

Internationalization and Sustainable Development Strategies: A Case Study of SMEs

OTECCA PhD seminars

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Climate Change is real



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Background and Significance of the Topic

Faced with worsening social and environmental challenges, we need innovative solutions to address them (Buckley et al., 2017; Fernhaber & Zou, 2022; Fichter et al., 2023; Markman et al., 2019).

The EU Green Deal was created to provide financial support for the ecological transition (Andersson & Arvidsson, 2023)

Sustainable growth has become a requirement for SMEs to follow (Kolk and Pinkse, 2008)

SMEs are essential for a more sustainable and inclusive world (WEF, March 2023). They account for 90% of global businesses and can positively contribute to achieving the Sustainable Development Goals (SDGs) (Sinkovics et al., 2021).

SMEs are beginning to take an interest in sustainability and integrate it into their operations (Shields and Shelleman, 2015) and their strategies (Moursellas et al., 2023).

Existing studies have mainly focused on multinational enterprises (Chabowski et al., 2025; Kansheba et al., 2024)

“For most SMEs, having staff dedicated to implementing sustainable development is a luxury.” (Shields and Shelleman, 2015)

Sustainability in SMEs = Tensions and Paradoxes
(Denicolai et al., 2021)



“Out of sight, out of mind”

How can we contribute to sustainable practices without a local presence?

IB & Sustainability = an oxymoron?

How to justify international sustainable practices?

Bring it back = polluting”

How can we create institutions that facilitate circularity?

“MNE = Inconvenient Truth for Climate Change

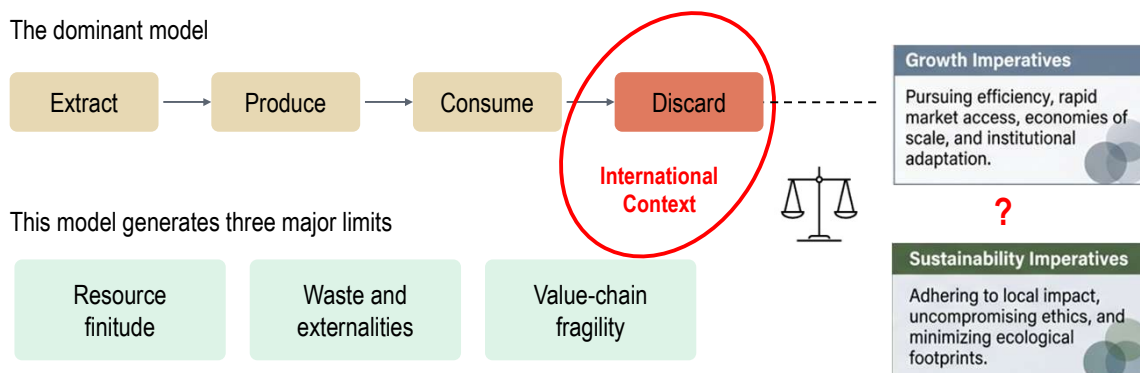
(Kolk, & Pinkse, 2008).

Contributing to a build sustainable organizations

A dissertation situated within the socio-ecological and industrial transition

Starting assumption: SME internationalization must be rethought in light of ecological, material, and social constraints.

The dominant model



This model generates three major limits

Resource
finitude

Waste and
externalities

Value-chain
fragility

Circular economy becomes a potential framework to preserve value, reduce extraction, and extend use.

Research Question Evolution

Research Question: How does the adoption of sustainable practices and circular economy principles shape the internationalization strategies of French SMEs and their sustainable performance?

Article 1 (Conceptual/Literature Review) Defining the sustainability strategies discussed in the literature <i>"How do SMEs integrate sustainability and circularity into their internationalization strategies based in the academic literature?"</i>	Article 2 (Qualitative / Micro-level / Internal) Defining SME managers and entrepreneurs' strategies to manage sustainability challenges contradictions, and trade-offs when expanding internationally <i>"How SME entrepreneurs and managers, driven by sustainability, shape their international strategies while managing the tensions and paradoxes involved in aligning their sustainability-orientation with international expansion"</i>	Article 3 (Qualitative/ Niveau Micro/ externe) Understanding SME strategies to organize, combine, and co-build resources in an international context with different stakeholders. <i>"How do sustainability-oriented entrepreneurs and SMEs co-create value with foreign stakeholders across diverse regulatory environments while mobilizing resources for sustainable internationalization?"</i>
(Conference Communication)  UNIVERSITÉ CÔTE D'AZUR	(Conference Communication + Published Article)	(Conference Communication + R&R2)

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Theoretical and conceptual framework

The Internationalization of Sustainable SMEs (Asemokha et al., 2020; Casado-Belmonte et al. 2020; Manesh et Rialp-Criado, 2019; Rialp-Criado et al., 2019; Stoian & Plakoyiannaki , 2023; Uzhegova et al., 2018).

Article 1 "Defining the sustainability strategies discussed in the literature" • RSE (Carroll 1979; European Commission, 2011) • Triple Bottom Line "3BL" (Elkington, 1994) • International Strategies (Pralhad & Doz, 1987; Pestre, 2014). • International CSR in SMEs (Stoian & Plakoyiannaki , 2023)	Article 2 "Balancing Contradictions in Sustainable Internationalization" • Sustainable Entrepreneurial Orientation (DiVito and Bohnsack, 2017) • Sustainability Paradoxes (Hahn et al., 2018). • SMEs' internationalization choices (De Massis et al., 2018)	Article 3 "The organization of sustainable, globalized SMEs (resources/capabilities/networks) to create value" • Sustainable Entrepreneurship (Dean & McMullen, 2009) • Extended RBV (Barney 2018; Freeman et al., 2021; Popli et al. 2017)
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Methodological Design

- ✓ **Qualitative Methodology** (Yin, 2009).
 - ✓ Abductive reasoning, integrating both inductive and deductive coding (Graebner et al., 2012).
 - ✓ Thematic coding analysis (Magnani, G., and Gioia, D. (2023).
 - ✓ Theoretical sampling to explore a complex, novel phenomenon (Eisenhardt and Graebner, 2007)
 - ✓ Case study method (Eisenhardt and Graebner, 2007; Welch et al., 2022)

Expected contributions and scope

Understanding how SMEs with limited resources can build international trajectories while becoming more sustainable and adopting a circular approach.

Theoretical contribution
Connecting IB, international entrepreneurship, sustainability, and circular economy.

Managerial contribution
Helping SMEs and support structures think through sustainable and circular transition.

Understanding how SMEs with limited resources can build international trajectories while becoming more sustainable and adopting a circular approach.

Possible extension

Toward more participatory research with SMEs, support networks, institutions, and circularity actors to co-build decision-support tools.

Contribution to the socio-ecological transition

From SME strategy to the transformation of production systems

The project addresses three challenges

1
Rethinking internationalization
under ecological constraints

2
Comprendre les conditions d'action
des PME

3
Identifier les tensions qui freinent
ou transforment la transition

Sustainability and circularity provide a logic for action: reduce extraction, extend use, repair, reuse, remanufacture, recycle, while coordinating actors across value chains.

Csibi, O. (2026). Sustainability, circular economy, and internationalization of SMEs: Literature Assessment, Managerial Implications, and Academic Perspectives.

Accepted in:

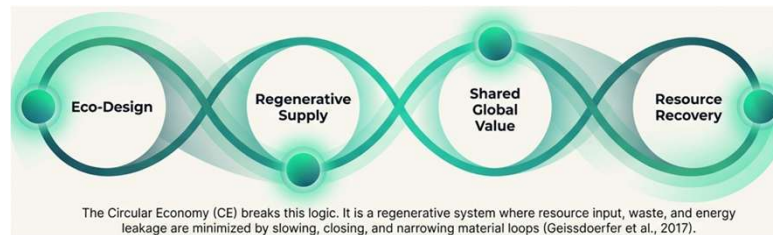
4th Sustainability PhD and ECR Virtual Symposium.

15th Atlas-AFMI annual conference, May 19-21, 2025, La Rochelle.

Submit to:

Management International Journal, TBD, 2026

Issues



Objective: To define the sustainability and circular strategies discussed in the literature, and to understand *how* SMEs can reconcile internationalization strategies with the adoption of circular and sustainable development practices.

Research question: How sustainable-oriented SMEs integrate the principles of the circular economy into their internationalization strategies

Research Design and Methodology

Double Investigation approach

1) Literature Review

- SCOPUS Searches (conducted in December 2024)
- Keyword search in: "Title, Keywords, and Abstracts" and journal articles included in the FNEGE ranking
- **Total = 29 selected articles (between 2018 and 2025)**

Literature analysis

1. Content Analysis – (Theories – Contexts – Characteristics – Methodologies) (Paul and Menzies, 2023)
2. Qualitative Analysis of literature

2) Qualitative Study

1. The study follows a case study comparative methodology (Eisenhardt, 1989)
2. The interviews with three selected SMEs were conducted using theoretical sampling to explore a complex, novel phenomenon (Eisenhardt and Graebner, 2007)

Results, Literature Review

1. Resource-Based View (RBV – Barney, 1991; Teece et al., 1997) SMEs develop a competitive advantage by integrating sustainability. E.g., Denicolai et al. (2021)
2. Stakeholder Theory (Freeman, 2010). Internationalization forces SMEs to meet the expectations of local and global stakeholders. E.g., Grimstad et al. (2020) demonstrate that stakeholder pressures influence CSR engagement.
3. International Entrepreneurship Theory (Oviatt & McDougall, 1994). SMEs adopt proactive sustainability strategies to differentiate themselves internationally. E.g., Asemokha et al. (2020): sustainable entrepreneurship promotes the internationalization of eco-innovative SMEs.

Influencing Factors

Domestic Political Context (Rialp-Criado, et al., 2019) *

Environmental Engagement (Galkina, 2021)

Social Engagement (Ghauri et al., 2014)

Decision-Making Logic (Uzhegova & Torkkeli, 2023)

CSR Perception (Stoian & Plakoyiannaki, 2023)

Internationalization Sustainable

Speed

Partner Selection

Robust Stakeholder Networks

PR Engagement

Practical Types of CSR

Discussion

Two research groups interested in this phenomenon:

The first focuses on the role of sustainability adoption in SME internationalization,

A secondnd s on how eco-SMEs internationalize,

Factors influencing the adoption of sustainable practices:

Intrinsic motivations of managers (personal commitment to sustainability).

Institutional frameworks (regulations and pressure from stakeholders).

Strategic partnerships with multinationals to overcome resource constraints.

Impact of internationalization on sustainability:

Exposure to international sustainability regulations and expectations.

Development of new skills and innovations in response to environmental challenges.

Gradual adoption process:

Organizational Learning + Experimentation

Transition toward circular economic models

CSR internationalization strategies adopted by SMEs:

While Eco-SMEs tend to follow a "born global" standardization strategy (harmonizing CSR practices internationally) to improve their industrial performance.

SMEs that are already internationalized combine local adaptation strategies (integrating the specific characteristics of foreign markets) with transnational strategies (combining local and global approaches), seeking to optimize investment in sustainability

Csibi, O. (2026). Navigating paradoxes in sustainable SME internationalization. Critical perspectives on international business, 1-26.

Accepted in:

3rd Research Day on Globalization, ESCP Business School and VU Amsterdam, Paris, November 29, 2024.

Accepted to:

Critical perspectives on international business. S1 2026. Sustainability Paradoxes in International Entrepreneurship



Issues

Objective: understand how sustainability shape their international strategies of entrepreneurs while managing tensions between economic, social, and environmental goals.

Research question: "How SME entrepreneurs and managers, driven by sustainability, shape their international strategies while managing the tensions and paradoxes involved in aligning their sustainability-orientation with international expansion"



Research Design and Methodology

- Exploratory qualitative study following an abductive thematic analysis
- 7 interviews: 3 firm cases (founders A, B, and C) + 3 specialized consultants (A, B, and C) + 1 Regional Expert
- Sustainable Entrepreneurial Oriented Firms, International Entrepreneurship, and Sustainability Paradoxes.

Conceptual Model

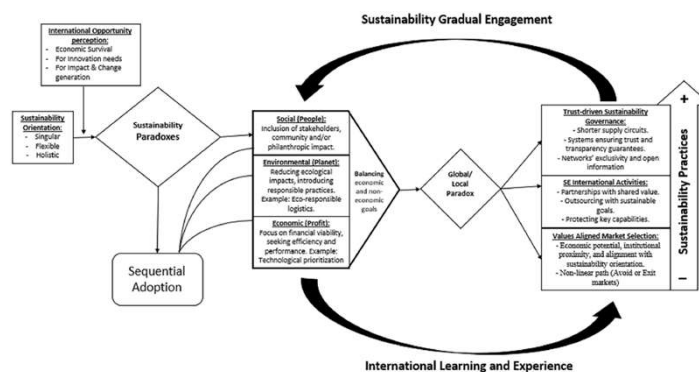
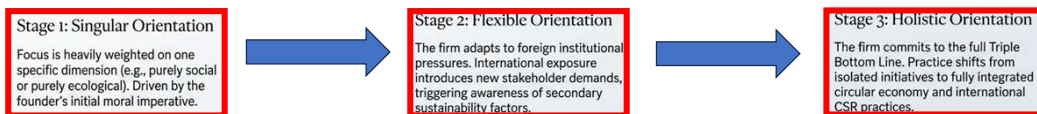


Figure 1. Conceptualization of internationalization strategies of sustainable-oriented SMEs through sequential adoption and trade-offs

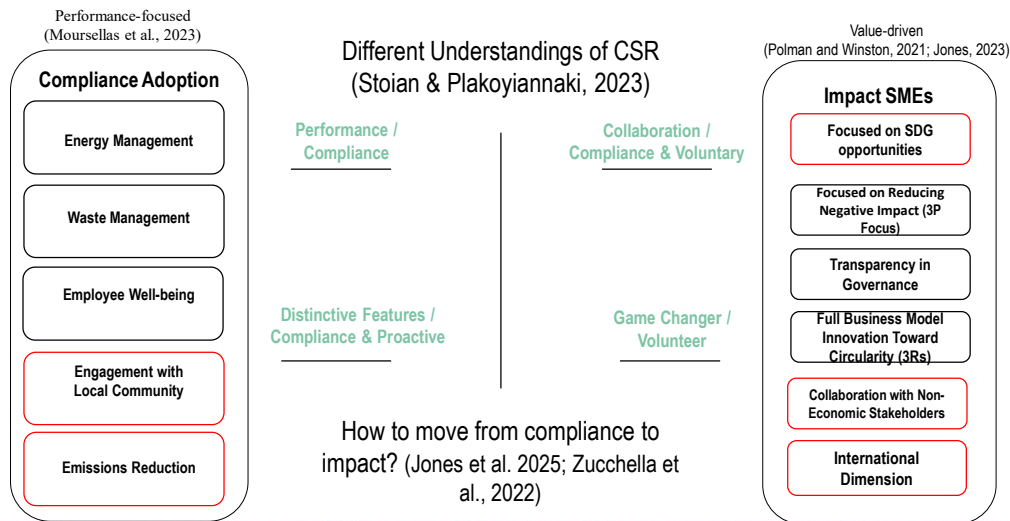


Conclusions

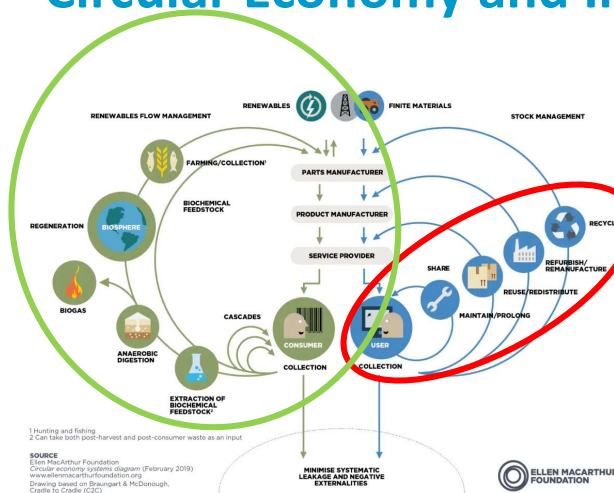
- Sustainability-oriented SMEs internationalize through values, not only market opportunities.
- SEOFs manage internationalization as a paradoxical process, continuously making trade-offs between sustainability commitments and business strategy
- Sustainability engagement evolves gradually during international growth.
- Market selection may include deliberate non-entry or market exit.
- Governance relies strongly on trust-based partnerships and transparency.
- Internationalization can strengthen sustainability rather than dilute it.
- Scaling sustainable impact creates new tensions.

Ongoing Research Project

Becoming circular: a targeted utopia?



Circular Economy and International Affairs



The transition toward a circular economy (CE) model is becoming the desired goal (Ntsonde and Aggeri, 2022).

Various authors discuss the importance of circular entrepreneurship, defined as: "the process of creating and exploiting opportunities, using both commercial and ecological logic, to address environmental challenges with the aim of closing, slowing down, or reducing the cycle of regeneration/replenishment of natural capital" (Zucchella and Urban, 2019), which appears to be a central concept.

Source: cited in Ntsonde, J., & Aggeri, F. (2022).

Questions

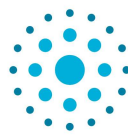
Sustainability, circular economy, and internationalization of SMEs: Literature Assessment, Managerial Implications, and Academic Perspectives



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