SMEs engagement with the Sustainable Development Goals: a power perspective

Abstract

The Sustainable Development Goals (SDGs) are a call to action for governments, companies and communities to rebalance the relationship between the economy, the environment and society. Although companies represent a vital partner in achieving the SDGs, the discussion about the involvement of Small and Medium Enterprises (SMEs) in such goals is scarce. Drawing upon the 'powercube' approach, this research investigates what sustainable development means to SMEs, how they view the SDGs and why they engage – or do not engage – with such goals. Sixteen face-to-face interviews were conducted within rural and urban locations in the UK. The results show that although SMEs are interested in sustainable development, power dynamics impede their understanding and implementation of SDGs guidelines. This research offers to SME managers actionable insights on SDGs' implementation strategies and it provides a research agenda on how institutions and stakeholders can facilitate SMEs adoption of SDGs.

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Introduction

The Sustainable Development Goals (SDGs) are a wide-ranging collection of seventeen goals that world leaders agreed upon in 2015 (UN, 2020). Such initiative primarily involves national governments and other global institutions (Bebbington & Unerman, 2018), but it is recognised that global-level processes need to be translated into organisational-level impacts through the engagement of business (de Villiers et al., 2021). In this sense, the SDGs address organisations and act as guidelines for companies implementing sustainability practices (Van Zanten & van Tulder, 2021). Companies have unique strengths to bring in pursuit of the SDGs, including innovation, responsiveness, and provision of specific skills and resources (Porter & Kramer, 2011; Di Vaio, et al., 2021). This is consistent with the new paradigm in development thinking that recognises the centrality of companies in the achievement of the development agenda and vice versa (Scheyvens et al., 2016). In a recent white paper, the UN explicitly emphasises the crucial role of companies in accomplishing development goals, wealth distribution, and sustainable economic growth: "No matter how large or small, and regardless of their industry, all companies can contribute to the SDGs" (UNGC, 2021). Although the SDGs directly designate a role for business - especially within Goal 12 (Sustainable production and consumption) - SMEs seem to struggle in understanding the role they could play in the SDGs framework and encounter several barriers in implementing SDGs principles and initiatives (Pizzi et al., 2021b) making their engagement with SDGs challenging and problematic (Klewitz & Hansen, 2014). This contrast unveils the somewhat paradoxical nature of SMEs: they have small and limited economic, social and environmental impact as singular entities, but their potential influence on society is powerful when they are considered together. Thus, if SMEs collectively constitute the bedrock of most economies, they are constrained when

operating individually (Crick and Crick, 2021). Consistently, while individual SMEs have limited environmental footprints, their combined impact can exceed that of large enterprises (LEs).

Despite recent literature interest in unpacking the role of companies as sustainable development agents, research has focused mainly on LEs to the detriment of SMEs (Mio et al., 2020; Scuotto, 2020). This shortsightedness creates a gap in the literature that limits the possibility of a comprehensive in-depth understanding of SDGs liabilities and opportunities. Indeed, SMEs constitute the majority of organisations worldwide, thus playing a vital role in the management of limited environmental and social resources (Silva & Figueiredo, 2020). This relevance opens up the need for a closer look at SMEs. Moreover, although the UN encourages collaborations between different actors, prior work has mainly focused on the strategic adaptation of macro-trajectories towards sustainable development at the micro level, without observing the dynamics occurring at the meso level (Álvarez Jaramillo et al. 2019; Kim & Hall, 2021). However, the "transfer of these goals and targets from the international scale that is the UN, to the national scale of individual governments, to the highly varied context that is business is where the difficulty lies" (Mio et al., 2020, p. 3242).

Based on these premises, the present research explores what sustainable development means to SMEs, how they approach the SDGs and why they engage with such goals, taking a multi-level perspective. Specifically, the results of in-depth interviews with managers of SMEs operating in different industries, sectors and geographical areas of the UK are analysed through the lens of the powercube approach (Gaventa, 2021). This approach understands power as an interplay of interrelated dimensions - namely levels, spaces, and forms of power - enabling us to explore hidden relations of power and identify collective strategies to sustainable development (Discetti et al., 2020). Tackling

issues of power in the implementation of SDGs is timely and significant, as over-reliance on policy and technical solutions fails to address power dynamics and has limited ability to bring about change (Bradley, 2020).

Overall, our findings show SMEs interpreted sustainability in terms of meeting the local community's needs. Underpinning this vision, we found two semiotic codes of replenishment and neighbourliness, respectively connected to the dimensions of "power to", intended as the ability to act for the common good, and "power with", understood in terms of solidarity, collaboration, and collective action. As for SMEs' vision of SDGs, we found an understanding mediated by a cognitive distance, where SDGs were thought of as "too distant" and "too big" to engage with. However, this was complemented by a more positive view of SDGs as a common direction for action, which we interpreted under the dimension of "power for". Lastly, we explored barriers to engagement with Agenda 2030 and the potential for enhancing participation. Our analysis identified two dimensions of power at play in SMEs' perception of sustainable development: a distrust for the UN and its perceived vested interests, which we interpreted as hidden power; and feelings of powerlessness generated by the scope and breadth of the goals, which we associated with invisible power. We concluded our analysis with the proposition of a decentralised and localised approach to SDGs, able to empower SMEs and local actors on a meso level.

This research provides three main theoretical contributions. First, by acknowledging SMEs' key role in the global economy and sustainable development, it sheds light on the interpretation of SDGs from the SME perspective. SMEs differ from LEs because of their "fighting mentality, resource limitations, informal strategies, and flexible structures" (de Sousa Jabbour et al., 2020, p. 1). We contribute to the literature

exploring the highly overlooked SMEs viewpoint with regards to sustainable development (Discua Cruz, 2020).

Second, although several papers investigate companies' sustainable initiative interventions (Álvarez Jamarillo et al., 2019; Shu et al., 2020), only a small number frame their focus on the SDGs as organisational policy and a guide for action. SDGs represent a reference point for decision-making processes worldwide and a practical tool to stimulate action in areas of critical importance for humanity (Acuti et al., 2020). As the scientific debate on the connections between SDGs and business remains under analysed by management scholars (Pizzi et al., 2020), we advance the literature unveiling how and why SMEs engage with SDGs.

Third, the SDGs strictly recommend collaboration of different actors for the achievement of a more equitable world; they are an intergovernmental agreement based on multi-stakeholder engagement and value creation processes (Van Zanten & Van Tulder, 2018; Sebestyén et al., 2020; Freudenreich et al., 2020). Given this inclusive nature of SDGs, our study takes a multi-level perspective, observing how SMEs' interaction with different actors can contribute to the awareness and implementation of sustainable practices. Thus, the study enriches literature, proposing a theoretical framework showing the power relationships that characterise the interaction among different agents and influence SDGs' effective reception.

Our results can help guide SME managers in their approach to SDGs. Unveiling their interpretations of SDGs, the perception of their role in achieving sustainable development, and the power dynamics underpinning goal uptake, this research provides actionable insights on SDGs' effective implementation. Our findings also suggest how institutions can facilitate SMEs' adoption of SDGs. Encouraging SMEs to integrate the

SDGs into their businesses gives the UN the potential to unlock more opportunities for goal progress.

This paper is structured as follows. First, we introduce the characteristics of SMEs and their role in achieving SDGs. Second, we discuss the powercube framework and its theoretical application to the study of sustainable development. Then, we provide our methodology and go on to examine the findings of the empirical study that reveal SMEs interpretation of and approach to sustainable development. The concluding section discusses implications for theory and practice, and provides new directions for future research.

The role of small and medium companies in SDGs achievement

Literature recognises the strong impact of SMEs on the economy worldwide and the urgency of their involvement in achieving the SDGs. Although only a few contributions connect SMEs and SDGs, they constitute a solid basis for this research. A literature review of prior works exploring SMEs and SDGs is presented in Table 1.

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SMEs are the lifeblood of the global economy; they directly contribute to income distribution, employment creation, and play a key role in terms of economic growth. Indeed, SMEs represent about 90% of businesses and more than 50% of employment worldwide (UN, 2020). According to the World Bank (2021), 600 million jobs will be needed by 2030 to absorb the growing global workforce, which makes SME development a high priority for many governments around the world. In most OECD countries, SMEs contribute to more than 50% of GDP. Moreover, SMEs foster

creativity and innovation in many markets and continue to stimulate entrepreneurship (Exposito & Sanchis-Llopis, 2018; Yolles et al., 2019). SMEs represent the main pillar of nearly every national economy and therefore contribute to the reduction of poverty in turn improving sustainable development (de Sousa Jabbour et al., 2020). Yet, SMEs are also responsible for a large part of the world's consumption of resources, and therefore cause air and water pollution and waste generation (D'Amato et al., 2020). This highlights the need for their engagement in sustainable actions and a responsible management of limited global environmental and social resources (Govindan et al., 2020).

Literature also underlines some peculiarities of SMEs, making a specific focus necessary. On one side, their relatively smaller size compared with larger companies makes them more agile and more adaptable to economic and social changes (Forbes, 2012). Medium and especially small businesses deal more directly with their stakeholders, and this closer contact enables them to meet their needs more accurately. These characteristics help SMEs build and maintain strict contact with local realities and facilitate their communication with individuals and other companies. The closeness to internal and external stakeholders is even higher in the case of small and medium family-owned businesses, whose deep bond with the employees and the community often represents a motivation to implement socially responsible behaviour. Indeed, as family members are often inseparably linked to the company itself, they guide their choices to preserve the organisational wealth and are careful to listen to the needs of their workers and the community in which they operate (Venturelli et al., 2021). Moreover, given the vital importance of stakeholders for family-owned companies, family owners strive to reinforce the stability of the key stakeholder relationship and

are more likely to commit to a sustainable and responsible business activity that could benefit their reputation (Nekhili et al., 2017).

On the other side, SMEs do not have the financial power of LEs, and hence have huge impediments to benefit from the economy of scale, and have low bargaining power with suppliers. Consequently, SMEs face a lack of power and resources hindering their environmental and social contributions (Khattak, 2020). Because of these factors, the implementation of SDGs initiatives implies several barriers for SMEs, such as limited absorptive capacity, lack of resources, and lack of awareness of their impact on sustainable development (Lewis et al., 2015; Djupdal & Westhead, 2015). Individually, SMEs suffer from the liability of smallness and resource scarcity hindering development (Stoian et al., 2017). Thus, literature suggests the solution to overcome these barriers to SDGs resides in collaboration with other actors. Collectively, SMEs can more easily access resources necessary for development (Whittaker et al., 2016; Russo & Schena, 2021). Collaboration between organisations enables them to generate value that cannot be created by the independent SMEs. For instance, Cantele and Zardini (2020) show how SMEs' relationships with other companies can be a driver for their attitude towards, and implementation of, sustainable practices. Khattak (2020) proposes the support of national and international institutions and investors can be a significant factor to spur the UN goals. Prashantham and Birkinshaw (2020) acknowledge the importance of MNE–SME cooperation to deal with grand challenges and emphasise the role of inclusivity for SGDs achievement. Networking with residents, local governments, and other companies to link together several interests helps SMEs pursue sustainability goals (Vrontis et al., 2020; Tsolakis et al., 2021). The value of cooperation emerging from literature sheds light on the necessity to involve a plurality of actors for SDGs achievement, and the need to understand how they can act

to facilitate SMEs' implementation of sustainable development practices. Indeed, institutions and international networks seek to compensate for SMEs' lack of resources and support them by offering funding, grants, or sustainability programmes. However, when operating in isolation, SMEs are limited in their ability – or time – to access resources and networks that are in place for them. Reducing the distance between companies and the other SDGs players could help SMEs overcome these impediments and access necessary information and knowledge (Journeault et al, 2021). To navigate these complexities and take into account the interplay between individual vs. collective power of SMEs, we propose a theoretical framework able to understand the power dynamics underpinning SMEs' ability to engage with the global goals.

The powercube framework

We adopt the theoretical approach to power of Gaventa's 'powercube' (2006; 2020; 2021), a framework based on the work by Lukes (1974) to understand power in its levels, forms and spaces, their interrelationships and possibilities for change. Here we illustrate the main characteristics of the powercube, its theoretical coordinates and applications to the study of sustainable development.

Traditionally, power has been conceptualised in relation to domination, coercion, and control, summarised in the concept of "power over" (Gaventa, 2021). This conception of power gives visibility to powerful actors rather than less powerful ones. Drawing from theories of power developed by major theorists, such as Foucault, Gramsci, Laclau and Mouffe (Gaventa, 2003), the powercube challenges this dominant view of power as a negative and coercive force. Particularly, the powercube draws from Foucault's work, which illustrated that power is diffuse, dispersed, and embodied in regimes of truth, enmeshed and entrenched with knowledge and discourse (Foucault, 2020). In

Foucault's work, power is not wielded by some actors over others, it is rather ubiquitous, pervasive, and subject-less; "power is everywhere" and "comes from everywhere" (Foucault, 2019).

Building on the Foucauldian conceptualisation of power as a positive force (Høvring et al., 2018), and on Laclau and Mouffe's integration of Foucauldian perspectives into Marxist-Gramscian framework (Laclau & Mouffe, 1985), the powercube considers power not only as coercion but also as agency and ability to act. In this sense, it can be thought of as "power to", namely the ability to act; this is articulated in different sub-dimensions, including *power with* (ability to act together), *power within* (ability to develop awareness and capacities for action), and *power for* (collective direction for action) (Gaventa, 2021). *Power to* is the ability to act in a relational way (Partzsch, 2017). Key elements of *power to* are agency, subjectivity and alternative ideas or values; *power to* gives visibility to 'policy entrepreneurs' as agents of transformation (ibid.). *Power with* is linked to Arendt's definition of power as "the human ability not just to act but to act in concert" (Arendt, 1970, p. 44). Key accents of this notion are coaction, agreement, and solidarity. *Power with* implies cooperation and learning, and is geared towards serving the common good, as in the case of environmental protection (Partzsch, 2017). Lastly, *power within* is connected to a person's sense of self-worth, dignity and critical thinking, while *power for* conveys a sense of direction and intentionality (Bradley, 2020).

A second theoretical underpinning of the powercube is the conceptualisation of power as multi-layered and multi-dimensional. In his book "Power: a radical view", Lukes (1974) critiqued the prevailing conception of power as the key force in decision-making arenas, and argued that power must be understood not only from the perspective of who participates, but also from the perspective of who does not. Building on this theoretical

shift, Lukes conceptualised different 'faces' of power, namely the public decision-making, the hidden work behind decision-making arenas, and the invisible and internalised power through which the powerless internalise their own condition. As a student of Lukes, Gaventa (2006) built on this premise to expand the "multi-layered" conceptualisation of power, namely a dynamic model articulating power into different dimensions: forms, spaces, and levels. While "forms of power" refers to Lukes' idea that power is multi-faceted, namely visible (observable decision-making), hidden (hidden agendas) and invisible (internalised norms and beliefs), Gaventa envisaged power as also distributed across spaces and levels.

Spaces of power refers to opportunities for participation and engagement for citizens, NGOs, and businesses. This dimension is articulated into closed spaces, where decision-making is organised behind closed doors in invited spaces, which formalises citizens' opportunities for participation, and in claimed spaces, where collective action and grassroots open up new arenas for political engagement. Lastly, levels of power refer to the idea that in a globalised world, governance and power work across local, national and global levels. Transformative change happens when social actors are able to work across all levels, forms and spaces of power (Gaventa, 2006) as well as combine power within, power with, and power to in order to challenge power over (Gaventa, 2021).

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Previous research applied the theoretical sensitivities to power illustrated here to the study of sustainable development and SDGs from a variety of theoretical angles. Particularly, Foucault's work has been often used to perform critiques to development

discourses as imbued with dominant power interests (Bolton & Landells, 2015; Charnock & Hoskin, 2020; Sandset et al., 2020), while Laclau's theory of power has complemented Foucauldian critiques to SDGs global discourses (Telleria, 2020). Tregidga et al. (2018) adopted Laclau and Mouffe's vision of "discourse theory" in exploring sustainable development. Discourse theory aims to understand the social as a discursive construction where, in principle, all social phenomena can be analysed using discourse analytical tools (Jørgensen & Phillips, 2002). The overall idea of discourse theory is that the meaning of social phenomena is never finished or ultimately fixed. This precariousness opens up the way for constant social struggles about definitions, society and identities (Laclau & Mouffe, 1985; Jørgensen & Phillips, 2002). Tregidga et al. (2018) recognised discourse theory may represent a theoretical background for explaining the hegemonic construction of sustainable development that has emerged in the corporate context. They asserted the definition of sustainable development by the Brundtland Commission might be the starting point for analysing how social and economic groups, such as corporations, have shaped the concept through political struggles for hegemony (ibid.).

In parallel, Lukes' conceptualisation of power as overt, covert, and latent has been employed by Marten (2019) to explore the role of the state in the goals setting process. Our application of the powercube to the study of SMEs engagement with SDGs builds on these previous power conceptualisations and related applications to the field of sustainable development. However, the powercube presents the theoretical advantage of providing a series of concrete dimensions (forms, spaces and levels) and connotations (power to, with, within, and for) to understand power dynamics enabling or constraining SMEs' engagement with SDGs. Additionally, while the key emphasis of this framework is on citizens and civil society actors, previous research highlighted

the potential to link the powercube, not only to the political domain, but also to the market arena (Kashwan et al., 2019; Discetti et al., 2020). Building on these theoretical sensitivities, this paper explores the power dynamics facilitating (or hindering) SMEs contribution to sustainable development.

Methodology

Within this study, we use an interpretivist research philosophy, one of the three social science paradigms (Terre Blanche & Durrheim, 1999), taking the ontological position that the nature of reality and knowledge is socially constructed, subjective, and internal: there are multiple realities that may change across individuals and over time (Blaikie, 2010; Bryman, 2012). Therefore, an individual's knowledge of the perceived world is meaningful in its own terms and we are concerned with understanding the world and phenomenon from the "subjective experiences of individuals" (Antwi & Hamza, 2015). This approach relates to a constructivist epistemology which maintains that knowledge and reality is constructed by scientists, not 'discovered', unlike positivism (Terre Blanche & Durrheim, 1999). This paradigm leans towards qualitative research, because as noted by Reeves and Hedberg (2003) the interpretivist paradigm highlights the need to put analysis within a specific context. While findings from this style of research cannot be generalised, as by definition each situation is unique and understood differently, they provide a greater understanding of the human condition because they give clarity on how people make meaning of a phenomenon within a specific context (Antwi & Hamza, 2015). Within our own research, we were interested in studying the phenomenon of SME sustainable development engagement within the context of SDGs, through a power lens, which helps us to better comprehend what sustainable development means to SMEs, how they perceive the SDGs and why they engage with

the goals (or why they do not). We adopted the semi-structured interview technique, in line with our research paradigm, as it allowed us to explore the participant's interpretation of reality and the semi-structured nature of the technique was vital as interpretivist research highlights the need for interviewer intersubjectivity.

Our research process featured an abductive approach involving moving frequently between existing literature and our data (Saunders et al., 2019). Doing so meant focusing on what each participant said, then comparing this with existing literature, instead of highlighting a theoretical framework before data collection.

This study utilised the EU's 2003 definition of SMEs when recruiting participants, which outlines headcount and either turnover or balance sheet total as determining factors for whether a company fits into the SME category. The maximum cut-off for SMEs is a headcount of less than 250, turnover less than €50 million or a balance sheet total below €43 million. This definition includes organisations such as charities who meet the threshold. Using this definition, SMEs account for 99.9% of all U.K. businesses and comprise 60% of the U.K. working population (Rhodes, 2018). Additionally, from an economic perspective, this category of businesses constitutes 52% of the U.K. annual turnover of private sector businesses (Rhodes, 2018).

Participants were selected using a combination of direct recruitment, emails, and social media recruitment. Direct recruitment involved one author visiting businesses to recruit respondents face-to-face; in this case, interviews were arranged for a convenient later date at the place of work. An online, non-exhaustive list of businesses in Portsmouth (city in Hampshire, UK) area was available from the council website and was used by the researchers to find email addresses of potential respondents. One author posted recruitment listings on Local Facebook Pages to recruit participants living in Ilfracombe (small town in Devon, UK) and the surrounding area. We opted for this method to

emphasise the importance of these local, and often marginalised, actors and explore them in more detail. This produced a better picture of SME opinions within the national U.K. context, opposed to only exploring cities such as London, which has a more unique cityscape and is seen as a "global city" (Pardo, 2017).

Both the urban Portsmouth and the rural Ilfracombe (and its surrounding villages) provide interesting contexts for this study because both actively engage in sustainability related initiatives. The Portsmouth city council currently has a seven-step sustainability strategy encompassing: (1) natural resources, (2) transport, (3) procurement, (4) waste, (5) built environment, (6) natural environment, and (7) economic and social (Portsmouth City Council, n.d.a). Additionally, the Portsmouth Sustainability Action Group, consisting of businesses, volunteer groups and the city council, works actively in a leadership role to produce movement in this field (Portsmouth City Council, n.d.b). The North Devon Council is also taking a strong stance on sustainability; Ilfracombe is located inside the North Devon UNESCO Biosphere, which has joined the EU-funded biocultural heritage tourism project (North Devon Biosphere, n.d.). This has allowed them to launch the Biosphere Business Partner Scheme, free for local businesses to get involved in. In both cases, councils are collaborating with local companies to achieve sustainable development.

The interviews were reviewed for themes following each session and after the 13th interview no new themes were identified in analysis. As interview saturation had occurred it was no longer necessary to include more participants (Anghelcey et al., 2015); however, we recruited three more to ensure an even split of those from rural and urban communities, meaning sixteen participants took part.

The participants represented businesses which varied in terms of turnover, number of employees, and sector. The sector classification is determined based on either how the

manager themself described the company pre/post interview or how it is described on the company website. Demographically, managers were split between male and female, such that 62.5% were male, and were all over 25. To ensure anonymity, the SME managers who agreed to participate have been allocated an ID number (see table 2 below) and will henceforth be referred to as such. Ensuring anonymity meant respondents were less inclined to show social desirability bias because the quotes could not be attributed back to them.

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The above mentioned three research objectives guided interview question design. Each interview was conducted by author one and as the interviews were semi-structured they followed a similar pattern, beginning by exploring participants' free associations with 'sustainability', then moving to discussions on the three areas of sustainability: social, economic, and environmental (Elkington, 1994). The SDGs were then introduced by the researcher, and participants were asked about their familiarity with the goals and their thoughts on them. Finally, the participants were prompted to identify barriers keeping them from engaging with the SDGs and considered ways to overcome them. Probing was necessary throughout based on interviewee's responses to draw out in-depth information about areas important to the participants and that linked to the research questions (Rao & Perry, 2003, p.238). The length of these interviews varied but on average were approximately 30 minutes. After recording, interviews were transcribed and reviewed for inconsistencies. Additionally, while checking for inconsistencies we removed any information that could be used to directly identify the participant or their company in order to ensure anonymity.

Following transcription, we used thematic analysis to understand our findings. This form of analysis is common within qualitative research and it involves identifying and interpreting key codes that arise within the data and then sorting these into code categories and overarching themes (Terry et al., 2017). These themes are then linked to both the research aims and previous literature (Boyatzis, 1998). Thematic analysis benefits from being flexible and applicable to numerous paradigms but it is particularly compatible with our interpretivist approach as it is able to provide us with rich information about phenomena (Braun & Clarke, 2006). One often mentioned weakness is the researcher bias that comes with this approach as the researcher selects information they personally deem as important and they organise these into codes (Gravetter & Farzano, 2011). However, in line with an interpretivist approach, the researcher is an important part of research generation as there should be observer intersubjectivity. We utilised Braun and Clarke's (2006) comprehensive six-step thematic analysis process to conduct this analysis. We began by familiarising ourselves with the data; transcribing (see above), reading the transcripts and noting down initial ideas. Following this, we generated first level codes by re-reading the transcript and developing the initial ideas into more structured patterns each with individual codes and comparing them with the findings of each other for consistency (Braun and Clarke, 2006). Within this stage of analysis we identified key semiotic codes which underpin participants' understanding of sustainability. Semiotic codes are meaning structures associated with moral values (Barthes, 1967) and are a valuable approach to understanding sustainability transitions (Weber et al., 2008; Santamaria et al., 2016). The data was then reexamined to see how well the noted patterns and codes explained the data, and rearranging/cleaning the analysis (Braun and Clarke, 2006). Next, author two introduced the power cube framework to interpret the data through a power lens, noting how power related to the

existing identified topics. Finally, we built an analysis summary table with clearly identified themes, categories, and codes before writing up our findings below.

Data analysis and findings

What does sustainability mean for SMEs?

The first aim of this research was to explore SMEs' vision of sustainability and sustainable development. A strong theme emerging from our interviews is that SMEs view sustainable development – and, importantly, their role within it – as meeting the needs of the local community. While stressing economic sustainability is fundamental to the viability of their businesses, our participants complemented this notion with a broader vision of sustainable development as serving and empowering local communities, strongly linking to goal 11 'sustainable cities and communities', which was discussed most often during the interviews.

To describe the relationship between their business mission and the local community, SMEs used semiotic codes of responsiveness, relevance and resonance. This showed how small enterprises are shaped by societal needs, and how this very imprinting is considered as "sustainable" and intertwined with economic viability:

"So I think [sustainability] for me it's about the relevance of… we're only sort of getting money to meet a need, rather than making money […] for me I suppose it's the need rather than the money." ID01

Another set of semiotic markers used to describe the relationship with the local community attains to the sphere of serving and caring. This was articulated into

different elements, such as employing members of the local community or catering for the needs of disadvantaged community members. In the words of a rural charity, the ability to employ local people is a "*duty of care*" (ID13). Similarly, in the case of an urban hospitality SME, the high turnover of staff translated into the ability to reach marginalised groups, and offer them "*an opportunity to work, to have an education*" (ID07). This ability of SMEs to engage closely with local community members configures SMEs as spaces for engagement within the community. This is particularly visible in the words of an urban charity: "*in the city it feels like there are less spaces and places for them to go and connect and what we're seeing is trying to create a space for people [...] a place where they can meet but also support each other*" (ID01).

Underpinning these visions of sustainability, we found two key concepts of replenishment and neighbourliness, respectively connected to the "power to" and "power with" dimensions.

First, the semantic area of replenishment is used to describe the relationships within the local community that SMEs can foster, restore and repair. Whether it is a local hospitality venue or a local NGO, interviewees used these codes when describing their idea of sustainability as good relationships within the local community, seen as the basis of sustainable cities (SDG 11). This dynamic was particularly visible in the interview with ID02, an urban people support service, whose role is to teach primary school children mediation skills. The business sees its mission as creating more sustainable future generations, based on a replenishment of the human resources of the community:

"*This service is about providing an inclusive service, our USP* [Unique Selling Point], *if you like, is a restorative practice and restorative approaches, so by its nature, it's got an element of restoration... restoring people's lives back to a place that is sustainable,*

so in terms of the social side, we're very very focused on repairing damaged relationships and repairing harm. [...] ten-year dividend coming when the current generation of teenagers is replaced by a generation with more positive people skills, better relationships skills, better skills for dealing with conflict. So, that's sustainable."
ID02

Similarly, a rural retailer (books) stressed the key role of SMEs in providing education for local communities:

"It's about education. I've seen it, it is when you address the fundamental needs of each individual, in terms of their inner needs, then they start to understand their place in the world. Each person becomes more conscious everyday of their actions and how their actions have repercussions. How their actions have results and that's what you need to do. Is to make sure that every individual understands that they are directly responsible." *ID09*

The language of providing tools and training to younger generations, making them aware of skills "they didn't even know they had" is strongly connected to the notions of "power to", a dimension of power geared towards the common good (Partzsch, 2017). The words of the SMEs managers leveraged also notions of "power within", intended as the ability to develop awareness and capacity for action (Gaventa, 2021). Importantly, meeting the "inner needs" of individuals and educating them were considered important factors of SMEs' contribution to sustainability.

Secondly, another key theme we found is the concept of neighbourliness. Participants tapped into this semantic area to complete their picture of sustainability. In explicit

terms, ID15 stated sustainability "*is about being a good neighbour*". This theme underscored much of the discussion with our participants. Being sustainable for the SMEs interviewed translated into being a good member of the local community, supporting the local economy, and, more importantly, supporting each other:

"So the sustainability model, if we were using one, it was essentially, we pride ourselves on being local [...]. Our branding was that we were an independent, local shop supporting other local businesses. So, the sustainability in that respect was making a community. Being part of that. Being part of the wider, wider group of other businesses sort of supporting each other." ID07

The concept of neighbourliness is connected to the development of a collective sense of responsibility within the community of local SMEs, strongly linked to the "power with" concept, intended as collaborations, alliances and solidarity (Bradley, 2020). With reference to the powercube (Gaventa, 2006), it is clear that for SMEs, the local level is most important to leverage collective action. This level holds potential for transformative and performative politics, where SMEs can "lead by example" towards producing sustainable changes.

How do SMEs view the SDGs?

Most of our participants did not have prior knowledge of SDGs. When informed about the purposes and mechanisms behind the SDGs, our participants responded with an understanding of these global goals mediated by notions of separation and distance – both on geographical and cognitive levels. From a geographical perspective, participants questioned the relevance of global goals to the local level. The SDGs and

the UN were perceived as institutions too far away to have a direct relevance for their activities:

"I live in Illfracombe, dear, the World Health Organisation or the United Nations do really not come here." ID10

The geographical distance was associated to a cognitive and affective distance, generating on one side confusion and uncertainty related to the role and purpose of the goals and the UN itself, and on the other side feelings of detachment and not being affected:

"When you speak to me about the United Nations and we start talking about the world, I start to get confused." ID01

"In a way and it's almost something that you imagine much bigger companies getting involved with […] it almost seems like… The topics are almost too big for small businesses to relate to" ID14

This notion captured a form of invisible power, namely the assumption that what is distant is not immediately relevant and the global goals are "too big" for small and medium enterprises to contribute to. This deep-ingrained assumption was one of the main barriers to SMEs engagement with the Agenda 2030.

However, participants complemented this understanding of SDGs with a more positive approach, whose description was saturated with metaphors of "direction", "aspiration", and "common path". Significantly, SMEs associated the global efforts to develop the SDGs as a roadmap for change and a direction for action:

"The reason these things [SDGs] are good is not because you ever achieve them, because they give you a direction of travel. [...] We have to have something, which causes us all to face in the same direction." ID15

From this perspective, SDGs were interpreted as providing motivation and aspiration for change, thus constituting a form of "power for", namely a vision orienting decisions and providing a logic for transformative action (Bradley, 2020).

Why do SMEs engage with (or not engage with) SDGs?

Exploring SMEs' barriers to engagement with SDGs, we found two key power dimensions at play: a distrust for perceived hidden power of global institutions; and invisible power assumptions, generating feelings of powerlessness connected to the global goals. We will explore both dimensions before turning to outlining the key routes for engagement and empowerment.

First, most of our participants showed an understanding of the UN as a closed space of power permeated by hidden power relationships. SMEs managers saw this global institution as too centralised to take into account the needs and ability of SMEs to contribute to sustainable development. They perceived the UN as a not entirely democratic space, where vested interests drive global agendas. In the words of our interviewee:

"the United Nations don't inspire me. [...] It feels too big and too centralised." (ID02).

Interestingly, the distrust for global institutions was coupled with a profound scepticism for LEs' sustainability initiatives. When discussing the UN efforts to advance a global

sustainability agenda, many of our participants brought up LEs, such as McDonalds', Coca Cola and BP, to construct parallels between institutional and corporate global sustainability initiatives. Both types of initiatives were deemed tokenistic, with corporate action perceived in terms of greenwashing practices. Underscoring the distrust for the UN and large corporations, participants emphasised a perceived discrepancy between action and speech. The UN and LEs were associated in that their leaders and managers do not lead by example, giving to global initiatives a controversial nature, entrenched with contradictions:

"They use private airlines to fly about constantly and, there's multiple different things that as world leaders they could be doing to say 'look this is how you should be living, this is how I'm living. Just follow my example.' whereas of course, what we currently have is more dictating" (ID06)

Opposed to the discrepancy between action and discursive practices within global institutions, SMEs' managers reinforced their vision of sustainable development as a bottom-up approach, with communities and small businesses driving change at the local level. Significantly, sustainable behaviour was associated with "standing by one's claim", opposed to greenwashing practices:

"Everything we say, we can stand by, so when we say locally sourced, we mean 'we can tell you where' kind of thing. So we stand by those claims. We won't kind of throw things out there that we can't measurably prove. [...] So it's all backed up, it's not just, really, just, like a product on a supermarket shelf that will just repackage it and claim it to be something when nothing's changed." (ID07)

A second dimension of power hindering SMEs' ability and willingness to engage with sustainability goals was invisible power at play in their assumptions around how change

happens. While a bottom-up approach was the preferred vision for sustainability, and small changes were considered as drivers of broader change, these visions were often accompanied by feelings of powerlessness connected to global problems. Particularly, these feelings were visible in the discussions surrounding corporate initiatives for sustainability. SMEs' managers argued LEs' unethical behaviours offsets sustainability efforts at the micro and meso level, and this generated discouragement and inaction:

"When you look at, for example, what can I do as an individual, or what can we do as a small business, compared to… even if we tried our best to meet those [the SDGs] that we could is what we do being offset by just one BP or Esso, kind of thing. Just one multinational company is going to be doing far more damage than we can do positive." *(ID07)*

The consideration of unethical corporate behaviour generated feelings of powerlessness, such that, in the words of one of our participants, engaging with sustainability goals *"does feel futile"* (ID07). Through the powercube framework (Gaventa, 2006), it is possible to see how SMEs associated the UN and global corporations to an abstract global and macro level exerting a form of "power over", namely coercive power towards communities and the environment on the micro and meso level, in turn discouraging participation and engagement on the local level.

The main routes for encouraging participation emerging from the interviews tackle these dimensions of power and revolve around the two themes: re-localising global goals through new spaces for participation; and using local gatekeepers to make the goals more relatable. First, SMEs advocated for a decentralised approach to SDGs, where local councils and civic initiatives play key roles in raising SDG awareness and providing implementation tools. A decentralised approach to the SDGs inevitably

translates into a localised approach, where new spaces for participation are created on the local level to allow small and independent businesses to engage with the sustainability agenda. This relocalisation of global responsibility aligns with SMEs' vision of sustainability as meeting the needs of local communities, and tackles the cognitive distance with the goals observed through our interviews. Creating local spaces for engagement would then foster the dimension of "power with", which is at the centre of SMEs' understanding of sustainability, and put alliances and collaborations between SMEs in the position of driving sustainable development at the local level.

Second, our participants stressed the need for a simplified approach to SDGs, where the goals are broken down into small local targets, fostering SMEs' dimension of "power to". This was considered necessary to address the feelings of powerlessness generated by the "overwhelming" scope of the goals:

"Break it down into what smaller companies can do, into different levels of the impact you can make just as one person, because this could be quite overwhelming, I think, to somebody. I mean because larger companies have a whole sustainability department and they've really, they kind of, invest the time and money to get into it. So maybe kind of broken down for individuals, smaller, smaller companies." ID14

Local councils and umbrella SMEs initiatives could then collaborate and act as mediators and gatekeepers of global sustainability projects on the local level, leveraging feelings of trust within local communities:

"I think some people might think of this is the United Nations, nothing to do with me whereas the local council… […] it would feel more relatable." ID11

"Well actually it, it does start from our doorstep you know, maybe the United Nations is too big. Maybe to have things, local campaigns and like you say local, your MPs [Member of Parliament] *and things highlighting it and bringing it to your attention makes it, kind of 'you are the next step' rather than this, this global thing that's somebody else's, somebody else's responsibility...It's Amazon's responsibility to deal with that, it's not the little guy that's struggling to survive. So I do think... to make everything sort of, chintz it down. So it makes it achievable, like you say, personable."*
ID10

Significantly, a localisation of global goals would reconnect local businesses with sustainability aims and address the current perception of the SDGs as *"somebody else's responsibility"*. The reliance on local actors would make the goals "personable" and "relatable", fostering both dimensions of "power to" and "power with" on the local level.

Discussions and conclusions

This paper advances the business and management literature on two main grounds, while exploring the versatility of the powercube framework and its applicability to the market arena (Discetti et al., 2020). First, the adoption of the powercube framework enabled us to understand the power dynamics limiting or encouraging the engagement of SMEs with SDGs. Observing the phenomenon through the lens of power represents a step forward towards the comprehension of the SDGs at different levels. Interviews confirmed the risk that local actors consider SDGs as rhetorical as the communication campaigns about the declared sustainability of large multinational companies. Therefore, it is imperative that the UN and the other international institutions address

this issue because the interviewees' voices confirmed the willingness to see sovereign institutions and LEs leading by example and "putting their money where their mouth is" to prove their commitment. LEs will have to demonstrate this commitment in practice without resorting to the rhetoric that has permeated much of the debate aimed at building the hegemonic construction of sustainable development as it emerged in the corporate context (Tregidga et al., 2018).

The second novel contribution resides in the interpretation of and approach to sustainable development. Although several studies have observed the employment of international goals in a top-down direction (Allen et al., 2017), we take a bottom-up perspective with communities and small businesses driving change. This research identifies SMEs as the key link between a global, macro level and an individual, micro level that is reflected in the SMEs interpretation of sustainability. Interviewees confirmed a discrepancy - rather than a synergy - between the UN that "think globally" and the local SMEs that try to "act locally". This is aligned with research emphasising how the implementation of sustainability in business context is fraught with tensions and uncertainty (Siltaloppi et al., 2021). Thus, there is the risk that SDGs are considered as too far away from the economic, social, and environmental needs of the communities. As studies show that SMEs are less engaged with sustainable and pro-environmental policies, it is essential to understand the barriers and drivers of implementing a pro-environmental strategy in SMEs from an entrepreneur's perspective (Handrito et al., 2021). Moreover, SMEs view sustainable development as neighbourliness, serving and empowering local communities in a response to social and environmental needs. The concept of neighbourliness is linked to the idea of "power with", intended as partnerships, collaborations, alliances, and connected to developing a collective sense of responsibility within the local community of SMEs. This local responsibility

represents a call for ideas and best practices on the localisation of the Agenda 2030 and the SDGs. Localising SDGs is a crucial pattern for the achievement of Agenda 2030, which is already seeing a few projects running (e.g., Local 2030) but deserves even stronger attention from global and local partnerships. At the same time, the participation of community-led initiatives in international and global networks offers opportunities to learn from local-level experiences and successes, potentially strengthening SDG implementation more generally (Esteves et al., 2021).

Based on our empirical findings, we offer a set of recommendations addressed to SMEs managers and policy makers. First, SMEs should act to reinforce their "power to", intended in the powercube framework as the ability to act, and "power within", intended as the ability to develop awareness, in order to foster their engagement with the SDGs. With these purposes, managers could create spaces and propose initiatives to educate their employees towards SDGs and guide them in the goals' implementation. Second, we encourage SMEs to invest in the "power with" implementation, intended as the ability to act together, to advance their collective impact on the dimensions outlined by the SDGs. Through the creation of local partnerships, businesses can limit waste of resources and achieve economic, social and environmental benefits, as well as harnessing their collective power. Although we acknowledge the limited resources of small businesses, we encourage the adoption of creative solutions (facilitated by technological development) to share with employees a sustainable vision of business.

Our empirical findings showed that SMEs perceive SDGs as distant and centralised, hence we offer further recommendations to policy makers to address these barriers. We recommend institutions to reduce the cognitive distance perceived by SMEs and foster a perception of closeness and collaboration. This could be achieved with a further

emphasis on the localisation and decentralisation of the implementation of the SDGs. Moreover, acknowledging the confusion and uncertainty related to the SMEs' role and the purpose of the goals, policy makers should provide local businesses with tangible instruments for SDGs understanding and implementation and facilitate the interactions across different power levels.

We acknowledge some limitations in our research which offer a rich agenda for future studies aimed at assisting SMEs and institutions in their decision-making about SDGs initiatives implementation and communication. Although we show how SMEs view SDGs and we identify a range of negative perceptions related to their interpretation, we do not suggest any levers that institutions can adopt to forge SMEs understanding and elicit a positive interpretation of such goals. For instance, we highlight that the understanding of SDGs is mediated by geographical distance and cognitive dissonance. Consequently, we ask: how can institutions make information about SDGs easy to understand and available? How can they reduce managers' cognitive distance? It emerges that such cognitive distance makes SMEs perceive global goals as too big for them to contribute to. Hence the questions: how can the UN empower small and medium companies? How can they foster managers' self-efficacy?

However, we observed a complementary positive interpretation of SDGs as a form of "power for", useful to orient decisions and guide the transformative action of several actors, and "power within", intended as the ability to develop awareness and capacities. This consideration opens up new questions: how can the UN stimulate changes in SMEs behaviour? How can institutions show the practical function of SDGs and make it available for small and medium enterprises?

We also identified the difficulties of SMEs regarding the accessibility to SDGs. Although we do not offer a solution to such a challenge, we observed a distrust for the

perceived hidden power of global institutions. Future research should attempt to answer the following question: how can policy makers improve their credibility, reduce scepticism, communicate efficiently their care for SMEs and their willingness to support SMEs in working towards SDGs?

The substantial increase in economic, political and institutional uncertainty caused by the Covid-19 pandemic and Brexit challenges the concept of neighbourliness. Brexit, in particular, will pose a severe threat to the EU's development policy and may jeopardise the European contribution to SDGs. Although this study does not explicitly tackle these topics, both locations used for the interviews voted to leave in the EU referendum, which may influence their views on community and neighbourliness. Therefore, future research could focus on an institutional perspective. On the one hand, UK institutions will need to explore how sustainability principles can be enshrined in trade agreements, focusing primarily on the UK's future trade relationship with the EU and other partners. On the other hand, EU institutions will have to verify that the Brexit free trade agreement is oriented towards equity and equal conditions, sustainable development and the fight against climate change, in line with the European Green Deal. What is the role of SMEs in the post-Brexit international trade and the achievement of particular SDGs linked with trade agreements? Compared to LEs, to what extent are SMEs' economic, social and environmental performance impacted by the uncertainty caused by Brexit to international trade?

The literature and UN reports show that the commitment of companies towards SDGs varies depending on the country they operate in. For instance, recent research has demonstrated that countries characterised by socio-cultural and education systems attentive to social and environmental needs pressure companies to contribute to sustainable development (Pizzi et al., 2021a). Indeed, national culture can impact SMEs

activities both through the cultural values that are part of that society and through the institutions that are representative of that culture (Kreiser et al., 2010). For instance, culture can act as a facilitator or barrier to sustainable development by affecting managers' perceptions, actions, and values. This emphasises the importance to consider the country where SMEs produce and sell their products or services for a deep understanding of their participation in the SDGs achievement. While our findings concern two gaps – the gap between rhetorical statements of large institutions and multinational and their actions, and the gap between the UN that "think globally" and the local SMEs that try to "act locally" – which appear to be generalizable in terms of country and sector, we already acknowledged the crucial need for further research around the localization of SDGs. Thus, in the same vein, as our research involved SMEs operating in the UK, we encourage further studies to address the following questions: how do small and medium businesses in different countries address sustainability goals and how does culture shape their attitude and efforts? How does the activity of SMEs in different sectors affect their engagement (or disengagement) with SDGs and their localisation (cf. Iazzi et al., 2021)? Does access to domestic finance and international finance contribute to SDGs (cf. Khattak, 2020)?

Our study calls for a decentralised approach to sustainable development, and the need for a relocation of power. One major objective of the Agenda 21 initiative – the global agenda for sustainable development made public in 1992 at the UN Conference on Environment and Development (Earth Summit) in Rio de Janeiro - was that every local government should draw its local Agenda 21. The implementation of Agenda 21 was intended to involve action at international, national, regional and local levels. In particular, chapter 28 "Initiatives of local administrations to support Agenda 21" recognises a decisive role for local communities in implementing sustainable

development policies. The urgent need for localisation of SDGs is therefore known to international institutions, governments and local actors. Consequently, institutions should encourage interactions across different power levels and SMEs should actively participate in local processes of sustainable development implementation. Thus, on one hand, further studies could explore how institutions can meet the needs of local communities, which initiatives are the most engaging and effective for SMEs, and which local activities (events, hubs, structured networks) can help with the dissemination of SDGs principles. On the other side, studies should unveil which are the instruments and resources needed by SMEs to include SDGs in their activity, and how communities and small businesses can drive the change towards a sustainable future.

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Table 1. Main contributions on SMEs and SDGs

Level	Authors	Industry	SMEs peculiarity	Theoretical approach	Key findings
Micro	Bager & Lambin (2020)	Coffee	- Marginalization and exclusion from industry voluntary sustainability standards	Stakeholder theory	There is a need for common sustainability indicators relevant for all actors along the value chain, which are consistent with the SDGs
	de Sousa Jabbour et al. (2020)	Manufacturing	Contribution to: - economic growth - achievement of SDGs - employment - creation and income distribution - consumption of resources - pollution and waste generation	Sustainable development	Innovation and entrepreneurial orientation, governmental policy, and lean manufacturing systems are important factors which drive SMEs towards improved financial and social/environmental performance.
	D'Amato et al. (2020)	General	- Integration of new sustainability-driven business models - Pivotal role for the development of circular economy and bioeconomy	Circular bioeconomy	- There are six archetypes of sustainable business model - Circular business models focus more on strategies that aim to close material loops rather than radical forms of circular business model innovation.
	Govindan et al. (2020)	Manufacturing	- Sharing of resources among communities - Contribution to the reduction of negative environmental and societal impacts	Best Worst approach	Lack of trust and capital cost are the most influential and least influential barriers of the industrial sharing economy.
	Silva & Figueiredo (2020)	Health and educational fields	- Vital role in the management of limited global environmental and social resources - Representation of 99% of firms in Europe, 45% of total employment, 33% of the GDP in emerging economies	Sustainability-practice approach	Sustainability occurs through five practices: cooperating, understanding, deeming, improving, and changing the logic.

	Silva et al. (2021)	Manufacturing	- Lack of resources and capabilities	RBV Green supply chain	Proactiveness and innovativeness are required to achieve high environmental performance.
	Yáñez-Araque et al. (2021)	General (family firms)	- Consequences of the business activities in the development of society - Key role in terms of economic growth and the generation of employment - Significant challenges in achieving CSR	CSR	Family businesses have an additional incentive to become involved in CSR actions since these actions will be reflected to a greater extent in their economic results than those of non-family businesses.
Micro and Meso	Xia et al., 2018	Construction	- Very low level of CSR implementation	CSR	The large construction companies have enormous responsibility in supporting, mentoring and providing resources for the SME to increase their level of CSR.
Meso	Khattak (2020)	General	- Lack of resources, finance, and skills	Resource-based view theory	The access to the finance offered by domestic capitalists, national investors, and national financial institutions facilitates SMEs to contribute to the community and environmental practices.
	Prashantham & Birkinshaw (2020)	General	- Inclusion in the network of actors with which the focal MNE has privileged relationships.	Interorganizational cooperation	MNE–SME cooperation is useful to achieve SDGs.
Micro, Meso and Macro	Own study	General	- Role in the achievement of SDGs at a local level - Collaboration and interaction with institutions and individuals - Impact on communities and local economy	Power analysis	- Power dimensions are key to understand SMEs role in sustainable development - SMEs can drive sustainable development on a local-meso-community level

Table 2. SMEs involved in the interviews

ID	Business Sector
01	Urban Charity
02	Urban People Support Service
03	Urban Hospitality (Pub)
04	Urban Retail (Textiles)
05	Urban Entertainment (Theatre)
06	Urban Retail (Foods/Pharmaceuticals)
07	Urban Hospitality (Café)
08	Urban Retail (Fashion)
09	Rural Retail (Books)
10	Rural Hospitality (Pub)
11	Rural Hospitality (Café)
12	Rural Engineering
13	Rural Charity
14	Rural Architecture
15	Rural Hospitality (Hotel/Wedding Venue)
16	Rural Construction

Figure 1. The powercube framework. Adapted from Gaventa (2006)

Dimension		Sub-dimensions		
Levels	⟹	Local	National	Global
Forms	⟹	Visible	Hidden	Invisible
Spaces	⟹	Invited	Claimed	Created
Connotation				
"Power to"	⟹	Power with	Power within	Power for