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How to overcome collective action problems? The case of entrepreneurship and sustainability issues at the local level

Local participation is imperative for recognizing solutions that are sustainable and for the implementation of such solutions. The free-rider problem, however, must be dealt with. So how to overcome collective action problems in the case of sustainability issues at the local level? We consider a random number of individuals that have the knowledge to provide a group with information about sustainable solution. Such knowledge may reduce the free-

rider incentive and we denote these individuals as “sustainability entrepreneurs” capable of generating trust among participants and changing “the rules of the games”. The result is the establishment of a norm for individuals to provide more than the optimal private contribution. Our result challenges the common result that more participants imply less individual provision and characterize the conditions where larger group size can increase individual contribution. On the other hand, we also show that the sustainability entrepreneur is not necessarily a panacea for social and environmental concerns.