develop a high level of dedication, which will be described as an enabling factor in section 6.2. Outside the organization, a compelling vision can contribute to shaping a favorable culture at the landscape level that facilitates the diffusion of post-capitalist innovations into the regime.

6.1.2 Spreading the post-capitalist vision to raise awareness

If society as a whole realizes that dominant regime structures are no longer tenable in the face of challenges at the landscape level, a window of opportunity opens up for the diffusion of novel ideas (Elzen et al., 2004, p. 37). Consequently, several entrepreneurs engage in strategic activities that aim at raising public awareness for the feasibility and desirability of paradigmatic change. Companies such as Teikei Coffee or Soulbottles, for example, give speeches or participate in panel discussions to reach a broad audience with their vision and innovations. For the vegan beverage brand Premium Cola, raising public awareness is anchored to the core of its strategy, which is why, according to initiator Uwe Lübbermann, they held over 1000 speeches and workshops during the last 11 years.

The example of Premium Cola shows two mechanisms by which spreading the vision of a post-capitalist economy can promote a societal culture that is receptive for ideas of change: Firstly, post-capitalist entrepreneurs can *influence the public agenda* by raising awareness for that alternatives to the current capitalist logic exist in the first place. Referring to existing power inequalities in capitalist economies, Uwe Lübbermann illustrates that it is not trivial to question what is deeply rooted within society and therefore taken for granted by individuals:

“It is important that people question how the current system works and whether it is really normal – or whether it is rather unnormal that a minority of people has the right to control the majority of resources.”

Therefore, an important task of post-capitalist entrepreneurs is to widen the cognitive horizon of people, add alternative economic designs to the public agenda and demonstrate that radically different organizations are feasible. Similarly, Dr. Andreas Lenz, Member of the German Parliament for the CSU, believes that post-capitalist entrepreneurs play an important role in triggering societal debate and encouraging other entrepreneurs to follow.

A second mechanism which can be illustrated with the example of Premium Cola is *anchoring*: The example of radical pioneers sets a new anchor at the extreme and consequently, other rather incremental innovators gain greater social acceptance. “We move far ahead so that others take at least a few steps forward”, says Uwe Lübbermann, summarizing the strategy. It is important to note that both mechanisms – agenda setting and anchoring – in turn benefit the pioneering companies themselves as they gradually raise acceptance for post-capitalist ideas within the societal culture and, ultimately, facilitate structural change in the regime.

6.1.3 Landscape constraints

The respondents of this study named three societal developments that constitute constraints as they are at odds with the visions of post-capitalist entrepreneurs: attachment to status quo, fragmentation of society and popularity of isolated solutions.

Attachment to status quo describes a societal reluctance to fundamental changes. For example, Dr. Joana Breidenbach, co-founder of the donation platform Betterplace, regrets skepticism towards change

in Germany and calls for a more “hands-on attitude” among the population. In addition, a lack of awareness regarding the urgency of fighting climate change (Marlon Rommel) and the currently favorable economic situation in Germany (Anna Deparnay-Grunenberg) were mentioned as factors that slow down the envisioned change.

Fragmentation of society refers to the observation that awareness of the need for change is still concentrated in social milieus. According to Janike Reichmann from SYSTEMIQ’s consulting branch, emerging populists frame the socio-ecological transformation as a topic for elites, disconnected from the reality of ordinary people. Frederik Henn describes why this could impede the transformation of society as a whole towards a post-capitalist economy: “It is difficult to realize our vision in a divided society since this vision depends on people having the courage to approach each other.”

Finally, *popularity of isolated solutions* was mentioned as a last factor that stands in contradiction to systemic approaches as suggested by post-capitalist entrepreneurs. According to Iris Braun, co-founder of the consumer goods brand Share, in recent years public awareness has concentrated on challenges such as climate change or ocean pollution, while challenges such as social inequalities were given less attention. On a similar note, Janike Reichmann criticizes that in light of systemic challenges, decision-makers in politics and business mostly discuss technological solutions rather than systemic solutions.

6.1.4 Landscape enablers

In general, the entrepreneurs agreed that the societal climate which has emerged in recent years has mainly accelerated the spread of their post-capitalist vision. Almost all respondents reported to benefit from social movements like Fridays for Future because they promote public awareness of the need for fundamental change: “After the demonstrations in September 2019, we had five times more registrations than usual,” reports Frederik Henn from PlantAge. Similarly, Anna-Lilja Moll welcomes the fact that people today no longer think about sustainability only when choosing their electricity supplier, for example, but have a high level of awareness in all areas of life. According to Lukas Küttner, marketing manager at the juice brand Ostmost, the increased awareness facilitates the diffusion of post-capitalist innovations into the regime:

“Large supermarket chains are realizing that purpose and organic food are trendy nowadays. Therefore, they start looking for alternative brands like us to help them meet this demand.”

Respondents stressed in particular two factors that would further increase public awareness: *education* and *positive examples*. First, consumer education, school lessons on sustainability, or teaching about both capitalist and alternative economic designs in universities could further strengthen society’s overall readiness for change. Second, local examples of paradigmatic change could enhance the public appeal of post-capitalist solutions. According to Anna Deparnay-Grunenberg, together these factors could stimulate a positive spiral that ultimately forces politicians to act:

“If on the one hand science says more and more decisively that we need fundamental changes in our economic system and on the other hand entrepreneurs, cities or entire countries show that new approaches are actually feasible, then politicians will not be able to ignore that anymore.”

6.2 Developing Post-Capitalist Innovations within the Niche

Empirical examples of transition management by governmental actors suggest that activities of envisioning change are first followed by activities through which actors establish alliances which then in turn enable the operational implementation of the vision (Loorbach et al., 2015). In contrast, the findings of this study suggest a different order and show that for post-capitalist change agents, activities of envisioning change are closely linked to developing innovations that make this change happen. According to Anna-Lilja Moll, this results in a parallelism of action: “We do not only talk about change, but we also proof that businesses can operate in a different way.” The findings show that, for entrepreneurs, alliances mainly gain importance when diffusing these innovations in a later step.

To break the post-capitalist vision down to an operational level, the interviewed entrepreneurs pursue two kinds of activities: They develop both novel business model components and novel organizational practices or structures. At first, the development and testing of these innovations take place in the niche, as the innovations initially remain in the immediate environment of the individual organization, before they are diffused into the regime at a later stage (see 6.3). In the following, I will describe both innovation activities in more detail. Subsequently, I will summarize which constraints the entrepreneurs encounter while carrying out the activities and which enabling factors help them overcome these constraints.

6.2.1 Business model innovations

According to Teece (2010), business models can be analyzed from three different perspectives: what value a company provides, how it creates and delivers value, and how it captures value. The findings of this study show that the reviewed entrepreneurs develop new practices that depart from typical capitalist templates in all three business model dimensions. The most common business model innovations in each of the three dimensions will be described in the following and are summarized in figure 5.

Value proposition. One element that most post-capitalist entrepreneurs have in common is that in addition to the direct value offered by their goods or services, they also *offer purpose as an idealistic value* to customers who in turn support paradigmatic change with their purchase. According to David Griedelbach, this turns consumption into a political act that triggers structural changes in the market. So, whoever buys a lemonade from LemonAid supports development projects in growing regions and

Dimension	Business model innovation	Examples
Value proposition	Offer purpose as value	Support small-scale farming (<i>Herrmannsdorfer</i>), protect local biodiversity (<i>Ostmost</i>), reduce global inequalities (<i>LemonAid</i> , <i>Share</i> , <i>Soulbottles</i>), support local social initiatives (<i>Quartiermeister</i>)
	Target new customer segments	Serving the planet (<i>SYSTEMIQ</i>), donations for micro-recipients (<i>Betterplace</i>)
Value creation & delivery	Encourage sufficiency-based lifestyle	Long-lasting products, reduced assortment (<i>Räubersachen</i> , <i>ASKET</i>), renting instead of selling (<i>Räubersachen</i>), no marketing or sales tricks (<i>ASKET</i> , <i>Räubersachen</i> , <i>Premium Cola</i> , <i>SuperCoop</i> , <i>Share</i>), offer repair courses (<i>Räubersachen</i>)
	Redesign value chain for impact	Cutting out intermediaries (<i>SuperCoop</i> , <i>Park Slope Food Coop</i> , <i>ASKET</i> , <i>Betterplace</i>), regional value chain (<i>Kiezbett</i> , <i>Quartiermeister</i> , <i>Ostmost</i> , <i>Herrmannsdorfer</i>)
	Minimize negative externalities along the value chain	Climate neutrality (<i>Soulbottles</i>), win-win arrangements / no contracts (<i>Premium Cola</i>), emission-free delivery (<i>by bike Kiezbett and PlantAge</i> , <i>by sailboat Teikei Coffee</i>), zero-waste (<i>Unverpackt Kiel</i>), biovegan production (<i>PlantAge</i>)
Value capture	Innovate pricing model	Connect sales to donations (<i>Quartiermeister</i> , <i>LemonAid</i> , <i>Share</i> , <i>Soulbottles</i> , <i>Ostmost</i>), surcharge pricing (<i>Ostmost</i>), social pricing (<i>Räubersachen</i>)
Cross-cutting	Offer radical transparency	Product traceability (<i>ASKET</i>), transparent income statement (<i>Quartiermeister</i>), transparent business model (<i>Premium Cola</i>), transparent pricing (<i>SuperCoop</i> , <i>Park Slope Food Coop</i> , <i>ASKET</i>)

Figure 5. Overview of business model innovations (own illustration).

whoever buys products from Herrmannsdorfer supports the preservation of small-scale farming structures in Germany. In addition, some of the entrepreneurs are also targeting *new customer segments*: SYSTEMIQ's consultancy branch has committed itself to treat the earth's ecological systems as a "customer" and, therefore, refuses consulting requests if these would be at odds with the interests of the planet. Similarly, the donation platform Betterplace was founded to support individual micro-receivers who, for efficiency reasons, are not covered by conventional donators.

Value creation and delivery. In this category, three novel business model activities were observed. Firstly, some companies *encourage a sufficiency-based lifestyle*. For the fashion start-ups ASKET and Räubersachen this includes reducing their assortment, offering a permanent collection, investing into longevity of materials and renting used instead of selling new products. Furthermore, several companies encourage sufficiency by refraining from sales-enhancing measures such as advertising or discounts. Secondly, some post-capitalist entrepreneurs *redesign conventional value chains for impact*: Herrmannsdorfer, Kiezbett or Quartiermeister, for instance, have established entirely regional value chains to minimize negative environmental impacts due to transportation. In addition, Teikei Coffee, SuperCoop or ASKET have cut out conventional middlemen in order to pay higher prices to producers while at the same time offering lower prices to consumers. Thirdly, some of the companies voluntarily *minimize negative externalities along the value chain*. To reduce negative environmental externalities, the Teikei Coffee cooperative for example ships coffee on a sailing ship from Mexico to Germany. To reduce negative social externalities, Premium Cola does not use contracts at all so that supplier agreements, for example, are only concluded if both sides really benefit².

² According to Lübbermann, even in the absence of contracts, Premium Cola did not have any legal disputes with partners in 17 years (Cronau, 2019).

Value capture. In this category several *innovative pricing models* have been observed. A first group of entrepreneurs directly connects sales to donations and, thus, to the creation of a positive impact: Quartiermeister donates ten cents for every sold bottle of beer to social projects in their neighborhood. And for every product sold, Share donates a second one to people in need. Secondly, Räubersachen is currently experimenting with a social pricing model according to which customers in need only have to pay what they can afford. Finally, the fruit juice brand Ostmost uses a surcharge pricing strategy: The company's long-term ambition is to raise the sales price per bottle to a level that allows farmers to grow the fruits on orchard meadows and in doing so protect these reservoirs of biodiversity.

Cross-cutting innovations. One additional post-capitalist business model activity was observed that spans across the three categories. Namely, several of the entrepreneurs *offer radical transparency*: At ASKET, for example, consumers can trace back where and under what conditions each garment was produced and what ASKET paid for it. This ensures that the conventional information asymmetry between manufacturer and consumer is reduced and cannot be exploited.

6.2.2 Organizational innovations

The entrepreneurs do not only align business model practices but also organizational activities with their post-capitalist vision – although with varying degrees of consistency. In this regard, Eva Fischer motivates: “You can only bring about positive change in the outside world if you are positive from within in the first place.” The findings reveal three categories in which post-capitalist entrepreneurs reinvent their organizational practices: control for purpose, democratic participation and wholeness.

Control for purpose. In order to embed the pursuit of the post-capitalist vision within the company's core, the entrepreneurs introduce different purpose control systems: cultural controls, legal controls and external controls. Organizations with *cultural controls* for purpose reported that their day-to-day operations and decisions are strongly guided by overriding values that are derived from the post-capitalist vision which employees have internalized. David Griedelbach describes how strong values, such as independence from external capital or regional sourcing and value creation, serve as landmarks and guide difficult decisions at Quartiermeister:

“We live in the permanent contradiction of operating in a capitalist system while striving for an economy that serves the common good. But we can cope with this, because our values are clearly defined.”

A second group of companies uses *legal controls for purpose*. They include sharing the ownership rights in the company among all employees, or even among customers and producers as in the case of community-supported agriculture projects (see glossary) or cooperatives. In the case of companies with steward-ownership (see glossary), even charitable foundations can own company shares (e.g. Räubersachen, Soulbottles). Together, internal and external stakeholders ensure that the original purpose of the company is pursued and that no one can extract profits or sell the company to profit-oriented investors. Finally, in the case of *external controls* for purpose, post-capitalist entrepreneurs let external

institutions check whether they really meet their high ambitions of initiating a paradigmatic change. Examples of this are certifications as Benefit Corporation (see glossary, e.g. SYSTEMIQ, LemonAid), or as ECG Balanced Company (see glossary, e.g. Quartiermeister, Kiezbett).

Democratic participation. A second organizational innovation refers to the post-capitalist entrepreneurs' attempts to democratize ownership and decision-making power, thereby strengthening the participation of all stakeholders and eliminating the capitalist divide between those who own capital and those who do not. Although there are individual differences, all companies differ from conventional companies in that they have flatter hierarchies, employees are involved in decision-making processes and in many cases, employees are encouraged to take decisions with full autonomy. This is implemented very radically at Premium Cola: The collectively organized beverage company eliminates the distinction between internal and external stakeholders, thereby enabling everyone affected by the company – including suppliers and customers – to participate in decision-making processes³. Decisions are only implemented if nobody vetoes them. It is important to note that on the employer evaluation platform Kununu (2020), former employees of Premium Cola also criticize this type of collaboration because according to them decision-making processes can be very long and people with different levels of information have an equal say.

Wholeness. According to Laloux and Kauschke (2015), in today's business world, the professional and private identities are separated (see 2.2). Several respondents reported that their organizations aim to restore the wholeness between both identities for their employees. As a result, personal and emotional needs gain importance: "We make many decisions rather intuitively and encourage everyone to express emotions", describes Astrid Bredereck. In the case of Soulbottles, employees take on more responsibility and can make decisions entirely on their own because, according to co-founder Paul Kupfer, "we believe that people love to take decisions" (Sanchez, 2020). Similarly, SYSTEMIQ decided not to introduce conventional, fixed career paths in order to allow their consultants to decide for themselves which position best suits their current life situation. To ensure maximum autonomy for its employees, Premium Cola is organized entirely via digital channels, allowing all employees to decide for where they want to live.

6.2.3 Niche constraints

When developing and implementing novel business model and organizational practices, the entrepreneurs encounter several constraints. These constraints specifically relate to the initial development and implementation of innovations at niche level and must be distinguished from constraints arising during the later diffusion of innovations at regime level (see 6.3.3). The most important niche constraints are described below.

³ In theory, all customers and each of Premium Cola's 1700 partners can participate in decisions. In practice, 260 people used their voting right as of summer 2019 (Unterberg, 2019).

A first group of constraints, which hamper the implementation of organizational innovations in particular, are *cognitive constraints*. Some interviewees reported that, when familiar hierarchical structures were dismantled and thus familiar patterns of action or thinking no longer applied, employees perceived the newly gained autonomy as a burden. Astrid Bredereck describes: “Some people were not able to benefit from this freedom, and the loss of structures even caused a great overtaxing.” According to Janike Reichmann, this could be due to the fact that employees are influenced by a completely different mindset at school, university or previous employers, which does not allow so much room for individual self-realization. Cognitive adaptation to radically new organizational practices requires time and energy – resources that may not be available in everyday operations. In light of these *resource constraints*, less radical companies adhere to more conventional organizational structures and instead focus more on implementing business model innovations. In this regard, Iris Braun from Share explains:

“We want to bring about systemic change in the world – this means that we have to gain speed in our external operations, which we may not be able to do if we reinvent our internal organization at the same time.”

In addition, *knowledge constraints* make it difficult to implement both organizational and business model innovations. As pioneers in driving paradigmatic change, post-capitalist entrepreneurs cannot draw on extensive social, scientific or industrial knowledge. “There are no companies with comparable business models from which we can copy things”, describes Jonas Drechsel, whose employer Kiezbett built up a closed regional value chain for heavy-wood beds. In addition, some of the founders were only drawn into the business world to realize a social purpose and, therefore, had no previous entrepreneurial experience or education.

Other constraints that influence both organizational and business model innovations are *regulative constraints* originating from the regime. A widespread obstacle when founding a post-capitalist firm is that there is no legal form in German law that matches the hybrid nature of these companies. Eva Fischer from Soulbottles illustrates:

“Our company belongs to all employees but still only a few can be held accountable because the law assumes that in the end only a few will also benefit from the profits.”

Similarly, the example of the Herrmannsdorfer farm shows that the current law was designed for a certain type of growth-oriented organization: “Regulations in agriculture are made for big industrial farms and sometimes cannot be applied to small farms”, says managing director Sophie Schweisfurth, whose aim is to promote small-scale farming structures.

A last type of constraints, which in particular hamper the implementation of business model innovations, are *structural market constraints*. Udo Schulte from the lemonade brand LemonAid, describes that sometimes there are no suitable suppliers to implement business model innovations, such as when designing entirely regional value chains: “In some cases there is no fair and regional supplier and then your only option is to select the one from China.” With Teikei Coffee, Marlon Rommel

encounters similar difficulties concerning the availability of materials: “There is still no truly sustainable packaging that simultaneously offers sufficient freshness and aroma protection for the coffee.” Adding to this, Iris Braun emphasizes that even if packaging is designed to be recyclable, it is often still incinerated because as of now there is no adequate recycling infrastructure.

6.2.4 *Niche enablers*

A number of enabling factors help the entrepreneurs overcome constraints during the initial development and implementation of organizational and business model innovations at the niche level. The most important ones are described below.

In order to reduce cognitive constraints and to enable employees work in a radically new organizational environment, four different forms of *informal and formal guidance* are used. Firstly, Dr. Joana Breidenbach, emphasized that inner guidance is an important prerequisite for coping in a working environment without familiar hierarchies: “If sources of security and orientation from outside disappear, more orientation and stability is needed from within.” Secondly, in order to foster personal development and get used to the new way of working, Eva Fischer emphasized the importance of peer guidance and social learning: “It is important that experienced employees lead by example and demonstrate the new mentality, openness and also vulnerability to new joiners.” Thirdly, companies such as SYSTEMIQ or Soulbottles offer more formal guidance in trainings designed to help employees get used to new practices, such as non-violent communication (see glossary). A final form of guidance is achieved through the reintroduction of familiar elements or structures. This results in hybrid organizational forms that balance the need for freedom and structure. In doing so, some companies apply governance and decision-making systems such as holacracy (see glossary) that define clear structures and responsibilities but do not impose hierarchies.

A second enabling factor is *continuous learning*, which does not only help to tackle knowledge constraints but also regulative and structural ones. Especially where there is not enough knowledge available within the organization, the ability to systematically acquire external knowledge is crucial. This also helped Uwe Lübbermann when founding Premium Cola: “I had no idea about the industry before, so I did the logical thing: I asked others in the industry and learned the necessary knowledge from them.” Similarly, organizations such as Teikei Coffee or SuperCoop sourced knowledge from personal or social networks. In addition, just as the post-capitalist entrepreneurs support other founders in order to increase their regime-level impact (see 6.3.2), they also benefited from the support of other like-minded organizations when they themselves built up their organization. Where, as described in 6.2.3, no external knowledge is available, companies such as Herrmannsdorfer or Share invest in basic research in cooperation with scientific institutions. Other factors that play an important role for almost all the pioneers are experimentation, learning-by-doing and continuous improvement with regards to both organizational and business model practices.

In addition, *dedication* was mentioned as another enabling factor to overcome knowledge, regulative or structural constraints. An important characteristic necessary to deal with setbacks due to constraints

and with the constant exposure to contradictions was reported to be resilience. As Marlon Rommel from Teikei Coffee describes, it is important not to succumb to frustration:

“The organization we are creating does not exist elsewhere in the world. Therefore, we constantly have to try new things – but this also means that we may need to scrap something that we have worked on for weeks.”

Consequently, in organizations such as the zero-waste supermarket pioneer Unverpackt Kiel, a high degree of intrinsic motivation is more important than formal expertise when recruiting people. Through a process of self-selection, however, the companies automatically attract qualified people who want to be part of the paradigmatic change and in return are willing to give up 10-20% of their previous salary, as in the case of Quartiermeister. Finally, according to Eva Fischer, the shared purpose and the resulting strong team cohesion also plays a major role in overcoming constraints: “We know that we are all striving for a similar future version of the world – this creates a certain energy at work and it’s just fun.”

Contrary to what is described in literature on institutional entrepreneurs (Battilana et al., 2009, p. 83), conventional *financial means* do not necessarily play a major role when implementing post-capitalist innovations. For more radical companies, pursuing growth of material operations beyond a certain self-sustaining company size is at odds with their post-capitalist vision, which is why they instead promote paradigmatic changes through the growth of their vision (see 6.1.2). Consequently, they decided not to raise capital from investors or banks because that would demand material growth (e.g. Räubersachen, Premium Cola). Other companies partially comply to the capitalist logic in the sense that they explicitly pursue material growth to effectuate paradigmatic changes within the regime. Consequently, they raised capital from investors (e.g. Share, LemonAid, ASKET) or banks (e.g. Quartiermeister). In summary, it may depend on a firm’s strategy of realizing paradigmatic change whether financial means are important enablers or not.

6.3 Diffusing Post-Capitalist Innovations into the Regime

The previous section outlined how post-capitalist entrepreneurs develop novel business models and organizational innovations in the niche, thereby exemplifying paradigmatic change. After the initial development of these new practices, entrepreneurs use tactical activities to diffuse post-capitalist innovations into the regime, thereby putting pressure on established capitalist patterns of action, structures or beliefs. The results of this study show that they use two different tactics to diffuse paradigmatic change: first, changing existing capitalist structures in the regime and second, forming coalitions with other change agents to jointly build a new parallel regime. In the following, I will first describe both tactics. Subsequently, I will summarize which constraints they encounter in interaction with customers, partners or other regime actors and which enabling factors help to overcome these constraints.

6.3.1 *Changing existing structures within the capitalist regime*

The first tactic involves convincing actors who have so far acted in accordance with action or thought patterns, norms and beliefs of the capitalist regime to instead support the diffusion of post-capitalist innovations. To trigger this change in customers, suppliers or other stakeholders, post-capitalist entrepreneurs use various instruments ranging from offering direct economic benefits to the exertion of power. As the following will show, these instruments sometimes require a minimum compatibility of post-capitalist innovations with existing market structures and may therefore not be available to entrepreneurs with more radical approaches.

“We have to convince our partners with economic arguments. They like that we are doing something social, but in the end, they don’t really care”, explains David Griedelbach. In doing so, he points out that in many cases, post-capitalist entrepreneurs can only initiate paradigmatic change along their supply chain if they offer *direct economic benefits* to the actors involved. The German supermarket chain EDEKA, for example, decided to add the disproportionately more expensive juice of Ostmost to its product range because consumers now demand alternative and sustainable brands (Lukas Küttner). Creating economic and sustainable win-win situations is also an instrument with which Frederik Henn from PlantAge convinces supply chain partners to become part of the change: “We offer farmers purchasing guarantees if they switch to organic and vegan farming methods in return.”

Sometimes the entrepreneurs also convince actors with *non-economic benefits* to deviate from capitalist routines. Dr. Joana Breidenbach, for example, explains how she was able to inspire investors to become part of the paradigmatic change her company Betterplace is trying to diffuse: “You need to reach them emotionally and make them sense that they can become part of a bigger story.” Furthermore, ASKET uses what co-founder August Bard Bringéus calls a “Trojan Horse strategy” to fundamentally change consumer behavior: What looks like a cool shirt at first becomes a Trojan Horse because it outlasts other fast-fashion items in the wardrobe – this is how ASKET claims to encourage consumers to buy less. Moreover, Marie Delapière, founder of Unverpackt Kiel, highlights that it is also the opportunity to meet like-minded people in the supermarket that motivates her customers to adopt a fundamentally new grocery shopping behavior when buying zero waste products. These three examples show that even if for a post-capitalist purpose, these companies offer immaterial benefits that are also commonly used in capitalist marketing: inspiration, design and a sense of belonging.

A more indirect instrument of bringing about change at regime level is *lobbying*. Several organizations indicated that they engage in lobbying to raise awareness of the need for paradigmatic change among politicians and to propose concrete solutions to them. In order to have a stronger voice, this often involves joining forces with like-minded organizations across industries. Examples of lobbying efforts include Soulbottles, which lobbies together with like-minded organizations to raise awareness of the need for a suitable legal form for purpose-driven companies.

In rare situations, the entrepreneurs are even able to *force partners* to divert from established practices and enable the diffusion of the post-capitalist vision. Such achievements may be rare, as actors

who actually want to transform structures, they are typically disadvantaged by the dominant regime and, therefore, not expected to be able to exert power. By expanding its operations, however, Quartiermeister partially conforms to the capitalist logic of growth and was able to push its brewery towards regional sourcing, as Quartiermeister is now one of the brewery's biggest customers. Explicitly refraining from material growth, the beverage brand Premium Cola pursues a more indirect strategy of exerting pressure on conventional players: Through radical transparency about every single product defect, the company tries to make customers demand the same level of honesty from other beverage companies.

6.3.2 Supporting new structures outside the capitalist regime

Changing existing capitalist structures in the regime as an individual organization is especially difficult if the organization refrains from material growth as part of a more radical post-capitalist vision. Therefore, a second tactic used by the entrepreneurs is to collaborate with other like-minded niche players to jointly build new structures. Eventually, compared to individual attempts, these new structures may become strong enough to form a parallel regime that is better suited to exert pressure on existing capitalist structures. As the interviewees reported, the glue holding these collaborations together is the common mission to transform the economy and initiate more sustainable forms of doing business. Consequently, as will be outlined in the following, the post-capitalist entrepreneurs engage in several activities to create win-win situations and to ultimately strengthen new regime structures: namely sharing knowledge, exchanging concessions and initiating structures.

To create immediate win-win situations, almost all post-capitalist entrepreneurs actively engage in *sharing knowledge* with like-minded organizations: In sectoral or cross-sectoral forums such as conferences, associations or online platforms, they give each other recommendations, exchange contacts or agree on joint action such as lobbying. Exchanging knowledge is not only directed towards existing organizations, but also towards newly founded organizations with a similar post-capitalist vision in the form of free-of-charge consulting work. Park Slope Food Coop for example helps SuperCoop build a community-owned supermarket in Berlin by sharing business plan, IT infrastructure and best practices. For the incumbent Park Slope Food Coop, this may initially entail additional effort, but all in all the company may benefit from the diffusion of the idea in the long run.

Where like-minded organizations act as direct supply chain partners, they often support each other by *exchanging concessions*. A good example of this is the Herrmannsdorfer farm: “When we have a successful year, we share the returns with our partner farms and in case of more difficult years, we expect them to support us in return”, explains Sophie Schweisfurth. This results in a beneficial lock-in effect, because in Herrmannsdorfer’s network of micro-farmers, each unit benefits if all others survive. As Uwe Lübbermann explains, Premium Cola employs a similar compensation mechanism among supply chain partners to reduce negative effects caused by the corona crisis:

“Actors with enough means pay liabilities immediately or delay receivables. In turn, actors with less means can postpone liabilities and get receivables immediately. Thereby, we

redistribute means to protect financially weaker partners and to ultimately protect our joint supply chain.”

Where they aim at redesigning value chains for a positive impact (see 6.2.1), post-capitalist entrepreneurs proactively *initiate new structures*. “We are market makers: We create demand for a product that does not yet exist and for which, consequently, there is no supply yet,” says Frederik Henn, describing PlantAge’s ambition to establish a regional value chain for fruit and vegetables from organic and vegan cultivation. Another example is Teikei Coffee, which, to establish an emission-free transport route for goods between Mexico and Germany, made an investment to help its partners buy a sailing boat.

6.3.3 Regime constraints

When trying to diffuse their post-capitalist innovations from the niche into the dominant capitalist regime, the entrepreneurs are confronted with gravitational forces defending the established structures and therefore impeding paradigmatic change. The most important normative, cognitive, structural and resource constraints will be described below.

Especially when stakeholders come into contact with post-capitalist ideas for the first time, the examined entrepreneurs encounter *cognitive constraints*, because their ideas sometimes exceed what people are used to. When Joe Holtz, founder of cooperative supermarket Park Slope Food Coop, interacted with a major distributor, he was initially rejected because the novel supermarket concept was beyond the distributor’s imagination: “It was not that the distributor was evil, they just had not encountered someone as us before.” However, especially in fast-moving sales environments, there often is not enough time to convey a complex post-capitalist vision. Accordingly, David Griedelbach from Quartiermeister says: “Communication at the point of sale is one of our biggest challenges – people need a lot of time to understand the idea behind our product.” Uwe Lübbermann’s account suggests that cognitive constraints even play a role in the interaction with like-minded organizations (see 6.3.2): According to him, the attempt to establish an association of responsible beverage brands also failed because some actors could not abandon the internalized self-interest incentivized by the capitalist logic. On a similar note, Dr. Joana Breidenbach emphasizes: “It is also a question of consciousness: Are people able to see that society needs something other than what is in their immediate personal interest?”

Even if actors have already been in touch with post-capitalist ideas, *normative constraints* can arise because the behavior of post-capitalist entrepreneurs is sometimes not considered desirable or appropriate by the conventional ways in which value is defined. Dr. Andreas Lenz points out that economic policy typically assumes that relevant companies primarily strive for profits which is why the regulative framework does not favor companies that instead prioritize social or ecological sustainability. Similarly, Anna Deparnay-Grunenberg, reports that in politics and business post-capitalist visions are often dismissed as “naïve”. Even in interaction with end customers, difficulties arise when the value proposition of post-capitalist entrepreneurs is measured by conventional standards. Since some of the

entrepreneurs under investigation consciously internalize negative externalities, their products are often more expensive, but customers are frequently not willing to pay more. In addition, post-capitalist innovations sometimes trigger skepticism, such as in the case of the zero-waste supermarket Unverpackt Kiel, where customers initially had fears about hygiene due to the unpackaged presentation of food (Marie Delapière).

One category of constraints that is very difficult to overcome is constraints due to *market structures*. Especially in regimes with high market concentration, post-capitalist entrepreneurs find it challenging to diffuse post-capitalist innovations. As a result of market power asymmetries, for example, logistics partners are not dependent on small players such as Kiezbett and, therefore, do not need to accommodate their wishes for more environmentally friendly transport methods (Jonas Drechsel). As Dieter Janecek, Member of the German Parliament for the Green Party, says, the government is also dependent on established market players and, therefore, cannot easily bring about fundamental change to framework conditions in favor of smaller players: “In Germany, 23% of jobs are created by the industry and we also rely on the taxes they pay.”

With regard to the second tactic, the creation of new structures in cooperation with like-minded organizations (see 6.3.2), the post-capitalist entrepreneurs in particular experienced *resource constraints*. “We should invest even more into collaborations and align our activities with others – but of course we only have limited time and energy,” says Anna-Lilja Moll to describe the dilemma. Due to scarce resources, more involvement in interacting with like-minded organizations would imply that resources are cut elsewhere. Facing this trade-off, Astrid Brederock from Räubersachen chose to rather invest more energy into the development of novel organizational structures that are in line with the company’s vision.

6.3.4 Regime enablers

A number of enabling factors help the entrepreneurs to overcome the previously described constraints. The first enabling factors relate to the possession of assets, whereas the others refer to superior communication skills and a certain enabling human attitude – ethos – in interactions.

Few of the entrepreneurs under investigation possess *economic assets* such as a sufficient size to convince supply chain partners to change established unsustainable structures – also because for some, material growth is in contradiction with their post-capitalist vision. But where this enabling factor was available, it proves to be very effective, as the example of ASKET shows: Since the fashion start-up has a permanent collection, it was able to buy in large quantities to stock – quantities that convinced its suppliers to make the necessary adjustments at their production sites for ASKET to establish full supply chain traceability.

At the absence of economic assets, entrepreneurs make use of three *intangible assets* in particular. To overcome normative constraints such as skepticism or the perception of being irrelevant, they acquire legitimacy by cooperating with institutions that possess a certain societal authority (Rindova et al., 2006): Herrmannsdorfer, for example, launched a research project with Ludwig-Maximilians University

in Munich to scientifically validate novel agricultural methods and, thus, to reassure the authorities. Another asset used to overcome normative constraints is building up a good reputation by signaling quality characteristics to others (Rindova et al., 2006): When SuperCoop was founded, for example, it benefited from being able to point to the success of the first community-owned supermarket Park Slope Food Coop in New York and, therefore, signal high chances of success for its own endeavor (Johanna Kühner). As a third intangible asset, celebrity is an important enabler in overcoming cognitive constraints to imagination or understanding (Rindova et al., 2006). Many post-capitalist entrepreneurs gain celebrity because their pioneering stories receive lots of public attention – just as the community-supported agriculture project Teikei Coffee for shipping coffee from Mexico to Germany on a sailing boat: “Our story creates enthusiasm and when people get in touch with it, they spread the word,” explains Marlon Rommel. LemonAid also received a lot of media attention when German authorities reported that the fruit lemonade contained too little sugar to be officially called a ‘lemonade’ (WirtschaftsWoche, 2019).

As a third group of enabling factors, *superior communication skills* were frequently mentioned by the post-capitalist entrepreneurs. Especially in the interaction with consumers, the ability to reduce complexity when conveying the complex idea behind their products is crucial. LemonAid, for example, managed to embed its social purpose as well as its contribution to international development aid within its brand name. In addition, as Lukas Küttner from Ostmost explains, creating an appealing product design can positively influence the customer’s decision-making process:

“A few years ago, products in the organic food and beverage segment looked really boring – we were among the first to create a product that made people love the design and brand.”

Besides superior marketing skills, pioneers apply rhetorical skills in interaction with supply chain partners to bring about change. “Towards a large company we have to argue from the selfish logic of survival to convince them why they should become part of the change”, Janike Reichmann explains to underline the importance of individually adapted framing for her work at SYSTEMIQ.

A last group of enabling factors that help to overcome structural constraints in particular can be summarized with the term *ethos*, because these enablers refer to genuine human values. Several post-capitalist entrepreneurs emphasized the importance of building long-term, trustful relationships with supply chain partners. Especially because post-capitalist entrepreneurs challenge established certainties, it is important that they create an environment in which regime actors can question their practices and admit uncertainty without losing face. In this regard, Janike Reichmann says: “We always try to act with lots of authenticity and integrity, because eventually this spark jumps over and allows the other to dare more authenticity too.” Dr. Joana Breidenbach adds another important ingredient for a relationship that creates fertile starting ground for paradigmatic change: compassion. According to her, it is not conducive to blame partners for having complied to the current capitalist logic so far. Instead, it is essential to show understanding, make concrete proposals for solutions and work together on changing structures.

6.4 Evaluating Progress in Moving Towards a Post-Capitalist Economy

With the last type of activities, the post-capitalist entrepreneurs close the transition management cycle: They reflect on the progress made in the diffusion of post-capitalist innovations into the regime (see 6.3) and generate insights which, in turn, feed discussions about adjusting the strategic direction (see 6.1) to initiate a new cycle. In the following, fundamental reflexive activities will be described: monitoring as well as prioritization and adaptation.

When *monitoring* progress in driving paradigmatic change, for all post-capitalist entrepreneurs, financial viability is an important indicator because it is a necessary precondition for even being able to develop and diffuse innovations. In contrast to many entrepreneurs following the capitalist logic, profits and growth are not the ultimate goal, but rather means to drive paradigmatic change. Consequently, if profits are generated, they are often reinvested to increase the systemic impact of the company. “After all, I am not a businesswoman”, founder Marie Delapière sums up. A second indicator, especially important for more radical organizations, is the integrity of the operations with the overall post-capitalist vision. As chapter 6.1 explained, the radical example of a single company that adopts a fundamentally different but more responsible way of doing business from within the capitalist logic can have a radiant effect. Accordingly, for Astrid Bredereck, “success is how we are as a company and how we are with our customers or partners”. While the two previous indicators are particularly related to internal factors, in a third group of indicators, entrepreneurs measure short- or medium-term outcomes for various external stakeholders. Share, for example, measures how many products they have already been able to donate to people in need to reduce global inequalities in the long term. Moreover, going beyond specific outcomes, many of the post-capitalist entrepreneurs evaluate success in terms of the long-term systemic impact they can achieve within the regime by changing existing structures, norms and practices (see 6.3.1) or creating new ones (6.3.2). In this regard, Marie Delapière considers the work of her supermarket Unverpackt Kiel a great success:

“We founded the first zero-waste supermarket in Germany 6 years ago and today we almost talk about an entire zero-waste sector. Zero-waste has become a socially accepted expression for responsible consumption – this is insane.”

The insights gained thanks to monitoring progress at regime level serve as a basis for *prioritizing and adapting* the strategic approach taken by the post-capitalist entrepreneurs. Since, even if striving for a better system, they are operating from within an imperfect system, struggles due to conflicting goals are the norm rather than the exception according to Dr. Joana Breidenbach: “Our work is always an attempt to minimize existing contradictions.” Therefore, the post-capitalist entrepreneurs find themselves in a constant process of balancing of what is desirable in the face of challenges at the landscape level with what is feasible in the face of current regime structures. As Lukas Küttner reports, Ostmost’s founders deliberately did not want to sell their juices through conventional retail chains at the beginning, as retailers often engage in efforts to drive down prices that force actors along supply chains

to operate at the expense of people and planet. However, when monitoring Ostmost's impact on a systemic level, Lukas Küttner and his colleagues realized that they were not selling large enough quantities to significantly accelerate the re-cultivation of biodiversity-rich orchard meadows. "In the beginning, we maybe had a too romantic idea of how to drive change and later we had to partially adapt to the system in order to increase our impact," summarizes Lukas Küttner Ostmost's strategic redirection from following a radical vision in the beginning to conforming more to the market today.

7. THEORY DEVELOPMENT: BETWEEN SYSTEM HACKERS AND TROJAN HORSES – HOW ENTREPRENEURS DRIVE PARADIGMATIC CHANGE

This thesis set out by asking how entrepreneurs can drive paradigmatic change towards a more sustainable economy. In the previous chapter, the analysis of 17 organizations that are proactively driving change towards a post-capitalist economy gave rise to a theory that provides an answer to the central research question. In this chapter, I will explain the most important components of this theory: a process model for analyzing paradigmatic change efforts of entrepreneurs and two archetypal roles adopted by entrepreneurs when driving this change.

The process model for analyzing paradigmatic change efforts has been applied in great detail to the context of post-capitalist entrepreneurs in sections 6.1-4. Therefore, in this chapter, I will only summarize the basic functioning of this theoretical framework and abstract it from the specific context of this thesis (see figure 6). At the heart of the framework are four successive transition management activities with which entrepreneurs drive paradigmatic change towards a more sustainable economy. Together, these activities form a transition management cycle. Every cycle begins with the entrepreneur *envisioning* a future state of the economy or adjusting the vision of a previous transition management cycle. These activities take place at the landscape level, because overarching societal developments such as climate change or social inequalities are triggers for formulating a vision of paradigmatic change in the first place. The effectiveness and public acceptance of the vision depends on whether it is compatible with other major trends (enablers) or not (constraints). In a second step, proactive change agents *develop*

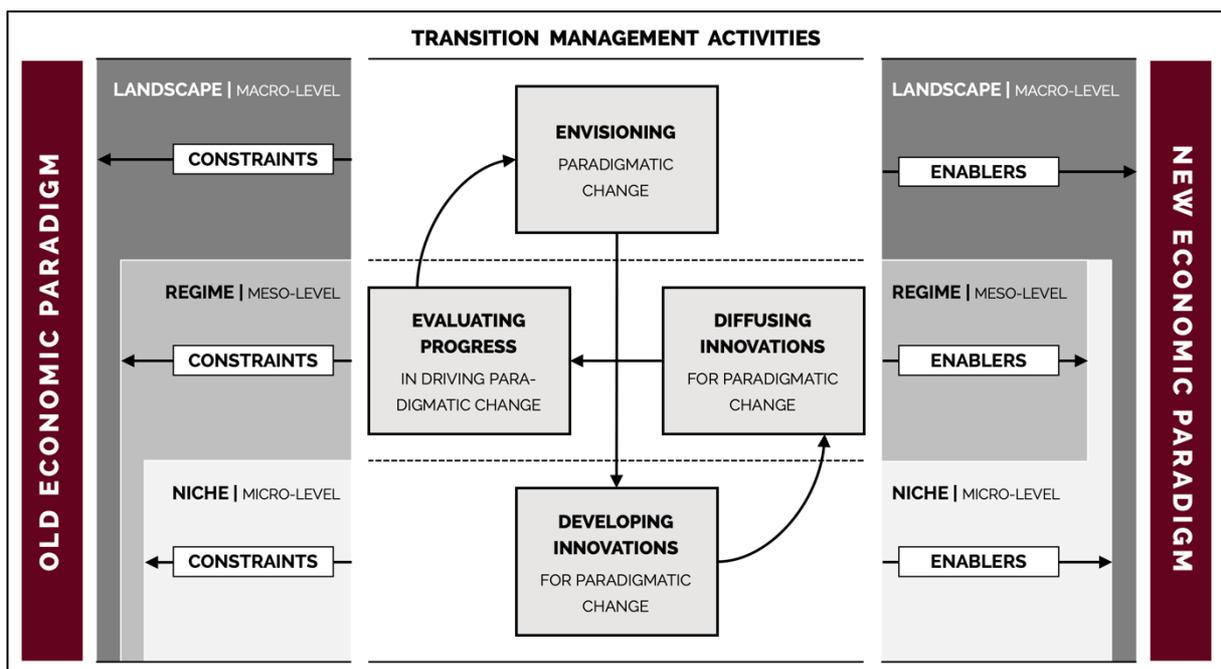


Figure 6. Process model for analyzing paradigmatic change efforts of entrepreneurs (own illustration).

innovations that have the potential to bring about paradigmatic change. During their development and initial implementation, these novelties circulate within the niche of individual pioneers and are therefore mostly subject to constraining or enabling factors within the respective company and its immediate environment. Since the niche is part of the dominant structures, regime constraints can apply, too. In a third step, entrepreneurs *diffuse their innovations* from the niche into the dominant regime in which they aim to effectuate paradigmatic change. The degree of diffusion depends on the strength of constraints at regime level as well as on the availability of enabling factors. In a final step, the entrepreneurs *evaluate progress* in bringing about paradigmatic change to the current economic regime and generate insights that may motivate a reformulation of the original vision which, in turn, initiates a new cycle.

Comparing the individual case studies of post-capitalist entrepreneurs reveals that the transition management activities are implemented and prioritized very differently by different actors. This reflects general differences in individual entrepreneurs' convictions on in which role they can drive paradigmatic change most effectively. Even if these self-conceptions are multi-faceted in reality, in general two contrasting archetypal roles can be identified: While some entrepreneurs act more like *idealists*, aligning their actions very consistently with a radical vision of change, others act more like *realists*, directing their efforts primarily towards incremental changes which are already feasible today. As the following will show, in the case of the post-capitalist entrepreneurs interviewed for this research, idealists and realists have fundamentally divergent views especially with regards to determining whether or not a company should be oriented towards material growth.

"The negative impact we have on our planet grows proportionally with the size of our company" observes Eva Fischer, referring to the fact that absolute decoupling of growth and throughput still seems impossible today (see section 2.2). From this, *idealists* conclude that in a truly sustainable future economy, companies cannot strive for continuous growth. As a result, companies such as Premium Cola or Räubersachen intend to grow organically only up to an optimal company size that allows them to be self-sustaining while providing reasonable working conditions for their employees. At the absence of the pressure to grow beyond, idealists leverage gaps within the economic system to test and implement business model practices and organizational innovations in the niche that radically differ from the norm. For example, in order to dissolve the power imbalance created under capitalism between the few who own a company and the many who are affected by it, company shares are divided equally among all employees at Soulbottles. This eliminates the possibility that, contrary to the original purpose of the company, a few can extract profits or sell the company to profit-oriented investors. In order to escape the "iron cage of consumerism" (Jackson, 2009, p. 87) described in section 2.1, idealists also explicitly refrain from any form of marketing that intends to stimulate consumption. According to Anna-Lilja Moll, Premium Cola even refuses customer requests with the sentence "due to the limited resources of our planet we cannot accept your order" if delivering on the request would cause the company to grow too much.

Due to their strong principles and radically different practices, idealists may show a poor compatibility with structures, norms and practices in the dominant economic regime and, consequently, encounter many constraints which reduce the extent to which they can bring about direct change from within. In order to still drive change indirectly, companies such as Räubersachen or Premium Cola have decoupled the material growth of their business from the idealistic growth of their vision. In the context of speeches and other public events, Premium Cola, for example, uses its small but radical example to draw attention to the weaknesses of the current regime and to raise societal awareness to the urgency and feasibility of radical change (see 6.1 & 6.2). Ideally, this nurtures a culture at the landscape level that puts pressure on the regime to change established yet unsustainable practices. The metaphorical self-image of Premium Cola as a system hacker, therefore, accurately describes how idealists generally intend to drive paradigmatic change: They use the system in radically different and unforeseen ways, publicly reveal the limitations of the current system and, thus, put pressure on those in power to make systemic changes.

While the actions of idealists are driven by a radical vision of the future, *realists* focus more on what incremental changes are feasible within the current state of the system. When co-founding Share, Iris Braun, for example, deliberately chose a more realist approach:

“We operate in a growth-oriented system. So, if we really want to change something, we have to become big ourselves. We don’t just want to be a fig leaf and disappear at some point as a nice little company with high ideals but no systemic impact.”

With this in mind, realists follow the logic that they need to grow rapidly to gain both enough power and reach to directly change established structures, norms and practices from within the regime. In order to do so, they must maintain a certain compatibility with the capitalist regime as radically new organizational or business model practices could slow down their growth and operational expansion. This is why Share, for example, maintained rather conventional, albeit flatter organizational hierarchies (see 6.2.3). In addition, Share and LemonAid used typical capitalist ways of raising capital from external investors to enable the necessary growth and rapid expansion of their operations. And even if they avoid traditional push marketing, they deliberately use inspiring storytelling and attractive product design to stimulate – albeit more sustainable – consumption. Therefore, the Trojan Horse strategy mentioned by August Bard Bringéus (ASKET) could serve as a metaphor that accurately illustrates the strategy used by realists to bring about systemic change: The ‘invaders’ adapt to the system up to the point where they are almost not recognized as invaders anymore and then subtly change the system from within.

In contrast to idealists, who consistently incorporate their radical vision into all organizational aspects, the realists’ ability to adapt to given circumstances is crucial in order to drive incremental change of existing structures. This may make it easier for them to circumvent regime constraints. At the same time, compared to idealists, realists may face even more contradictions between what the system ideally needs in the long-term and what they implement pragmatically as a first step. Balancing this trade-off is challenging, as an increasing compatibility with the capitalist regime carries the risk of losing

sight of the original purpose and potentially being absorbed by the system. This is why for David Griedelbach, for example, raising capital from profit-oriented private investors is a no-go:

“This bears the danger that you lose control over the initial vision of your company and ultimately you may end up selling it to profit-oriented players, which merely advances the consolidation of the market but does not change anything on a systemic level.”

Similarly, Uwe Lübbermann criticizes the realists’ strategy because, according to him, it fails to tackle the root of today’s systemic challenges: “They use the existing system to mitigate its consequences – but by using the system, they themselves contribute to its devastating consequences for people and planet.”

Given these differences, which of the archetypal approaches is more effective in driving paradigmatic change towards a more sustainable economy? Do we need more hackers who develop radical, non-conforming innovations and spread the word to create public awareness that increasingly puts pressure on the established regime from above? Or do we need more Trojan Horses that, with more conforming means, gain the necessary power to incrementally change the established regime directly from within? In short: Do we need more idealists or realists?

Insights from studies of complex systems suggest that the coexistence of both might create valuable synergies in driving paradigmatic change of the economy since, according to Rotmans and Loorbach (2009, p. 6), radical change occurs in incremental steps. On the one hand, idealists could benefit from realists because the latter create trajectories that build bridges between the status quo and fundamentally different visions of the future economy. Without these bridges, radical innovations would run the risk of triggering strong backlashes and causing resistance within the regime. Uwe Lübbermann describes an additional way in which more idealistically oriented players can benefit from more realistically oriented companies such as Share or LemonAid: “Thanks to their reach, they can spread the message to many more consumers that, in view of the current challenges, we cannot continue as before.” On the other hand, realists could also benefit from idealists as their radical ideas can provide an anchor at the extreme (see 6.1.2), in the face of which more incremental innovations of realists may appear more feasible and socially desirable. Consequently, incremental innovations could become accepted as the ‘new normal’ within the regime. Moreover, with their relentless and consistent pursuit of a fundamentally different but more sustainable economy, idealists could serve as landmarks for realists, providing them with a direction and preventing them from losing sight of their original purpose.

8. CONCLUSION

Building on the analysis of interviews with so-called post-capitalist entrepreneurs and actors from politics, the previous chapter developed a theory that provides an answer to the central research question of this thesis: How can entrepreneurs drive paradigmatic change towards a more sustainable economy? This last chapter puts these insights into a wider context: First, I will describe how this research contributes to existing theory from institutional entrepreneurship and transition management (8.1). Subsequently, I will explain which practical implications emerge from this thesis (8.2) and proceed with discussing limitations of the study and fields for future research (8.3). The thesis will end with concluding remarks (8.4).

8.1 Theoretical Contributions

This thesis contributes to existing knowledge in the areas of institutional entrepreneurship and transition management in several ways. Most importantly, the analysis of entrepreneurs who are proactively driving change towards a post-capitalist economy gave rise to a theory that provides an answer to the central research question of this thesis. The theory consists mainly of two components: firstly, a process model that outlines how entrepreneurs drive paradigmatic change and, secondly, a typology of entrepreneurs based on what strategy they adopt to promote this change. Abstracting from the specific case studies examined in this thesis, these two elements can also serve as analytical tools for scholars when analyzing paradigmatic change efforts of entrepreneurs in general.

In the following sections I will describe how the theory developed in this thesis further contributes to existing knowledge in the fields of transition management and institutional entrepreneurship.

8.1.1 Contributions to the field of transition management

Whereas in the field of transition management existing knowledge has so far mainly been used to analyze major transformations driven by governmental actors (Loorbach & Wijsman, 2013), theory developed in this thesis serves to analyze paradigmatic change driven by entrepreneurs. This expands research in the field of transition management in two ways: Firstly, it enriches transition management literature with a vocabulary for describing entrepreneurial change processes. The activities of envisioning change, developing and diffusing innovations as well as evaluating change progress presented in figure 6 are based on the strategic, operational, tactical and reflexive activities mentioned in current literature (Loorbach et al., 2015). However, this thesis describes these change efforts in a language that allows for a more tailored description of the specific activities used by entrepreneurial instead of governmental change agents.

Secondly, the findings of this thesis suggest that the sequence of individual transition management activities may differ when carried out by entrepreneurs and not by government actors. Existing literature describes how governmental change agents rely on the formation of coalitions and the creation of a shared agenda among various stakeholders through tactical activities in order to gain the necessary

legitimacy and resources before, ultimately, innovative ideas can be implemented (Loorbach et al., 2015, pp. 119–121). Therefore, tactical activities precede operational activities as shown in figure 2. Contrastingly, in the context of entrepreneurial change agents, neither legitimacy nor access to resources for developing innovations is politically determined. Instead, for entrepreneurs, innovative niches provide a protected breeding ground in which novel ideas can be developed and tested without the need for legitimacy right from the start. In addition, even if section 6.2.4 described that access to resources such as financial means is not always a precondition for developing post-capitalist innovations, the entrepreneurs can technically leverage available or acquire private means and, consequently, are not reliant on coalitions in the first place. In the context of entrepreneurial change agents, tactical activities may, therefore, become crucial only when it comes to diffusing the previously developed innovations within the dominant regime by convincing traditional players to change or creating new structures together with like-minded organizations.

8.1.2 Contributions from integrating different research streams

In addition, as the process model developed in this thesis (see figure 6) integrates knowledge from transition management and institutional entrepreneurship, it feeds-back positive value to each of these fields. In its original form, the multi-level framework of transition management introduced in section 3.2 focuses on activities that actors implement to drive major transformations without explicitly accounting for the context in which they are operating (Loorbach et al., 2015). In contrast, literature on institutional entrepreneurship highlights that change agents do not operate in a vacuum but are constrained by their respective institutional setting (Scott, 2013). Consequently, the process model developed in this thesis makes use of these synergies and shows that every transition management activity is constrained by contextual factors which can be overcome by using enabling factors controlled by the change agent.

Conversely, institutional entrepreneurship literature can benefit from integrating approaches common in transition management. In a first conceptual attempt, Battilana et al. (2009, p. 87) have outlined a basic process that describes how institutional entrepreneurs bring about divergent change. Nevertheless, the resulting model does not account for the fact that the transformation of societal systems requires convergent developments on all sub-layers making up the respective system. In contrast, drawing on the multi-level framework from transition management (Loorbach et al., 2015), this thesis provides a process model for observing divergent change efforts on all societal levels, capturing a higher degree of the complexity inherent to systemic transformations.

8.2 Practical Implications

This research contributes in several ways to the work of practitioners. The thesis offers practical implications for entrepreneurs that drive paradigmatic change in the economy, as it addresses a typical obstacle for these pioneers, namely the lack of publicly available knowledge. The findings and the theory developed in this research integrate the experiences and best practices of 17 pioneering companies from

diverse sectors and can, therefore, serve as a strategic canvas. Which activities do other pioneers implement to transform established economic structures? Do others experience the same constraints? What resources or assets do they use to overcome these constraints? This benchmarking exercise can provide important insights and may help to increase the impact and effectiveness of an organization in driving paradigmatic change.

In addition, an observation made in this thesis, namely that entrepreneurs also face cognitive and normative constraints when trying to diffuse innovations into dominant economic structures, highlights the importance of interrelationships between entrepreneurs and politics as well as civil society. The attachment to status quo due to a lack of understanding or skepticism towards innovations that bring about paradigmatic change can slow down a transformation of the economy in response to systemic challenges such as climate change. In the long term, this could result in a sudden and therefore costly *transformation by disaster* (Victor, 2018), whereby fundamental changes in the economy are only implemented when crises attributable to the current design of our economies become more frequent. In contrast and to avoid high costs, politicians and civil society could initiate a *transformation by design* (Victor, 2018) early enough and thereby leverage the experiences of pioneering entrepreneurs driving a fundamentally different and more sustainable economy already today. This would require politicians to promote a culture in Parliament, among the public, within the media but also at schools and universities that does not confront divergent visions with unfounded skepticism but that is receptive to new ideas even if they entail paradigmatic changes. Furthermore, this would require civil society to act as a strong moral compass for decision-makers in politics and business: A broad social awareness of the fact that 'business as usual' is no longer tenable in the face of existential threats such as climate change could exert pressure on decision-makers to drive the necessary transformation.

8.3 Limitations and Directions for Future Research

Before concluding, it is important to mention that this thesis and its findings are subject to several limitations, offering potential for future research. Firstly, this research was explicitly designed as an exploratory study because both the number of so-called post-capitalist entrepreneurs and the scientific knowledge about paradigmatic change processes driven by entrepreneurs are still small. Consequently, the selection of companies does not isolate single sectors, countries of origin or categories of companies with a particular development stage or size. Therefore, the specific activities used by entrepreneurs to implement change as well as the specific constraining or enabling factors influencing them cannot be generalized beyond the context of the companies under observation. Rather, they serve to strengthen the basic knowledge about the role of entrepreneurs in major transformations. This creates potential for other scholars to expand this knowledge in the future by systematically investigating, for example, to what extent the constraints experienced by entrepreneurs in driving paradigmatic change processes differ according to factors such as sector, country, development stage and size of companies. Whereas the specific findings of this research may not be generalizable, the theory that emerges from these

findings indeed provides a process model and typology that can serve as tools for scholars to analyze entrepreneurial change efforts in other contexts. To validate the applicability and effectiveness of these analytical tools, scholars could test and refine them in deductive studies in the future.

Secondly, the findings of this thesis reveal that post-capitalist entrepreneurs sometimes use conventional, capitalist organizational or business model practices to drive paradigmatic change. Since this rather exploratory study focuses on the analysis of how entrepreneurs drive paradigmatic change, a systematic and detailed comparison of how their activities differ from those of conventional actors is not the main objective. Nevertheless, this opens an interesting perspective for future research.

Finally, this thesis particularly focuses on the role of entrepreneurs in driving paradigmatic changes in the economy. However, the findings suggest that entrepreneurs do not operate in a vacuum, but that their effectiveness in shaping transformations depends on the behavior of actors from civil society and politics. Future research could, therefore, focus on the various responsibilities and interrelationships of different actors during major transformations in the economy, thereby setting the findings of this thesis on the role of entrepreneurs in a wider context.

8.4 Concluding Remarks

In order to effectively combat global challenges such as climate change or social inequalities, more and more scholars advocate for nothing less than a fundamental transformation of today's capitalist economies. Whereas scientists were essential advisors for politicians during the outbreak of the Covid-19 pandemic, visions of a fundamentally different and more sustainable economy advocated by scientists have not yet appeared on the political agenda. This could partly be due to the fact that possible trajectories into this imaginary future are not yet clearly defined.

Therefore, the purpose of this thesis is to shed light on the societal transformation process necessary to realize visions of a more sustainable economy in general and to discuss how pioneering entrepreneurs in particular can proactively drive this transformation. The analysis of 17 so-called post-capitalist entrepreneurs as well as three politicians reveals that companies can drive paradigmatic change by implementing four activities that represent a recurring transition management cycle: First, they *envision paradigmatic change* in response to problematic societal developments and diffuse their vision to raise public awareness of the need for change. In a second step, they *develop innovations* such as novel business models or organizational practices that are in line with their vision of a fundamentally transformed economy. Subsequently, they *diffuse these innovations* either in interaction with traditional actors or through coalitions with like-minded organizations to ultimately initiate paradigmatic change to the established economic structures, norms and practices. Finally, they *evaluate the progress* they have made in driving paradigmatic change within the economy and use these insights to initiate the next transition management cycle.

In addition, the analysis of post-capitalist entrepreneurs offers important insights into what constraints actors face when driving paradigmatic change from within established economic structures:

Since they fundamentally question the status quo, innovations of these change agents encounter cognitive constraints such as a lack of understanding or normative constraints such as skepticism as well as a poorly fitting regulatory framework. Furthermore, due to established market structures, suitable suppliers or materials required for radical innovations may not be available. Financial resources can but do not have to play a role in overcoming these constraints. More importantly, entrepreneurs leverage enabling factors such as continuous learning and dedication but also ethos, superior communication skills and intangible assets such as reputation or celebrity.

The findings reveal two archetypal roles of entrepreneurs that differ with regards to the strategy adopted in carrying out the four activities described before: *Idealists* on the one hand, acting like hackers who develop radical, non-conforming innovations and spread the word to create a public awareness in order to put pressure on established structures. And *realists* on the other hand, who can be compared to Trojan Horses as their rather incremental innovations show greater compatibility with established practices, enabling them to implement paradigmatic changes from within. Ultimately, even if both archetypes do not fully advocate for each other's strategy, they can benefit from each other's existence and, hence, enable radical change in incremental steps: While incremental innovations of realists build bridges between the status quo and radical innovations of idealists, thereby preventing the latter from being rejected from the outset, the existence of radical innovations alone can, in turn, increase the public desirability of incremental innovations.

Facing fundamental challenges, humanity has always known how to adapt – the question is just how fast and whether by intentional design or forced by disaster. In the light of existential threats such as climate change, this thesis aims to contribute to an intentional, participative and equitable transformation towards an economy that respects the wellbeing of people and planet.

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ANNEX

Annex A: List of Interviewees

No.	Organization	Interviewee name	Position	Sector	Located in	Interview format	Interview date
1	ASKET	August Bard Bringéus	Co-Founder	Fashion	Stockholm (SE)	Skype	Mar 12, 2020
2	Betterplace	Dr. Joana Breidenbach	Co-Founder	Services	Berlin (GER)	Phone	Feb 13, 2020
3	Herrmannsdorfer	Sophie Schweisfurth	Managing Director	Agriculture	Glonn (GER)	Phone	Mar 11, 2020
4	Kiezbett	Jonas Drechsel	Communication & Project Mgmt.	Furniture	Berlin (GER)	Phone	Feb 26, 2020
5	LemonAid	Udo Schulte	Communications Manager	Consumer goods	Berlin (GER)	Skype	Feb 26, 2020
6	Ostmost	Lukas Küttner	Marketing Manager	Consumer goods	Storkow (GER)	Phone	Feb 18, 2020
7	Park Slope Food Coop	Joe Holtz	Founder	Retail	New York (US)	Phone	Mar 4, 2020
8	PlantAge	Frederik Henn	Co-Founder	Agriculture	Frankfurt a.d.O. (GER)	Phone	Mar 5, 2020
9	Premium Cola	Anna-Lilja Moll	Collectivist	Consumer goods	Germany	Phone	Mar 3, 2020
10	Premium Cola	Uwe Lübbermann	Initiator and Collectivist	Consumer goods	Germany	Phone	Apr 6, 2020
11	Quartiermeister	David Griedelbach	Co-Founder	Consumer goods	Berlin (GER)	Skype	Mar 20, 2020
12	Räubersachen	Astrid Brederock	Founder	Fashion	Halle, Saale (GER)	Phone	Feb 28, 2020

13	Share	Iris Braun	Co-Founder	Consumer goods	Berlin (GER)	Skype	Mar 13, 2020
14	Soulbottles	Eva Fischer	PR & Communications	Retail	Berlin (GER)	Skype	Mar 12, 2020
15	SuperCoop	Johanna Kühner	Co-Founder	Retail	Berlin (GER)	Skype	Feb 26, 2020
16	SYSTEMIQ	Janike Reichmann	Associate Consultant	Services	Munich (GER)	Phone	Feb 18, 2020
17	Teikei Coffee	Marlon Rommel	Project Manager	Consumer goods	Hamburg (GER)	Skype	Mar 16, 2020
18	Unverpackt Kiel	Marie Delapière	Founder	Retail	Kiel (GER)	Skype	Feb 28, 2020
19	CSU (Conservative Party)	Dr. Andreas Lenz	Member of German Parliament	Politics	Berlin, Erding and Ebersberg (GER)	Phone	Apr 7, 2020
20	GRUENE (Green Party)	Anna Deparnay-Grunenberg	Member of Europ. Parliament	Politics	Strasbourg (FR) Stuttgart (GER)	Phone	Apr 2, 2020
21	GRUENE (Green Party)	Dieter Janecek	Member of German Parliament	Politics	Munich and Berlin (GER)	Phone	Mar 20, 2020

Annex B: Description of the Post-Capitalist Entrepreneurs

The table below provides a quick description of all the entrepreneurs examined in the context of this thesis. The description shall briefly motivate, why the respective organization has been selected and summarize post-capitalist elements in its mission and operations. Column “focus” summarizes the description by indicating, on which of the structural, environmental, cultural, social or participatory shortcomings of capitalist economies the respective organization focuses to address (introduced in section 2.1).

Organization	Focus	Description
ASKET <i>Stockholm (SE)</i>	Cultural Participatory	ASKET is a Stockholm-based fashion brand which aims to end the era of fast consumption. To do so, ASKET offers a permanent collection of essentials that are designed to endure longer than conventional clothing. In addition, for each product, customers can trace back the entire value chain and see where, under what conditions and for what costs it has been produced. <i>Website: www.asket.com</i>
Betterplace <i>Berlin (GER)</i>	Social Participatory	Betterplace hosts Germany’s biggest donation platform. Betterplace’s mission is to reduce social inequalities in economy and society. On the one hand, the platform does this by raising participation in low-level donations within civil society, thus democratizing the decision on what social purpose gets support. Not pursuing profit maximization, the platform, on the other hand, focuses on micro-recipients that are often excluded by conventional donors for efficiency reasons. Internally, the team of Betterplace Lab is completely self-managed without formal hierarchies. <i>Website: www.betterplace.org/en</i>
Herrmannsdorfer <i>Glonn (GER)</i>	Structural	Herrmannsdorfer is a network of farmers with a completely regional, but both horizontally and vertically integrated value chain: All processes along the value chain of a number of organic food products, including bakery products, fruit and vegetables, meat, dairy products or beer, take place in one place. In this way Herrmannsdorfer wants to avoid a number of negative externalities caused by the extreme industrialization of agricultural production and at the same time strengthen small-scale farming structures that re-establish a proximity between producers and consumers. <i>Website: www.herrmannsdorfer.de</i>
Kiezbett <i>Berlin (GER)</i>	Structural Cultural	Kiezbett is a Berlin-based start-up and originally started with the vision of establishing a completely local value chain for solid wood beds. Today, the company has succeeded in doing so: The wood for its beds comes from sustainably managed forests in close proximity to Berlin, the wood is processed by small local

		<p>companies and finally the beds are delivered to customers in Berlin by bike and with reusable packaging. In addition, Kiezbett's beds are designed to last much longer than conventionally manufactured beds.</p> <p><i>Website: www.kiezbett.com</i></p>
LemonAid <i>Berlin (GER)</i>	Social	<p>LemonAid sells Fairtrade-certified fruit lemonades from organic ingredients throughout Europe. The company's vision is to reduce social inequalities that have been created by the global economy. Therefore, LemonAid pays higher prices for raw materials to improve living conditions and support sustainable agricultural practices in the countries of origin of the ingredients. In addition, with 5 cents per bottle sold, LemonAid supports development aid projects that are intended to have an income-generating effect in the regions of origin of the lemonade's raw materials.</p> <p><i>Website: www.lemon-aid.de/en/</i></p>
Ostmost <i>Storkow (GER)</i>	Structural Environmental	<p>Ostmost sells juices from fruits grown on regional orchard meadows in Eastern Germany. In the long term, the company's goal is to raise the prices it can pay to farmers to such an extent that harvesting fruits from biodiversity-rich orchard meadows becomes profitable for them again. Due to the intensive industrialization in agriculture and the expansion of monocultures, 80% of all orchard meadows in Germany have already been deforested, although they are important biotopes for numerous animal and plant species.</p> <p><i>Website: www.ostmost.berlin</i></p>
Park Slope Food Coop <i>New York (US)</i>	Environmental Participatory	<p>Park Slope Food Coop is a member-owned and operated food store already founded in 1973 which aims to be an alternative to commercial profit-oriented supermarkets. Today, the cooperative has 17.000 members who all equally contribute with their time to run the store. Since no labor or marketing costs have to be paid, all members benefit from lower prices even for mostly organic and regional products. In addition, the members benefit from full transparency, e.g. with regards to pricing, and from being able to participate in all decisions, e.g. with regards to the sourcing of products.</p> <p><i>Website: www.foodcoop.com</i></p>
PlantAge <i>Frankfurt a.d.O. (GER)</i>	Environmental Participatory	<p>PlantAge is a community-supported agricultural project (see glossary), which is oriented towards the common good and offers a regional supply of food from organic and vegan cultivation and production. Thereby, the cooperative aims to offer a sustainable alternative to industrial and profit-oriented agricultural production. PlantAge is owned by its members, who jointly take all major decisions, invest in the cooperative's structures and who share the weekly harvest.</p> <p><i>Website: www.plantage.farm</i></p>

Premium Cola <i>Germany</i>	Structural Environmental Cultural Social Participatory	<p>Premium Cola is a vegan beverage brand organized as a collective. To raise awareness for the shortcomings of the current economic system, it does almost everything differently than other companies: All decisions are made by consensus among all employees but also with other stakeholders such as suppliers or customers. There are no written contracts, so that agreements require benefits for all parties. Premium Cola refrains from any marketing and has set itself an absolute growth limit. In addition, the collective is organized entirely via the internet, so that employees can choose their place of residence completely independently. To encourage more organizations to follow the example of Premium Cola, the company has made its “operating system” available online.</p> <p><i>Website: www.premium-cola.de</i></p>
Quartiermeister <i>Berlin (GER)</i>	Environmental Cultural Social Participatory	<p>Quartiermeister is a beer brand with an entirely regional value chain. The primary goal of the company is to contribute to the common good and to showcase an example for an economic order beyond profit maximization, exploitation and the pressure to grow. For every bottle sold, 10 cents go to social projects in the neighborhood, which customers can vote for. To prevent the company from being used for profit-oriented purposes in the future, a charitable foundation watches over the brand rights.</p> <p><i>Website: www.quartiermeister.org/en</i></p>
Räubersachen <i>Halle, Saale (GER)</i>	Structural Environmental Cultural Social Participatory	<p>Räubersachen is an online retailer for children’s clothing. The company has a steward-ownership (see glossary) structure and is owned by its employees, who decide everything together and all receive the same salary. To be a counter-model to fast fashion with its negative impact on people and planet, Räubersachen has an extra small assortment without seasonally changing collections, uses neither marketing nor sales tricks to artificially boost consumption as well as offers clothes for rent and clothing repair workshops for customers.</p> <p><i>Website: www.raeubersachen.de</i></p>
Share <i>Berlin (GER)</i>	Social	<p>Share wants to reduce global social inequalities caused by the current economic system. To this end, the company has integrated the act of donation into daily consumption: For every food or hygiene product purchased, a second equivalent product is donated to a person in need. Each product is equipped with a code that can be scanned to see exactly which aid project in which country is supported when buying the respective product.</p> <p><i>Website: www.share.eu</i></p>
Soulbottles <i>Berlin (GER)</i>	Environmental Participatory	<p>Soulbottles sells glass bottles to reduce the waste from disposable plastic and its negative impact on the environment. In order to keep its own ecological footprint as low as possible, the entire production chain is located in Germany and any remaining emissions from production are offset. With the sale of each bottle,</p>

		<p>1€ is donated to projects that aim to improve access to drinking water worldwide. Internally, Soulbottles is organized without hierarchies based on holacracy (see glossary), applies the principles of non-violent communication (see glossary) and relies on self-management of its employees. The company belongs to its employees, so that no one can extract profits or sell the company to profit-oriented investors.</p> <p><i>Website: www.soulbottles.de/en</i></p>
<p>SuperCoop <i>Berlin (GER)</i></p>	<p>Participatory Environmental</p>	<p>SuperCoop is a cooperatively owned and run supermarket that follows the example of the New York-based pioneer Park Slope Food Coop (see above). While SuperCoop is currently still in the process of establishing its operations, it aims to set up an organization that puts well-being of the planet and people over profits. Just as in the case of Park Slope Food Coop, the members of SuperCoop will benefit from lower prices even for mostly organic and local products, since no labor or marketing costs have to be paid. In addition, the members benefit from full transparency, e.g. with regards to pricing, and from being able to participate in all decisions, e.g. with regards to the sourcing of products.</p> <p><i>Website: www.supercoop.de</i></p>
<p>SYSTEMIQ <i>Munich (GER)</i></p>	<p>Structural Environmental</p>	<p>SYSTEMIQ aims to transform the world's resource use and consumption patterns by making them more efficient, regenerative and sustainable. To that end, SYSTEMIQ combines several roles at once: It acts as a think tank, green investor and incubator for impact ventures. In addition, SYSTEMIQ acts as a consulting firm that, however, is dedicated to not serve clients but the earth's natural systems. To drive systemic change, SYSTEMIQ uses its network and status to connect all relevant players within different sectors but also politics to facilitate a conversation about joint efforts to transform resource use and consumption.</p> <p><i>Website: www.systemiq.earth</i></p>
<p>Teikei Coffee <i>Hamburg (GER)</i></p>	<p>Environmental Social Participatory</p>	<p>Teikei Coffee is a community-supported agriculture project in which Mexican coffee farmers and German coffee drinkers form a direct producer-consumer community at eye level. In this community, consumers finance the farmers' cultivation and operations, and in return share the harvest. In this way, yields and harvest risks are shared democratically among the members in a spirit of solidarity. The price of coffee is based on what the farmers need for a good life. To keep the ecological footprint as small as possible, the coffee is transported by sailing ship from Mexico to Germany.</p> <p><i>Website: www.teikeicoffee.org</i></p>
<p>Unverpackt Kiel <i>Kiel (GER)</i></p>	<p>Environmental</p>	<p>To reduce the negative environmental impact of our current level of consumption, Unverpackt Kiel was founded as the first zero-</p>

waste supermarket in Germany in 2014. In this new type of supermarket, customers bring their own reusable containers with them or borrow containers to buy organic groceries and hygiene products of all kinds without plastic packaging. In addition, the team of Unverpackt Kiel gives lectures and advises other supermarkets on how to set up their stores in order to spread the idea of zero-waste shopping. Meanwhile there are more than 80 zero-waste supermarkets in Germany and even conventional supermarket chains are integrating more and more packaging-free articles into their assortment.

Website: www.unverpackt-kiel.de

Annex C: Exemplary Interview Guide

I. Introduction

- Introducing interviewer and topic of the thesis
- Introducing administrative details (i.e. audio recording, interview structure and duration)

II. Landscape

1. What is the long-term vision [*organization XX*] is working for?
2. What societal developments make it difficult for XX to realize this vision?
3. What societal developments accelerate the implementation of this vision?

III. Niche

4. How does the overarching vision influence how XX is designed or operates as an organization?
(i.e. with regards to organizational governance and business model)
5. What constraints make/made it difficult for XX to operate in accordance with its overarching vision?
6. How do/did you at XX manage to overcome these constraints?

IV. Regime

7. Did you manage to spread your vision to other actors in XX's industry or market and change existing structures or practices? If yes, how?
(e.g. in interaction with suppliers, customers or other actors)
8. What constraints make/made it difficult for XX to change existing structures or practices in the industry or market?
9. How do/did you at XX manage to overcome these constraints?
10. What are the most important indicators that show whether XX is successful or not?

Annex D: Exemplary Coding Process

Using the example of cognitive constraints at the regime level (see 6.3.3), the following table shows how the coding process suggested by Grounded Theory was applied in this thesis to ensure methodological rigor during data analysis and theory building (Bruscaglioni, 2015; Easterby-Smith et al., 2015, p. 193).

1 st level CODES	2 nd level CATEGORIES	3 rd level CONCEPTS
<ul style="list-style-type: none"> ▪ Difficult to transfer vision ▪ Takes a lot of time to understand ▪ Not understanding business model ▪ Challenge to make others understand ▪ Need to explain a lot 	Barriers to understanding	Cognitive constraints (on regime level)
<ul style="list-style-type: none"> ▪ Never really thought deep enough ▪ Taking for granted ▪ Broaden people's horizon ▪ Never encountered before ▪ Think it's God-given 	Barriers to imagination	
<ul style="list-style-type: none"> ▪ Great overtaxing ▪ Avoid fundamentally new things ▪ Think it's strange ▪ Did not know how to handle ▪ High insecurity 	Feeling irritated	
<ul style="list-style-type: none"> ▪ Just want to earn more money ▪ Not want to be transparent ▪ Get the most out for themselves 	Self-interested conditioning	