

HARD LUCK AND ENTREPRENEURIAL OPPORTUNITY: A PHILOSOPHICAL EXPLORATION OF ADVERSITY-DRIVEN INNOVATION

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Abstract. Hard luck theory positions adversity as a potent catalyst for entrepreneurial opportunity, suggesting that hardships, rooted in philosophical reflections from Nietzsche and Stoic thought, foster resilience, creativity, and heightened market awareness. This paper examines how adversity-driven approaches not only shape entrepreneurial practices by sparking frugal innovations and sharpening opportunity recognition, but also align with global imperatives such as ending poverty (SDG 1), promoting decent work (SDG 8), and fostering responsible consumption (SDG 12). The research methodology is based on conceptual and philosophical analysis, combining interpretive inquiry with illustrative reasoning. Drawing on existential thought and Stoic philosophy, the study constructs a theoretical framework that links adversity to entrepreneurial development through mediating traits such as resilience, creativity, and heightened ethical awareness. This qualitative approach prioritizes depth of insight into subjective experiences, enabling the identification of patterns by which adversity fosters adaptive responses and innovative outcomes. The study avoids traditional quantitative generalizations, instead opting for a model that captures the interaction between personal transformation and entrepreneurial action in constrained contexts. Through thematic synthesis, the work outlines how necessity and challenge shape behaviors that contribute to socially constructive enterprise formation. The results reveal that adversity often enhances strategic agility, problem-solving ability, and long-term vision among entrepreneurs. Repeated exposure to constraints cultivates a mindset oriented toward persistence and improvisation. Entrepreneurs in difficult environments tend to reframe limitations as opportunities to repurpose existing resources, build unconventional partnerships, or develop low-cost innovations. Moreover, the moral impact of adversity frequently leads to the creation of ventures that align with broader societal objectives—such as reducing inequality, improving access to basic services, and promoting environmental sustainability. The findings also highlight how hard luck experiences deepen sensitivity to stakeholder needs and ethical obligations, resulting in businesses that prioritize community welfare, transparency, and inclusive growth. Ultimately, the study concludes that adversity can function as a generative force, shaping not only the strategies entrepreneurs use but also the values they embed in their ventures, offering a compelling redefinition of how entrepreneurial success can emerge from hardship.

Keywords: hard luck theory; adversity-driven entrepreneurship; sustainable development goals; ethical innovation; resilience.

JEL Classification: B52, D11, D 21, L26

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Introduction. Entrepreneurship is often described as one of the key engines driving innovation, economic growth, and social progress. Increasingly, it intersects with global priorities like the 2030 Agenda for Sustainable Development, wherein entrepreneurial activities are viewed not only as pathways for economic advancement but also as mechanisms for addressing poverty (SDG 1), inequality (SDG 10), and environmental sustainability (SDG 13). At the heart of this process lies the concept of entrepreneurial opportunity, which can be defined as the ability to identify and act upon ideas that create value in the marketplace (Shane & Venkataraman, 2000). Traditionally, scholars have examined how entrepreneurs develop unique insights, gather resources, and manage risks to capitalize on these opportunities (Alvarez & Barney, 2007; Dimov, 2011). While many studies focus on market trends or technological changes as primary catalysts for entrepreneurial opportunity, there is growing recognition that personal hardships and larger societal adversities can also motivate and shape entrepreneurial endeavors (Corner et al., 2017; Fisher, 2022).

This study introduces the “Hard Luck Theory,” an adversity-based perspective suggesting that adversity, failure, and life’s most difficult circumstances can be essential drivers of entrepreneurial thinking and opportunity recognition. Hardship is commonly seen as an obstacle, something to be avoided or swiftly overcome. However, philosophical traditions have long hinted that challenging experiences can foster strength, wisdom, and creativity. Friedrich Nietzsche famously stated, “What does not kill me makes me stronger” (1888), emphasizing the transformative power of suffering. Stoic philosophers, such as Seneca and Epictetus, similarly argued that hardship can reveal one’s inner resources and promote emotional resilience. These ideas resonate with modern research on personal growth following difficulty, often referred to as “posttraumatic growth,” which underscores how individuals may emerge from adverse events more focused, creative, and determined than before (Bullough & Renko, 2013; Ducheck, 2020).

Bridging this philosophical viewpoint with contemporary entrepreneurship scholarship, Hard Luck Theory posits that setbacks can sharpen an entrepreneur’s ability to perceive and exploit opportunities. When people face scarcity or failure, they often become motivated to find unconventional ways of using resources, developing products, or addressing societal needs (Baker & Nelson, 2005; Williams & Shepherd, 2016). Indeed, challenges like economic recessions, resource constraints, and personal hardships can push entrepreneurs to seek innovative solutions, giving rise to “frugal innovation” or “constraint-based entrepreneurship” (Zeschky et al., 2014). This response to hardship can manifest in everything from simple, low-cost inventions to entirely new business models that upend traditional industries.

Yet, in addition to stimulating ingenuity, adversity can also catalyze more equitable, transparent, and ethically grounded business practices, especially relevant to SDG 10 (Reduced Inequalities) and SDG 5 (Gender Equality). By compelling founders to reflect on shared vulnerabilities and resource limitations, hard luck often illuminates the social dimensions of entrepreneurship, prompting ventures that consciously address marginalized groups, promote fair labor conditions, or ensure equal opportunities. Such ethically oriented models dovetail with the rising emphasis on corporate social responsibility and inclusive growth, pointing to the broader significance of adversity-

driven entrepreneurship in achieving sustainable development.

Despite the intuitive appeal of linking adversity to opportunity, this connection has received relatively limited attention in mainstream entrepreneurship literature until recently. Most classic theories prioritize the entrepreneur's prior knowledge, alertness, or networks in driving opportunity recognition (Kirzner, 1973; Sarasvathy, 2001). However, lived experiences of "hard luck," such as the loss of a job, lack of funding, social marginalization, or even large-scale crises like the COVID-19 pandemic, are increasingly shown to spark entrepreneurial thinking in unexpected ways (Fisher, 2022; Romero & Ferres, 2021). When individuals re-examine existing assumptions under challenging conditions, they are more likely to detect market gaps and craft innovative solutions that address unmet needs (Corner et al., 2017). In doing so, they frequently adopt ethical considerations that resonate with broader sustainable development goals, acknowledging their responsibility toward reducing inequalities and improving societal welfare.

It is important, however, to acknowledge that not all hardships lead to successful entrepreneurial outcomes. Systemic barriers such as discrimination, lack of education, and limited access to capital can constrain even the most determined individuals (Sen, 1999). Some people facing adversity may find it overwhelming to bounce back, while others lack supportive networks or resources to transform hard luck into opportunity. The adversity-based perspective does not claim that adversity universally leads to achievement; rather, it underscores that hardship has the potential to spark a distinctive mindset often marked by creativity, persistence, a willingness to embrace risk (Powell & Baker, 2014), and a heightened sense of ethical and social responsibility.

Nevertheless, examples abound of entrepreneurs whose hard luck experiences propelled them toward remarkable successes while also addressing broader societal needs. Historical and contemporary case studies, from founders who grew up in poverty to visionaries who encountered repeated failures or rejections, suggest that adversity can trigger a deep sense of determination that reshapes personal and professional trajectories (Bullough & Renko, 2013). Sometimes, the impetus for creating a new venture stems directly from a specific challenge, such as overcoming a personal disability or surviving a catastrophic event. In other cases, adversity fosters broader qualities of grit and resourcefulness that make an entrepreneur more capable of adapting to turbulent markets (Duchek, 2020). Crucially, these journeys often include a commitment to ethical practices and community impact, reinforcing the intersection of personal hardship and sustainable development.

This study argues that hard luck, often dismissed as purely negative, can catalyze opportunity recognition and encourage more responsible, SDG-aligned entrepreneurship. By drawing on philosophical notions of growth through struggle and combining them with contemporary scholarship, we propose that challenges can be reframed as formative, even transformative, conditions for entrepreneurial action. Over the following sections, we delve deeper into the philosophical foundations of the adversity-based perspective, examine how it contributes to resilience, creativity, and ethical engagement, and explore notable real-world examples. Ultimately, we aim to show that "hard luck" should not be seen solely as a roadblock but as a powerful, paradoxical source of insight, innovation, and ethical leadership in an unpredictable,

fast-changing world.

Literature review. Entrepreneurial opportunity lies at the heart of both marketing and entrepreneurship research, serving as a focal point that connects individual aspirations to marketplace realities. Scholars have long sought to explain why some people notice and act on opportunities while others do not, leading to a rich debate about how opportunities are recognized, created, and shaped. In the seminal work by Shane and Venkataraman (2000), entrepreneurial opportunity is characterized as situations in which goods, services, materials, or organizational processes can be introduced and sold at a price higher than their production cost. However, this definition provides only the starting point for a more profound philosophical exploration of how individuals perceive and interpret these openings in the market. This section examines the underpinnings of opportunity recognition from theoretical and practical standpoints, emphasizing the pivotal roles of subjective interpretation, personal experience, and environmental context. It then distinguishes between “obvious” opportunities and those emerging from adversity or necessity, setting the stage for the later discussion on the adversity-based perspective.

One of the most significant debates in entrepreneurship research concerns whether opportunities exist objectively in the environment or are socially and cognitively constructed by individuals (Alvarez & Barney, 2007; Davidsson, 2015). Shane and Venkataraman (2000) and Sarasvathy (2001) introduce the notion that opportunities may appear differently to different people, highlighting how prior knowledge, networks, and individual traits shape what is perceived as valuable or feasible. In this view, the process of opportunity recognition is not merely about passively observing market signals; instead, it involves the entrepreneur’s personal interpretations, assumptions, and creative insight (Eckhardt & Shane, 2003).

From a marketing perspective, scholars emphasize that consumers do not always articulate their needs explicitly, and new product or service ideas often arise from empathizing with potential users or solving latent problems (Morris et al., 2002). Entrepreneurs who are especially attuned to subtle shifts in consumer behavior or who personally experience a particular pain point may identify an opportunity that remains invisible to others. Thus, subjectivity operates as a key catalyst in transforming market phenomena into perceived openings, underscoring the idea that entrepreneurial discovery is as much about the individual as it is about external conditions (Hills & Hultman, 2011).

A related strand of research highlights the interplay between perception, experience, and context. Perception refers to how entrepreneurs mentally filter and interpret information. People with strong observational skills or domain expertise can recognize unfulfilled needs more easily, transforming everyday observations into viable business ideas (Shepherd & Gruber, 2021). This perceptual ability is often enhanced by experience. Individuals who have worked in specific industries or faced certain challenges firsthand can develop an intuitive grasp of market gaps or operational inefficiencies. For instance, a former nurse may notice inefficiencies in patient care that point to a new healthcare product or service, or an ex-software developer might spot opportunities for automating processes that non-technical observers would miss (Corner et al., 2017).

Beyond individual perception and experience, the broader context shapes opportunity recognition. Economic conditions, technological evolutions, and cultural dynamics all interact to highlight new possibilities or render old ones obsolete (Nieuwenhuizen & Kroon, 2022). In times of recession, cost-saving products and services may gain traction, while periods of economic expansion could foster demand for luxury or high-end offerings. Similarly, in cultures that encourage innovation and reward risk-taking, entrepreneurs may be more inclined to test unconventional ideas, thereby identifying niche segments that others overlook (Romero & Ferres, 2021). Understanding how these elements combine helps clarify why opportunity recognition is such a personal and context-dependent process. A single market signal may prompt drastically different responses among observers, with one dismissing it as inconsequential and another seizing it as a game-changing breakthrough. Likewise, emerging technologies, such as artificial intelligence or blockchain, offer many potential opportunities, yet not all entrepreneurs interpret them with the same creative lens (Galkina & Lundgren-Henriksson, 2022). Such variability underscores the subjective and situational nature of opportunity recognition, tying into the adversity-based perspective's emphasis on how adversity and unique life circumstances shape an individual's outlook on potential ventures.

While specific opportunities may appear "obvious" in retrospect, like filling a clear market gap or riding a visible consumer trend, the story behind them is often more nuanced. Many groundbreaking ideas initially seemed risky or unprofitable before the marketplace validated them (Dimov, 2011). For instance, the early days of e-commerce met with skepticism, and social media platforms like Facebook and Twitter were once dismissed as passing fads. These opportunities, in hindsight, seem straightforward because they align with identifiable shifts in consumer behavior or technological evolution.

In contrast, adversity-born opportunities emerge under challenging conditions where the immediate circumstances do not obviously point toward success. Adversity, whether financial constraints, social barriers, or large-scale crises, can act as a forcing mechanism that prompts entrepreneurs to think differently, pool scarce resources, or seek unconventional partnerships (Baker & Nelson, 2005). Entrepreneurs who have experienced personal hardship may be particularly adept at uncovering these less apparent opportunities, often because they recognize a need that is invisible to others with fewer constraints (Williams & Shepherd, 2016). For instance, a crisis in sanitation infrastructure may inspire a startup developing low-cost, eco-friendly toilet systems (aligning with SDG 6: Clean Water and Sanitation), or a lack of affordable healthcare could motivate entrepreneurs to create inclusive health-tech solutions (relating to SDG 3: Good Health and Well-being). Necessity-driven entrepreneurship, frequently seen in resource-poor environments, highlights how individuals innovate to meet basic needs or to cope with systemic challenges, solutions that can later find broader markets and contribute to long-term societal gains (Fisher, 2022).

From a business ethics standpoint, adversity-born opportunities often propel entrepreneurs to consider the long-term impacts of their ventures on society and the environment. Encountering harsh realities or systemic failures can raise moral questions about how best to allocate scarce resources or design products that serve

vulnerable populations. Entrepreneurs who have experienced adversity may feel a greater sense of responsibility to ensure their innovations are equitable and sustainable, taking into account fair labor practices, transparent governance, and minimal ecological footprints. In this way, adversity can sharpen not only the entrepreneurial mindset but also an ethical orientation: founders become more attuned to how their solutions might foster societal well-being and environmental stewardship over time. This moral awareness, in turn, can shape business models that prioritize shared value creation, advancing both profit and social good.

By distinguishing between “obvious” and adversity-born opportunities, and acknowledging the ethical dimensions they carry, we see how hardships can shape entrepreneurial thinking in powerful ways. Such insights pave the way for a deeper examination of the adversity-based perspective, which argues that challenging circumstances, far from merely being obstacles, can act as a crucible for creativity, resilience, and socially responsible pathways to venture creation. This perspective enriches our understanding of opportunity recognition and highlights the possibility that adversity may serve as a hidden advantage, both economically and ethically, in the entrepreneurial process, a theme we will explore in subsequent sections.

Table 1 indicates the conceptual framework captures the step-by-step relationship between adversity, its mediating effects on resilience and creativity, and the corresponding entrepreneurial outcomes.

Hardship and failure are often perceived as purely detrimental in entrepreneurial contexts, framed as setbacks to avoid or overcome. However, the adversity-based perspective repositions adversity as both a hurdle and a critical catalyst for entrepreneurial development. Drawing on Levy’s (2011) philosophical analysis of luck, which argues that uncontrollable external forces inevitably shape human agency, this theory posits that entrepreneurial success is deeply intertwined with how individuals respond to misfortune rather than their ability to evade it. Levy’s assertion that luck undermines notions of absolute control or meritocracy aligns with the entrepreneurial reality where market shifts, resource constraints, and unforeseen crises, factors beyond an individual’s direct influence, proliferate. Rather than viewing these forces as negations of responsibility, the adversity-based perspective emphasizes that entrepreneurs exercise agency precisely by engaging with such uncertainty. In this light, setbacks become sites of moral and strategic reasoning: they demand adaptive problem-solving, ethical reflection on risk allocation, and the reconfiguration of goals in contexts where traditional notions of “control” are illusory (Levy, 2011). This process mirrors Duchek’s (2020) findings on resilience but adds a critical element: adversity’s generative power arises not just from cultivating grit but also from confronting the inherent role of luck in venture creation. By acknowledging the opacity of entrepreneurial outcomes, where effort and chance coexist, the theory enriches discussions of opportunity recognition, framing it as a dynamic negotiation with contingency rather than a linear pursuit of preordained success.

Table 1. Conceptual/Theoretical Framework of Adversity-Based Entrepreneurship

Framework Component	Description / Rationale	Illustrative Links to Sustainable Development Goals (SDGs)	Expected Entrepreneurial Outcomes
1. Adversity (Hard Luck) Context	- Refers to financial hardship, social marginalization, environmental crises, or systemic obstacles.- Often presents as resource scarcity, social constraints, or traumatic events (e.g., disasters).	- SDG 1 (No Poverty): Entrepreneurs facing financial scarcity- SDG 13 (Climate Action): Entrepreneurs dealing with environmental disruptions	- Sparks a need to innovate or develop new coping strategies- Triggers heightened awareness of overlooked market gaps
2. Psychological and Philosophical Roots	- Draws on Nietzsche's "what does not kill me makes me stronger" and Stoic teachings on resilience and adaptation.- Emphasizes moral agency in response to uncontrollable forces (Levy, 2011).	- SDG 10 (Reduced Inequalities): Ethics and responsibility amplified when adversity highlights social disparities- Encourages reflection on moral leadership	- Fosters determination and a proactive mindset- Informs ethical and socially conscious leadership decisions
3. Mediating Traits: Resilience, Creativity, Opportunity Recognition	- Resilience: Ability to rebound from repeated failures, forming a "growth mindset" (Bullough & Renko, 2013).- Creativity: Novel solutions under constraints; "frugal innovation" (Baker & Nelson, 2005).- Opportunity Recognition: Sharpened alertness to market gaps amid hardship (Corner et al., 2017).	- SDG 8 (Decent Work and Economic Growth): Encourages new job creation, even in tough conditions- SDG 9 (Industry, Innovation, and Infrastructure): Improvised innovation and resilient infrastructure in under-resourced settings	- Innovative products and services that arise from constraints- Mindset shift from "problem-focused" to "solution-focused"- Emergence of more inclusive business models
4. Entrepreneurial Actions	- Translating adversity-driven insights into real ventures (new products, services, or organizational processes).- Can take shape as necessity-driven or social entrepreneurship (Mair & Marti, 2006).	- SDG 2 (Zero Hunger): Resourceful food-production solutions- SDG 6 (Clean Water and Sanitation): Low-cost sanitation ventures- SDG 5 (Gender Equality): Inclusive hiring and empowerment	- Launch of ethical, sustainable business models- Emergence of ventures that directly tackle social and environmental problems
5. Outcomes / Impact	- Tangible: Firm growth, employment creation, improved local economies.- Intangible: Social value, poverty alleviation, empowerment, and environmental stewardship.	- SDG 3 (Good Health and Well-being): Enhanced healthcare access in resource-scarce settings- SDG 10 (Reduced Inequalities): Alleviation of wealth or gender gaps	- Long-term sustainability of ventures- Greater stakeholder trust and legitimacy- Societal benefits alongside financial returns

Source: systematized by authors

Hard luck theory situates financial, social, or systemic adversity as a constitutive element of entrepreneurial development rather than a mere deviation from it. Building on Levy's (2011) argument that luck inherently disrupts notions of control and meritocracy, the theory suggests that entrepreneurial agency is not exercised *despite* hardship but *through* it. Constraints such as resource scarcity, systemic inequities, or crises (Baker & Nelson, 2005; Corner et al., 2017) are not merely barriers; they are manifestations of the "hard luck" that pervades entrepreneurial ecosystems. By forcing individuals to confront the opacity of outcomes (Levy, 2011), these challenges become generative: entrepreneurs in marginalized or high-pressure contexts develop adaptive ingenuity, reconfiguring limited resources and leveraging unconventional strategies to identify opportunities invisible to those in more stable environments (Fisher, 2022).

Critically, this adversity-focused lens intersects with ethical frameworks like

virtue ethics and stakeholder theory, which encourage founders to engage in responsible leadership, treating employees, communities, and the environment as integral stakeholders rather than afterthoughts. Under conditions of “hard luck,” entrepreneurs may recognize the moral dimensions of their decisions more acutely, as they see firsthand how resource allocation and strategic pivots can affect vulnerable groups. In turn, this heightened ethical awareness can translate into leadership practices that prioritize fairness, well-being, and long-term sustainability over short-term gains.

Moreover, the theory’s emphasis on nonlinearity aligns with Baker and Nelson’s (2005) work on entrepreneurial bricolage, demonstrating how resource-constrained actors “make do” by creatively repurposing materials, relationships, and knowledge at hand. Senyard et al. (2019) similarly show that blocked traditional pathways often catalyze the formation of innovative business models. These scrappy approaches, grounded in principles of equity and collaboration, can also advance multiple Sustainable Development Goals (SDGs). For example, reconfiguring limited agricultural resources might tackle SDG 2 (Zero Hunger) through more resilient food systems, or retrofitting basic healthcare infrastructures could address SDG 3 (Good Health and Well-Being). By embedding fairness and inclusivity into these solutions, entrepreneurs demonstrate how “hard luck” can drive ethically grounded, SDG-aligned innovation.

Repeated failures, in this view, are not indicators of incompetence but iterative experiments that refine an entrepreneur’s capacity to navigate uncertainty (Fisher, 2022). This mirrors Levy’s (2011) assertion that moral responsibility emerges not from total control but from how agents respond to uncontrollable forces. Adversity compels self-reflection and ethical scrutiny, shaping the entrepreneur’s commitment to stakeholder interests and prompting them to devise solutions that uphold social and environmental well-being.

The adversity-based perspective draws its foundational ethos from two interwoven philosophical traditions: Nietzschean existentialism and Stoicism. Nietzsche’s assertion that “what does not kill me makes me stronger” (Nietzsche, 1888) underscores the transformative potential of adversity, positing that hardship, far from being inherently destructive, serves as a crucible for resilience and self-reinvention. In entrepreneurial contexts, this aligns with empirical findings that repeated exposure to failure cultivates a heightened capacity to identify latent opportunities, as entrepreneurs subjected to setbacks develop sharper market intuition and strategic adaptability (Bullough & Renko, 2013). Ventures that collapse or face financial ruin often reveal systemic gaps or unmet needs, equipping founders with insights that inform future endeavors.

This Nietzschean perspective is complemented by Stoic philosophy, which reframes adversity as a neutral phenomenon shaped by perception. Stoics such as Seneca and Epictetus argued that external events, whether crises, rejections, or resource constraints, are *indifferent* in themselves; their value derives from how individuals choose to respond (Ryan, 2012). Applied to entrepreneurship, this philosophy shifts the locus of agency inward: setbacks become exercises in self-mastery rather than indictments of competence. Entrepreneurs who adopt a Stoic mindset view challenges as opportunities to refine emotional discipline, ethical reasoning, and adaptive

problem-solving (Williams & Shepherd, 2016).

Taken together, these philosophical traditions anchor the adversity-based perspective's claim that adversity is not merely incidental but *foundational* to entrepreneurial growth. By also weaving in modern ethical frameworks, such as virtue ethics, which emphasizes character-building under duress, and stakeholder theory, which promotes equitable engagement with all those affected by a venture, "Hard Luck Theory" illustrates how adversity can ignite both creative enterprise and responsible leadership. In this way, constraints don't just spur ingenuity; they can lead entrepreneurs to actively contribute to broader societal objectives like the SDGs, transforming personal hardship into a platform for collective benefit.

Building on its philosophical underpinnings, hard luck theory elucidates how adversity catalyzes three interconnected entrepreneurial traits: creativity, adaptation, and resourcefulness. Constraints, whether financial, social, or systemic, force entrepreneurs to abandon conventional pathways and engage in inventive problem-solving. In resource-scarce environments, the absence of traditional tools or capital compels individuals to repurpose existing assets, a process termed "bricolage" (Baker & Nelson, 2005). For example, entrepreneurs in marginalized communities often innovate by reconfiguring discarded materials or leveraging informal networks, yielding solutions that privileged actors overlook. In some cases, adversity even triggers environmentally sustainable innovations: a small venture facing unreliable electricity grids might develop low-cost solar panels or mini wind turbines (supporting SDG 7: Affordable and Clean Energy, and SDG 13: Climate Action). This aligns with Nietzsche's emphasis on adversity as a driver of reinvention, where limitations paradoxically expand creative possibility and sometimes lead to planet-friendly outcomes.

Adaptation, the second trait, emerges from repeated exposure to uncertainty. Entrepreneurs who endure cyclical setbacks, market shifts, failed ventures, or investor rejections develop a reflexive capacity to pivot. Such individuals internalize failure as iterative feedback, refining their ability to detect early warning signals and recalibrate strategies (Neck, Greene, & Brush, 2014). This mirrors the Stoic practice of reinterpreting obstacles as pedagogical tools, fostering a mindset where flexibility supersedes rigid planning. Over time, adaptive thinking evolves into resilience, enabling entrepreneurs to navigate volatility with strategic composure rather than reactive panic (Bullough & Renko, 2013).

Finally, adversity cultivates resourcefulness, an ability to identify and mobilize latent assets. Entrepreneurs operating under persistent hardship often develop dense networks of peers, mentors, and community allies, transforming social capital into a strategic buffer against instability (Johannisson, 2011). In emerging economies, for instance, ventures thrive not by overcoming constraints but by embedding them into their business models, such as leveraging informal supply chains or communal labor pools (Viswanathan et al., 2008). When these decisions are guided by ethical resource allocation, for instance, fair labor practices, transparent governance, and inclusive hiring, adversity becomes not just a technical hurdle but also a moral test. Entrepreneurs who pass this test often find that ethical choices under pressure yield more equitable, sustainable outcomes in the long run. Indeed, this resourcefulness

reflects the Stoic principle of focusing on controllable variables, channeling effort into relational and tactical ingenuity rather than lamenting external inequities, while also ensuring that the path to success respects both communities and the environment.

Hard luck theory reframes adversity as a generative force in entrepreneurial opportunity recognition, revealing how constraints and setbacks foster context-specific insights that abundance often obscures. As mentioned earlier, opportunities are not objective phenomena but emerge through subjective interpretation and environmental interaction, processes amplified under duress. Confronting “hard luck,” entrepreneurs are compelled to reconfigure their cognitive frameworks, interrogating assumptions and uncovering latent market gaps (George et al., 2016). For example, necessity-driven entrepreneurs in marginalized contexts frequently pioneer disruptive innovations, such as frugal engineering in informal economies or community-centric business models, precisely because traditional pathways are inaccessible. Many of these solutions also target global challenges outlined in the Sustainable Development Goals (SDGs). A start-up tackling plastic pollution (SDG 14) through upcycled products, or an agritech venture improving food security and agricultural resilience (SDG 2) for smallholder farmers, illustrate how adversity-based ingenuity can bring systemic benefits. This aligns with the theory’s philosophical roots: just as Nietzsche framed adversity as a catalyst for self-reinvention and Stoics viewed obstacles as exercises in agency, the adversity-based perspective posits that constraints reveal opportunities by destabilizing complacent thinking.

The interplay between the theory’s philosophical foundations and empirical entrepreneurship research underscores a critical paradox: adversity, often dismissed as a barrier, systematically fuels opportunity discovery. By necessitating bricolage, adaptation, and resourcefulness, traits detailed in prior sections, hard luck compels entrepreneurs to engage with their environments dynamically. Markets are not static arenas of competition but malleable systems shaped by actors who reinterpret constraints as creative fuel. This mirrors findings from under-resourced ecosystems, where ventures thrive by leveraging localized knowledge and embedded social networks (George et al., 2016), demonstrating that opportunity arises not from avoiding hardship but from *metabolizing* it. Moreover, entrepreneurs in marginalized or high-pressure contexts often feel a moral imperative to address systemic challenges linked to SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities). If adversity provides them with unique market insights, it may also confer a responsibility to deploy those insights ethically, ensuring that new solutions do not merely yield profit but also tackle root causes of social and economic inequity.

Ultimately, this perspective challenges the myth of the “ideal” entrepreneurial context. It posits that sustained opportunity recognition hinges on the creative tension born of constraints, where adversity sharpens perception, deepens resilience, and cultivates the relational ingenuity needed to navigate uncertain markets. In so doing, the theory bridges Levy’s (2011) assertion that agency emerges through engagement with luck and the entrepreneurial reality that innovation flourishes at the intersection of limitation and imagination.

Aims. The aim of this study is to explore how adversity functions as a catalyst for entrepreneurial opportunity recognition, innovation, and ethical leadership, by

examining the psychological, strategic, and moral transformations that occur when individuals and communities engage in venture creation under conditions of hardship, constraint, or systemic disruption.

Methodology. This study employs a qualitative, interpretive methodology grounded in philosophical inquiry and conceptual analysis. Drawing on principles from existential and Stoic traditions, the research integrates theoretical reflection with illustrative case narratives to examine how adversity influences entrepreneurial behavior. Rather than relying on statistical generalization, the study uses purposive case selection and thematic synthesis to uncover recurring patterns of resilience, creativity, and moral engagement across diverse contexts. The methodological approach involves analyzing entrepreneurial trajectories that originate in settings of economic scarcity, social exclusion, or personal hardship, with particular attention to how these conditions foster innovation and ethical responsiveness. By combining philosophical reasoning with narrative interpretation, the study constructs a conceptual framework that links adversity to opportunity recognition, venture formation, and sustainable impact. This approach allows for a deeper understanding of the subjective experiences, adaptive strategies, and value-based decisions that characterize adversity-driven entrepreneurship.

Results. In the dynamic and often unpredictable landscape of entrepreneurship, adversity emerges not merely as an obstacle to be overcome, but as a profound shaping force that can redefine an entrepreneur's mindset, strategy, and impact. While traditional narratives of entrepreneurial success often focus on vision, capital, or innovation, a growing body of research underscores the transformative role that hardship plays in fostering core entrepreneurial capacities. This perspective—sometimes described as the "hard luck" theory of entrepreneurship—suggests that setbacks, resource constraints, and personal or systemic crises can catalyze critical competencies such as resilience, creativity, and heightened opportunity recognition. Rather than derailing entrepreneurial efforts, adversity frequently serves as a crucible in which essential traits are forged, compelling individuals to persist, adapt, and discover novel avenues for growth and problem-solving.

Resilience and grit. Resilience, defined as the capacity to rebound from setbacks, is a critical factor for entrepreneurs operating in turbulent markets (Bullough & Renko, 2013; Duchek, 2020). The entrepreneurial path is almost always riddled with uncertainties, including funding shortfalls, intense competition, or unforeseen economic downturns. In this context, hard luck functions as a crucible that helps cultivate resilience, grit, and a sustained determination to pursue long-term goals (Duckworth, 2016). Repeated exposure to obstacles enables entrepreneurs to refine their strategies as they navigate unstable conditions. Entrepreneurs who frequently confront rejections from investors or experience multiple venture failures often develop what scholars call a "growth mindset," treating each setback as a chance to learn and iterate (Shepherd, 2003). Colonel Harland Sanders personifies this principle: After enduring hundreds of refusals, he ultimately refined his pitch and his fried chicken recipe, paving the way for the Kentucky Fried Chicken (KFC) brand to be recognized worldwide. His relentless dedication underscores how resilience forged through ongoing failure can generate monumental success.

Developing grit through persistent effort is evident in the journeys of entrepreneurs like Steve Jobs and Elon Musk. Jobs famously went through a public dismissal from Apple, only to return later and oversee the introduction of groundbreaking products such as the iMac, iPod, and iPhone (Isaacson, 2011). Musk confronted repeated near-bankruptcies with Tesla and SpaceX before successfully launching Falcon 1, demonstrating how continual encounters with “hard luck” sharpen strategy and resolve (Vance, 2015). Additionally, resilience extends to the broader organizational environment: Leaders who have overcome substantial difficulties tend to foster a “can-do” mindset in their teams, urging staff to interpret obstacles as problems to be solved rather than insurmountable barriers (Powell & Baker, 2014). Netflix, for instance, faced significant hurdles when transitioning from DVD rentals to streaming but was able to pivot effectively by prioritizing customer experience and continuous innovation. These adaptive responses strengthened the company’s internal culture, allowing Netflix to thrive in the fiercely competitive market for streaming services (McCord, 2014).

Creativity and innovation. Building on this adversity-focused perspective, adversity can be a powerful spark for creativity and innovation, particularly when entrepreneurs lack obvious paths or ample resources (Baker & Nelson, 2005). Instead of viewing constraints as insurmountable, entrepreneurs in challenging circumstances often reconfigure existing resources or invent novel solutions, ultimately driving breakthroughs overlooked by more resource-rich competitors. One manifestation of this is “frugal innovation,” a practice of designing affordable, high-quality solutions with minimal inputs (Radjou & Prabhu, 2015). The Aravind Eye Care System in India exemplifies this approach: It standardized cataract surgeries for low-income patients by refining procedures, training specialized staff, and leveraging economies of scale (Prahalad, 2012). Operating in a resource-constrained context, Aravind delivered quality care at dramatically reduced costs, illustrating how adversity can inspire the reimagining of processes and lead to scalable solutions.

Resource scarcity is not restricted to emerging markets alone. Severe recessions or natural disasters in developed countries can replicate conditions similar to those in low-resource settings. The 2008 financial crisis, for instance, motivated individuals in Western economies to launch ventures with minimal capital. Airbnb and Uber emerged around this time, as founders discovered new market niches while contending with job insecurity and diminishing economic opportunities. Airbnb’s early story of renting out an air mattress to cover rent in San Francisco underscores personal adversity’s role in sparking a globally transformative idea (Chesky, 2014). In other cases, repeated failures themselves become fuel for innovation. Thomas Edison’s thousands of unsuccessful experiments before inventing a viable light bulb are a classic illustration of how every misstep can yield valuable insights (DeGraff & Quinn, 2007). Modern startups like Slack exemplify a similar phenomenon: originally conceived within a failing gaming company, Slack’s team re-purposed internal messaging technology to address communication gaps across various industries, demonstrating how a dying venture can birth a major innovation when adversity prompts deep re-evaluation of existing assets (Butterfield, 2019).

Opportunity recognition. A crucial premise of the adversity-based perspective is

that adversity refines an entrepreneur's ability to discern new market opportunities, particularly where others perceive insurmountable challenges (Corner et al., 2017). Crises such as economic downturns, pandemics, or natural disasters can reveal unmet demands that entrepreneurs are poised to serve if they are observant and adaptive (Romero & Ferres, 2021). The COVID-19 pandemic brought this into sharp relief: shuttered brick-and-mortar establishments gave way to online training, home-based ventures, and virtual services, creating entirely new lines of business for those able to respond promptly (Kuckertz et al., 2020).

Systemic challenges like poverty and inequality generate entrepreneurial openings for those prepared to offer innovative solutions. Muhammad Yunus's establishment of the Grameen Bank in Bangladesh revolutionized traditional lending models by providing microfinance opportunities to individuals previously considered too high-risk by conventional banks (Yunus, 2007). Likewise, Sanergy in Kenya transformed dire sanitation conditions into a profitable enterprise by constructing affordable toilets and converting waste into agricultural products (Tiwari & Han, 2019). Personal hardships often engender heightened sensitivity to social and market inefficiencies: Oprah Winfrey's impoverished upbringing shaped her capacity to identify under-served emotional and societal needs in media, fueling the development of her influential talk show and media platforms (Kelley, 2010). Post-disaster areas such as Haiti after the 2010 earthquake also illustrate how entrepreneurs and NGOs can create new businesses, e.g., solar lighting ventures and micro-insurance programs, to meet dire infrastructure and public service needs, gradually evolving these interventions into scalable, investable models (Global Entrepreneurship Monitor, 2013).

Integrating resilience, creativity, and opportunity recognition. Resilience ensures that setbacks do not derail entrepreneurial pursuits; creativity converts constraints into innovative outcomes; and heightened opportunity recognition allows entrepreneurs to detect market gaps amid turmoil (Baker & Nelson, 2005). These three dimensions reinforce one another in a cycle: every failure informs future resilience, which in turn fosters deeper creativity, generating fresh opportunities (Shepherd & Gruber, 2021). Examples like KFC, Slack, and the Grameen Bank show how adversity transcends cultures and sectors, operating as a powerful trigger for entrepreneurial endeavors with wide-ranging social and economic benefits. Far from being merely a stumbling block, adversity can push entrepreneurs to see the world differently and take bold actions that create lasting impact, thereby underscoring the central proposition of hard luck theory.

Discussion. Hardship shapes how entrepreneurs operate by fostering resilience, creativity, and a heightened recognition of opportunities and guides their choices when launching ventures. Difficult circumstances can direct individuals toward initiatives motivated by urgent needs and inspire a commitment to addressing broader social challenges. As this discussion unfolds, two core routes emerge: ventures driven by necessity and those guided by a social mission, each exemplifying how adversity can redefine an entrepreneur's path. At the same time, philosophical viewpoints on hardship raise questions of moral responsibility, suggesting that those who endure serious setbacks may feel especially obligated to engage with systemic issues like

poverty, inequality, and environmental crises. Following, we examine these dual pathways in greater detail and consider how they intertwine with deeper ethical dimensions that can compel entrepreneurs to look beyond personal gain.

Necessity-driven entrepreneurship. A defining illustration of hard luck's impact on opportunity selection is necessity-driven entrepreneurship. This phenomenon arises when individuals lack secure employment options and turn to self-employment out of practical need (Reynolds et al., 2005). Personal adversity, whether the loss of a job, mounting financial pressure, or limited education, pushes individuals to create businesses even if they had not initially intended to become entrepreneurs. While these ventures often begin as survival strategies, they can evolve into significant contributors to local economies and, in some cases, scale beyond their founders' initial visions (Bruton, Ahlstrom, & Si, 2015). Moreover, necessity-driven entrepreneurs often forge ethical supply chains and establish fair employment practices even under severe constraints, resonating with SDG 8 (Decent Work and Economic Growth) and fostering trust among stakeholders.

Survival itself can serve as a powerful catalyst for initiative. In the aftermath of natural disasters such as hurricanes or earthquakes, individuals directly affected by infrastructural damage may step up to provide essentials like clean water, housing, and temporary transportation. For instance, following the 2010 earthquake in Haiti, numerous small enterprises were established to meet urgent community needs, including telecommunications and housing solutions (Global Entrepreneurship Monitor, 2013). Because these local entrepreneurs possessed intimate knowledge of their environments, they could react swiftly to emerging gaps. Over time, many of these ventures moved beyond crisis response to become stable businesses, demonstrating how survival-oriented efforts can lay the groundwork for long-term economic impact grounded in ethical practice.

Equally noteworthy is the resourcefulness that emerges through adversity, a principle deeply aligned with the adversity-based perspective (Baker & Nelson, 2005). Entrepreneurs operating with minimal capital or formal training often rely on local materials, informal networks, or cooperative relationships to maintain their ventures (Viswanathan, Gajendiran, & Venkatesan, 2008). This hands-on problem-solving approach produces innovative business models that set necessity-driven entrepreneurs apart from their opportunity-driven counterparts. Although such ventures may not always become global success stories, they frequently address crucial community needs and embody inventive thinking made possible by operating under constraints, thereby contributing to local economic stability and ethical labor practices (Senyard et al., 2019).

Social entrepreneurship. In other circumstances, hard luck directs entrepreneurs beyond personal survival into social entrepreneurship, where the primary mission is to resolve societal or environmental problems (Mair & Marti, 2006). Founders in this sphere commonly draw upon personal experiences of adversity, whether through exposure to social injustice, ecological devastation, or critical health gaps, as a catalyst to devise ventures to deliver broad-based benefits that align with several SDGs. Personal hardship often fuels a heightened empathy for those in similar conditions, enabling entrepreneurs to identify and address social needs that might remain invisible

to others (Santos, 2012).

This empathy-driven approach frequently leads to the establishment of enterprises that tackle systemic issues such as homelessness, food insecurity, or environmental degradation. For example, initiatives like Back on My Feet help homeless individuals build resilience through structured running programs and job placement support, thereby fostering community cohesion and promoting ethical, inclusive practices (Mallon, 2020). Similarly, social entrepreneurs may leverage their personal challenges to develop solutions that not only generate social value but also drive sustainable change, such as ventures that tackle poverty and inequality (SDG 1 and SDG 10) or foster climate action through eco-friendly practices.

Social entrepreneurs also display remarkable agility and creativity in resource-poor environments where institutional support is limited (Austin et al., 2006). For instance, Sanergy in Kenya addresses sanitation problems in informal settlements by installing affordable toilets and converting waste into marketable byproducts (Tiwari & Han, 2019). Directly inspired by founders' personal encounters with poor sanitation, such models tackle pressing public health concerns while fostering new livelihood opportunities for locals. These ventures demonstrate how difficult conditions can spark innovative and scalable solutions and underscore a commitment to ethical practices and broad societal impact. By aligning with key SDGs and grounding their operations in ethical principles, social entrepreneurs illustrate that personal hardship can be transformed into a powerful force for societal change and sustainable development.

A philosophical and moral angle. Beyond immediate business imperatives, the adversity-based perspective prompts deeper philosophical considerations about the duty of those who have overcome adversity. Nietzsche's notion that hardship can enhance personal strength and Stoic philosophies emphasizing self-improvement through struggle (Nietzsche, 1888; Ryan, 2012) highlight individual transformation. However, they also raise the issue of collective responsibility: if adversity brings new capabilities or insights, is there an ethical obligation to leverage them for the greater good (Dean & McMullen, 2007)?

Supporters of impact-driven entrepreneurship maintain that individuals who thrive after surmounting substantial obstacles bear a distinct responsibility to address systemic crises, whether poverty, inequality, or environmental harm, perpetuating hard luck situations for others (Santos, 2012). In this sense, entrepreneurs whose resilience and creativity have been honed through personal struggles stand in a prime position to initiate ventures alleviating such challenges. The moral perspective broadens the scope of the adversity-based perspective from simply describing how adversity shapes entrepreneurial drive to suggesting that personal growth attained through hardship can serve broader societal benefits. Hard luck transcends the honing of entrepreneurial expertise; it can guide individuals toward pursuits that serve their immediate communities and the larger world. By channeling resilience, inventiveness, and resourcefulness, entrepreneurs dealing with adversity can create economic opportunities with positive ripple effects, demonstrating the extensive impact adversity can have on shaping their strategic decisions. As the adversity-focused approach gains momentum in entrepreneurship research, it reinforces the notion that hardship profoundly influences both the direction and ethical framework of new ventures.

Table 2 summarizes the core studies relevant to adversity-driven entrepreneurship, noting each source's central argument and how it aligns with overarching themes such as resilience, innovation, and various Sustainable Development Goals.

Table 2. Literature Synopsis

Reference	Core Theme / Argument	Link to Adversity or SDGs	Key Contribution
Baker & Nelson (2005)	Conceptualizes “entrepreneurial bricolage,” where resource-constrained individuals creatively “make do” with what is available.	Demonstrates how adversity (scarcity) can spur innovative solutions aligned with SDG 8 and SDG 9.	Highlights the role of resource improvisation in new venture creation.
Bullough & Renko (2013)	Examines entrepreneurial resilience under challenging times, revealing that repeated failure can refine determination and long-term perseverance.	Suggests that adversity enhances grit and willingness to persist, which is relevant for achieving SDG 8 (economic growth under stress).	Identifies resilience as a critical trait for navigating volatile environments.
Corner et al. (2017)	Links entrepreneurial resilience to venture failure, arguing that experience of failure leads to refined opportunity recognition and adaptive business strategies.	Connects resilience from adversity to the emergence of fresh opportunities (key for SDG 1 and SDG 10 in under-resourced contexts).	Provides empirical evidence that “failing forward” can catalyze entrepreneurial growth.
Fisher (2022)	Investigates “entrepreneurial grit” in the aftermath of adversity, showing how grit can lead to successful reinvention of business models.	Positions adversity as a trigger for grit-based innovation, relevant for multiple SDGs (e.g., SDG 2, SDG 3) if directed toward social needs.	Empirical insights on how hardship refines strategic thinking and adaptability.
Mair & Marti (2006)	Introduces social entrepreneurship research, demonstrating that entrepreneurs often address systemic social or environmental issues with innovative models.	Indicates that personal adversity or exposure to social problems fosters mission-driven ventures (connected to SDG 10, SDG 13).	Sets the stage for linking adversity to broader societal outcomes and inclusive strategies.
Santos (2012)	Argues for a “positive theory of social entrepreneurship,” framing entrepreneurs as agents of social change who tackle market failures and inequities.	Places moral responsibility on those who observe injustice or hardship; consistent with SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities).	Provides theoretical backing for linking adversity to a moral imperative in venture creation.

Source: systematized by authors

Case studies and real-world examples. Expanding this viewpoint, which emphasizes the role of hardship, challenging experiences can nurture resilience, fuel innovation, and sharpen one's ability to recognize and act on business prospects. These dynamics become more tangible through the stories of individuals and communities who have transformed adversity into a catalyst for enduring, ethically grounded innovation.

Oprah Winfrey, often hailed as one of the world's most influential media entrepreneurs, began her journey amid severe poverty and instability in rural Mississippi (Kelley, 2010). Born into a family with limited financial means, she faced multiple hardships, including childhood trauma and frequent relocations, that helped shape her capacity for empathy, resilience, and resourcefulness. These qualities later became fundamental to her business success. After starting as a local news anchor, Winfrey channeled her adversity-driven insights into a syndicated talk show format, ultimately turning “The Oprah Winfrey Show” into a platform for personal development, social issues, and empowerment. Throughout her career, she has

balanced rapid growth with philanthropic initiatives and ethical leadership, establishing Harpo Productions and launching the Oprah Winfrey Network (OWN) with a strong commitment to social responsibility (Northouse, 2018).

A similarly instructive case is Jack Ma, who founded the Alibaba Group after enduring repeated failures and rejections in his education and early job searches (Vance, 2015). Rather than allowing setbacks to derail him, Ma taught himself English, gained global perspectives through interactions with foreign tourists, and developed a keen insight that obstacles often conceal untapped opportunities (Clark, 2016). As the internet expanded in the mid-1990s, he recognized a gap in connecting Chinese manufacturers with international buyers and launched Alibaba from his apartment, initially supported by close friends who believed in his vision (Wang, 2018). Despite challenges like limited capital and low consumer trust in online transactions, Alibaba grew steadily by introducing user protections like Alipay to build a secure ecosystem. Ma's journey underscores how resilience and ethical considerations, such as fostering consumer trust and fair business practices, can turn repeated setbacks into a global success story.

Beyond these individual narratives, the influence of hard luck is evident in community-driven transformations. Rwanda's post-genocide recovery is a poignant example of collective entrepreneurship emerging from extreme hardship (Ansoms & Rostagno, 2012). In the aftermath of the 1994 genocide, Rwandan society faced the daunting task of rebuilding its infrastructure, restoring social bonds, and reviving a shattered economy. Local entrepreneurs responded by starting small ventures focused on reconstructing homes, establishing basic healthcare services, and ensuring food security (Richards & Golooba-Mutebi, 2013). Relying on local supply chains and cooperative networks, these community-driven models not only spurred economic development but also embodied ethical imperatives, prioritizing reconciliation, fair employment, and social healing (Dushimimana, 2019).

Another notable case is the story of M-Pesa in Kenya. Launched by Safaricom in 2007, M-Pesa leveraged high mobile phone penetration to offer secure, peer-to-peer money transfers for unbanked individuals (Jack & Suri, 2014). Initially intended to facilitate microfinance loan repayments, M-Pesa rapidly evolved into a versatile financial platform, transforming a gap in traditional banking into a widely adopted mobile-based banking solution. This breakthrough addressed essential local financial needs and set a precedent for ethical, inclusive financial services globally.

Complementing these well-known examples, several SDG-oriented ventures further illustrate how hard luck can be transformed into opportunities with significant societal impact. In one case, a clean-energy start-up emerged in a rural community suffering from an unstable electricity supply. By harnessing local renewable resources, the venture delivered affordable and reliable power (supporting SDG 7: Affordable and Clean Energy) while embedding transparent governance and community reinvestment into its model. Similarly, a women-led cooperative in a food-insecure region turned personal and communal adversity into opportunity by launching an initiative to tackle hunger (aligning with SDG 2: Zero Hunger). This cooperative improved food security through sustainable agricultural practices and empowered local women by ensuring fair wages and ethical labor practices.

Whether building global media empires, tech conglomerates, or community-based recovery projects, these diverse case studies highlight a common thread: adversity can serve as a foundation for transformative entrepreneurial endeavors. Moreover, they illustrate that overcoming hard luck often comes with an ethical outlook, where leaders balance growth with social responsibility through philanthropic initiatives, transparent governance, and a steadfast commitment to addressing systemic challenges. Together, these examples lend real-world credence to the idea that hard luck does not simply obstruct progress; it can ignite the resilience, insight, and ethical leadership necessary to drive meaningful, sustainable success.

Table 3 compares examples of entrepreneurs and communities who leveraged adversity as a springboard for innovative ventures, providing insights into their specific challenges, creative responses, and wider social impact.

Table 3. Summary of case studies

Case / Example	Type of Adversity Faced	Key Entrepreneurial Traits / Innovations Emerged	Outcome / Impact
Oprah Winfrey	Extreme poverty, childhood trauma, social marginalization	<ul style="list-style-type: none"> - Leveraged personal hardship to develop a distinctive empathic approach to media. - Created a talk show and production company focusing on personal growth, social justice, and empowerment. 	<ul style="list-style-type: none"> - Built a global media empire (Harpo Productions, OWN). - Incorporated philanthropic initiatives, fostering inclusive narratives and social responsibility.
Jack Ma (Alibaba)	Repeated failures in education, job rejections, limited funds	<ul style="list-style-type: none"> - Overcame early setbacks by self-learning English and nurturing a global outlook. - Identified a market gap connecting Chinese manufacturers with overseas buyers.- Integrated trust-building mechanisms (Alipay) in an uncertain e-commerce climate. 	<ul style="list-style-type: none"> - Founded a leading global tech conglomerate worth billions. - Demonstrated how failure can prompt continuous adaptation, fueling rapid business expansion.
Post-Crisis Entrepreneurs in Rwanda	Genocide aftermath, devastated infrastructure	<ul style="list-style-type: none"> - Launched ventures rebuilding homes, offering basic services in healthcare and agriculture. - Formed cooperative networks grounded in reconciliation and social cohesion. 	<ul style="list-style-type: none"> - Spurred grassroots economic revival and socio-political stability. - Showed how adversity can galvanize community resilience, encouraging ethically oriented business.
M-Pesa (Kenya)	Lack of formal banking access, poverty in rural areas	<ul style="list-style-type: none"> - Leveraged widespread mobile phone penetration to provide secure, peer-to-peer money transfers. - Addressed microfinance needs, evolving into a major financial platform for unbanked individuals. 	<ul style="list-style-type: none"> - Pioneered mobile-based banking solutions, reaching millions who lack traditional bank accounts. - Enhanced financial inclusion (SDG 1, SDG 9).
Post-Disaster Haiti Entrepreneurs	Massive earthquake damage (2010)	<ul style="list-style-type: none"> - Responded to urgent needs such as housing, telecommunications, water distribution. - Adopted frugal innovation strategies, repurposing locally available materials. 	<ul style="list-style-type: none"> - Transitioned from emergency relief to sustainable local enterprises. - Highlighted how survival-oriented ventures can evolve into long-term community assets.

Source: systematized by authors

Conclusion. This line of thought positions adversity not as a barrier but as a potent catalyst for entrepreneurial discovery and growth, one that can drive progress toward Sustainable Development Goals (SDGs) such as poverty reduction (SDG 1), reduced inequalities (SDG 10), and environmental sustainability (SDG 13). Grounded in Nietzschean and Stoic philosophies and evidenced by examples like Oprah Winfrey's

rise from poverty and Jack Ma's persistence after multiple rejections, this adversity-driven framework illustrates how constraints can stimulate creativity, sharpen adaptability, and bolster resilience. Instead of paralyzing individuals, hard luck can illuminate unmet needs and compel rapid, innovative responses to dynamic markets when ethical, sustainable solutions are consciously designed.

On a broader scale, hardship can unify communities around rebuilding efforts, as seen in Rwanda's post-genocide transformation. Such synergy between individual tenacity and supportive institutional frameworks accentuates the wider implications of an adversity-based perspective. Policymakers, educators, and private stakeholders are encouraged to invest in inclusive support structures, such as microfinance, problem-based learning, startup incubators, and ethical accelerators, that channel adversity into positive outcomes. By fostering ecosystems that emphasize transparency, equity, and sustainability, we can ensure that the struggles faced by individuals serve as stepping stones toward systemic, innovation-driven growth.

Furthermore, educational systems that integrate resilience training and normalize failure as a necessary step toward progress can better equip emerging entrepreneurs to navigate a world defined by economic volatility, social upheavals, and environmental crises. This adversity-focused approach thus reframes challenges as personal motivators and collective opportunities for transformation, laying a foundation for ethical leadership and SDG-aligned innovation.

Ultimately, these insights prompt critical questions for future research: How can formal support structures such as incubators and accelerators better integrate adversity-based insights to promote ethical conduct and contribute to achieving the SDGs? Moreover, in a world increasingly defined by uncertainty and challenges, can "hard luck" be re-envisioned as the ultimate entrepreneurial advantage? Exploring these questions may transform our understanding of hardship, positioning it as a cornerstone for systemic innovation and long-term, sustainable resilience.

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