Implementing Sustainability Strategies in Emerging Economies: Challenges and Opportunities for Supply Chain Management

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Abstract

Although research on sustainable supply chain has made many valuable contributions, there is a dearth of empirical evidence and theoretical reflection on sustainability strategies adopted by supply chains operating in emerging economies. Consequently, the literature still lacks a framework that incorporates the context and dynamics encountered in such settings. The aim of this paper is to help to fill this gap by exploring a successful case of a focal company that was able to deal with the challenges and exploit the opportunities associated with such contexts towards the incorporation of cleaner production innovations and sustainability strategies into supply chains. Drawing from capability accumulation, innovation and sustainability literatures, this paper develops a theoretical framework that provides a more fine-grained understanding of the dynamics, challenges and opportunities associated with the incorporation and management of sustainability within supply chains in emerging economies. This research employs case study method in the oil and gas supply chain in Brazil based on 52 interviews with key informants between 2004 and 2012. Our findings suggest that incorporating cleaner production innovations and sustainability strategies into supply chains in emerging economies presents additional barriers and higher levels of uncertainty when compared to supply chainsoperating elsewhere. This research contributes to the literature by identifying and discussing those salient barriers and arguing that in emerging economies, due to unique institutional idiosyncrasies, focal companies play an even more important role to endorse cleaner production innovations and promote sustainability strategies than in other countries. Also, it contributes to the research by asserting that sustainable supply chains can only be successfully pursued and implemented through innovation, which is a critical driver for supply chain enhanced sustainability performance.

Keywords: Sustainable supply chains, barriers to sustainability strategies, emerging economies, innovation, oil and gas, Brazil.