Call for Papers for a Special Issue on:

ENTREPRENEURSHIP, CREATIVE DESTRUCTION, AND GROWTH: ENRICHING THE AGHION–HOWITT TRADITION

Submission Deadline is November 1, 2026

See Submission Details on Page 3!

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Background

Innovation-driven growth is closely linked to creative destruction—the continual replacement of outdated technologies, firms, and business models by new and more productive ones (Aghion & Howitt, 1992). The Aghion–Howitt tradition formalized this Schumpeterian mechanism and demonstrated that long-run prosperity depends not only on innovation inputs, but also on the institutional and market conditions that shape incentives to innovate and enable the reallocation of labor, capital, and knowledge toward more productive uses (Aghion & Howitt, 2006). In 2025 they were awarded The Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel for their groundbreaking research.

A core insight of this framework is that economic growth involves conflicts of interest among economic agents. Policies or institutions that protect incumbent firms can slow technological change and reduce long-run growth by weakening innovation incentives (Aghion et al., 2005). Developed in the early 1990s by Philippe Aghion and Peter Howitt, the theory of growth through creative destruction established innovation and firm turnover as central drivers of sustained economic growth.

The Aghion–Howitt model has been particularly influential in understanding entrepreneurship-led growth. It shows how innovation by entrants and challengers generates productivity gains through

displacement of obsolete technologies and firms and through the reallocation of resources toward more efficient uses (Acs et al., 2009; Andersson et al., 2012). *Small Business Economics* has played a pioneering role in advancing this line of research. The journal has a long-standing tradition of publishing influential work on entrepreneurship, innovation, firm dynamics, and economic growth. An extensive number of articles published in the journal explicitly build on or cite the Aghion–Howitt framework (Acs et al., 2012; Acs et al., 2017).

Despite major advances in research on entry, ecosystems, finance, and institutions inspired by the Aghion–Howitt tradition, we still lack integrated evidence on how creative destruction operates across micro- and meso-level mechanisms—and why it is strong in some firms, industries, and regions but weak in others (Audretsch & Belitski, 2017, 2021; Andersson and Henrekson 2015).

There is only a general request that came up during the discussion. In the editorial of the special issue, we ask you to highlight that work related to growth models à la Aghion-Howitt could learn more from entrepreneurship research. This idea could be included in one or two sentences in the final call for papers. The reasoning behind this suggestion is to attract scholars from other fields than entrepreneurship working with Aghion-Howitt models to give their work an entrepreneurship twist instead of only having entrepreneurship scholars submitting work with an Aghion-Howitt twist.

The seminal model of growth through creative destruction (Aghion & Howitt, 1992) offers three foundational insights. First, innovation is endogenous and strategic: growth results from purposeful R&D investments motivated by temporary monopoly rents rather than exogenous productivity trends. Second, innovation is vertical and destructive: each successful innovation improves quality and renders previous technologies obsolete, displacing incumbents. Third, policy and market structure matter: competition policy, patent design, and innovation subsidies shape innovation incentives, influence strategies of innovation leaders and laggards, and have implications for long-run growth (Aghion et al., 2005; Aghion et al., 2015; Aghion, 2016).

A large body of entrepreneurship research builds directly on these insights. Studies show how entrepreneurship converts knowledge accumulation into commercially relevant innovation and growth (Acs et al., 2003; 2009; Braunerhjelm et al., 2010), how entrepreneurial entry affects incumbent productivity and regional reallocation (Andersson et al., 2012), and how institutions and ecosystems condition the intensity of creative destruction (Chowdhury et al., 2019; Braunerhjelm et al., 2020; Audretsch & Belitski, 2021).

Beyond theory, entrepreneurship is central to contemporary policy debates, particularly in Europe. Drawing on Aghion's work, weak economic dynamism, low rates of firm entry and scaling, and a shortage of fast-growing innovative firms are increasingly viewed as key explanations for Europe's sluggish productivity and growth performance relative to the United States (Aghion & Howitt, 2006; Aghion et al., 2021). Aghion and co-authors emphasize that limited competition, barriers to reallocation, and institutional protections for incumbents reduce entrepreneurial experimentation and creative destruction. This diagnosis aligns with evidence from international policy institutions, which document Europe's relatively low share of high-growth firms and slower post-entry scaling as major constraints on long-run growth (Draghi, 2024; World Bank, 2020, 2023; OECD, 2021, 2023).

Aims and Scope
The aim of this Special Issue is to advance a Schumpeterian, multi-level research agenda that connects entrepreneurs and firms (micro) with regional ecosystems and industrial structure (meso) and institutional configurations and policy regimes (macro).

We welcome studies that examine not only new venture formation, but also post-entry scaling, displacement, exit, and the reallocation dynamics that transform innovation into productivity growth within the Aghion–Howitt tradition. We also welcome studies that analyze how the Aghion-Howitt framework may be enriched by insights and theoretical frameworks in entrepreneurship research.

A useful way to summarize the perspective of this Special Issue is to view creative destruction as a causal chain: innovation incentives lead to entrepreneurial entry and experimentation; successful innovations displace incumbents; resources are reallocated toward more productive firms; and productivity growth follows. Entrepreneurship is therefore not merely firm creation, but a key mechanism through which innovation-driven growth occurs.

The Special Issue bridges Aghion's focus on competition, institutions, and industrial organization with Howitt's focus on macroeconomic dynamics, growth paths, and adjustment costs. It also connects the Aghion-Howitt framework to the broader entrepreneurship research literature. Overall the special issue highlights how micro-level entrepreneurial actions aggregate into long-run growth and why growth is inherently accompanied by restructuring and adjustment.

Possible Topics and Research Questions
Contributions may address, but are not limited to, the following themes:

- Microfoundations of creative destruction: entry, scaling, reallocation, and exit
- Entrepreneurship versus incumbent-led innovation
- Institutions, competition policy, and innovation incentives
- Venture capital, finance, and entrepreneurial experimentation
- Regional and industrial heterogeneity in creative destruction
- Creative destruction under institutional change and macroeconomic shocks
- The impact of digitalization and new technology on conditions for entrepreneurship and creative destruction
- Measurement and causal identification of creative destruction and reallocation processes

SUBMISSION PROCESS AND DEADLINES

- Guest editors are available for any informal enquiries related to the SI (e.g., feedback on potential fit with the SI aims and scope).
- Manuscripts should be submitted through the SBEJ online submission system (https://link.springer.com/journal/11187) **by November 1, 2026**. Submissions must be prepared in accordance with the SBEJ submission guidelines, including an Abstract, a Plain English Summary, and appropriate JEL Classification(s).
- After submission, each paper will be reviewed according to the SBEJ double-blind review process. Authors who are invited to revise and resubmit their papers will be invited to a Special Issue Workshop with the guest editors at the Indiana University Europe Gateway in

Berlin (Germany) in spring 2027. Participating in the workshop is not a precondition for acceptance of authors' manuscripts and participating in the workshop does not guarantee manuscript acceptance into the SI.
- Further details on the workshop will be shared as soon as they become available.
- If a paper is rejected (as a desk reject or in the normal review process) without the option to resubmit, then the paper may not be submitted again to SBEJ as a regular submission.
- Finally, guest editors will only conditionally accept papers: all conditionally accepted papers will undergo a final review by the Editorial Board; only at that time will papers be formally accepted for publication.

TIMELINE

- Pre-submission workshop (hybrid) at Swedish Entrepreneurship forum in 2026
- Submissions are welcome from September 1 through November 1, 2026
- Paper submission deadline: November 1, 2026
- First reviews back to authors: January 30, 2027
- Paper development workshops (hybrid): organized in March 2027 at Indiana University Europe Gateway in Berlin (Germany)
- Paper back from authors: May 31, 2027
- Second reviews back to authors: September 30, 2027
- Final adjustments, minor revisions and resubmits: November 30, 2027
- Final decisions and online publication: Spring 2028

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