

Conundrum Betwixt Sustainable Development and Entrepreneurship: The Way Forward

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Abstract:

With the accelerating rate of unemployment, as the result of the shrinking avenues for white collar jobs and almost saturated agricultural sector, the push towards cultivating the spirit of entrepreneurship is steadily catching up. The spiraling cut throat competition in the field of entrepreneurship catapults an overwhelming tendency to overexploit the natural resources. The undivided attention directed towards the sustainable development vis-a-vis the overarching demands of entrepreneurship is called for. Entrepreneurship, tinged purely with commercial pursuits, comes in the way of sustainability of environment, and that produces an inexorable collision with sustainable development. Sustainable use of natural resources is the roadmap towards perpetuity of humanity. This paper examines the reasons behind the inevitable clash between the spirit of entrepreneurship and sustainable development. It also explores the feasible ways for an equilibrium between the two.

Key Words: Environment; Resources; Tendency; Pursuit; Clash

Drive towards the Spirit of Entrepreneurship and Sustainable Development

Entrepreneurship is a loaded terms encompassing multidimensional meanings. Entrepreneurship can be conceived as the actual starting of a new enterprise with a unique idea that creates a definite space with specified customers in the market. Developing a new firm, creating a brand of products, inventing new technology, and launching new services are examples of entrepreneurship. Joseph Schumpeter opines that the function of an entrepreneur is to revolutionize a pattern of production or invent a new technology or producing new commodities or opening new supply of materials or opening new outlets and so on (Schumpeter, 1994: 132). The spirit of entrepreneurship is largely shaped by socio-cultural factors, economic structure, mindset of people and prevailing political environment. Entrepreneur can be a person, a large company or an investor (Boberts, 2009: 82). Entrepreneurs possess the unique idea to conceptualize an enterprise and become a leader in that field. The desire to be financially independent, ambition for executing something new in market and helplessness in job sector constitute the driving forces behind entrepreneurship. McDonald has created a new market for new customer by standardizing the products and applying management techniques (Drucker, 1993: 21-2). He is the perfect epitome of modern successful entrepreneur. Entrepreneurship is not necessarily hereditary and some of the most successful entrepreneurial class in India at present comes from the castes who were erstwhile labourers on land (Guha, 699).

Sustainable development has become a buzzword amidst the debates on climate change and global warming which hook our attention. Sustainable development is a judicious attempt to balancing between economic growth and environmental concern. Brudtland Report (1987) aptly defines it as a development that meets needs of the present without compromising the ability of

future generation to meet their own needs. Sustainable development covers three aspects—economic, social and environment—and sustainability of these three dimensions is potentially complicated (Harris, 2000: 6). Mindless exploitation of natural resources and reckless consumption of energy driven by greed lead to environmental degradation. Natural resources are not unlimited, but surplus productions to accelerate the accumulation of wealth endangers the sustainability of environment. In ‘high energy consuming societies’ and highly industrial society, mechanisms to curb the over-exploitation of natural resources is habitually bypassed. The role of entrepreneurship has been indispensable for the overall development of every society. Entrepreneurship lowers the rate of unemployment and provides several services in society. Entrepreneurship is extremely essential for economic development, and one of the problems of underdevelopment in the third world countries is because of the lack of robust entrepreneurship (Singh, 2010: 81). Of late, the idea that entrepreneurship can mitigate some of the challenges to sustainable development has caught our interest. It means that entrepreneurship can produce innovative ideas in business which do not confront with the sustainability of environment. But the question still unanswered is how an entrepreneur would meet the demands of sustainable development while striving to satiate the inner human drive to outgrow the enterprise. Whether entrepreneurship is a panacea to sustainable development can be examined only with a deeper understanding of the true nature of entrepreneurship.

Political Economy of Entrepreneurship and Sustainable Development

The trend of entrepreneurship in developed capitalist western economies is not new unlike in the underdeveloped third world. Entrepreneurship is an integral feature of liberal democracy. Francis Fukuyama argues that entrepreneurship is the foremost outlet in a liberal society which seeks to fulfil the desire to be recognized as greater than others. ‘Entrepreneurs stake their fortune, status and reputations for certain kind of glory; they work harder and put aside small pleasures for larger and intangible goals.’ In a democratic capitalist country like USA, those who are most talented and ambitious are designed to go for business (Fukuyama, 2006: 315-16). Paramount roles played by entrepreneurs in shaping the economy of a country cannot be sidelined. Ludwig Mises rightly elaborates that entrepreneurs are important participants in the market. Though entrepreneurs cannot arbitrarily manipulate the prices of goods, they are interventionist through state for their benefits. Entrepreneurs produce goods which consumers can buy to avoid heavy economic loss. (Ebeling, 2002: 201-9). Otto Conrad further explains that entrepreneurs have leading role in promoting interventionism in market that leads to economic paralysis. Entrepreneurs impose artificial limitations on competition by operating price agreements in industry and commerce. Entrepreneurs also monopolize certain enterprises like telephone service, gas, water distribution, theatre, and concert halls as they are designed to meet entire demands in market from the start (ibid). Joseph Scumpeter also points out that Entrepreneurs are capitalist too earlier as they carried combination of works. The function of entrepreneurship cannot be inherited and innovation is impossible for everyone. If someone successfully establishes a business and creates a new product, entrepreneurial profits can be generated out of the sale of the product (Scumpeter, 1949: 77, 79, 134).

On the other side, the ceaseless seeking to satisfy the unmeasured human needs corrodes the nourishment of environment. Strange and Bayley argue that exclusive realization of economic growth leads to social and environmental damage in the long run. Three pillars of sustainable development are economy, environment and society and understanding the inner complexity of their interdependence is a daunting task. The problem is that all the terms and goals of sustainable development are not fully translated into action. As our planet is at threshold in all fronts, there is need to plan and act. Besides, a level playing field between rich and poor countries is necessary (Strange & Bayley, 2008). Similarly, Jennifer Elloitt reasons that there is still a huge challenge in understanding sustainable development. Often development and conservatism is wrongly seen to be compatible. Even the World Bank which extends economic aids to developing countries to promote sustainable development is criticized for having failed to address the core issues. As environmental degradation gets escalated, 'environmental justice' becomes a catchy word. And there is formidable role of NGOs in the promotion of sustainable development (Elliott, 2006). There are difficulties in pursuing the goals of sustainable development which Tatyana Soubotina rightly highlights. Balancing countless objectives of development of every nation with sustainable guidelines is so complex. Even if international collaborations are sought for as national policies are proved to be insufficient, effective mechanisms are yet to be actualized (Soubotina, 2000).

From these seminal works, it can be inferred that while the champions of entrepreneurship seriously underpin the necessity of entrepreneurs for economic development, advocates of sustainable development rigorously emphasize about the immediacy of protecting our environment. But there is hardly any pioneering study on the interface between entrepreneurship and sustainable development in our times.

Inevitable Clash between Entrepreneurship and Sustainable Development

Entrepreneurship is an engine for development and entrepreneurship thrives in a capitalist society with innovative ideas in production and technology. At the core of the matter, entrepreneurship is a fluid term and defining it only in terms of small and medium enterprises is grossly wrong. Entrepreneurship ranges from small scale business to big enterprises around the world. Entrepreneurship is commonly identified with large business houses in the western context. One popular argument often peddled is that since innovation is an essential ingredient of entrepreneurship, entrepreneurs can innovate new ideas and conduct their business in a sustainable way. However, the actual nature of entrepreneurship seriously contradicts the pursuits of sustainable development. Entrepreneurship is normally personal interest oriented venture while sustainable development is oriented towards societal interest. It is difficult to bridge these two divergent drives rationally. There is a gap between entrepreneurship and sustainable development because entrepreneurship is rather a way of acting while sustainable development is rather a set of goals (Gawel, 2011: 10). Entrepreneurship involves huge risk and investment, and it is logical for every entrepreneur to expect the return of the investment in market. In the whirlpool of struggle for survival, it sounds injudicious for any entrepreneur letting the business interest being bogged down by the concern for sustainable development. The

event of business adventures being hampered by the question of sustainable development would amount to shatter the very motivation behind starting an entrepreneurship. For a successful business venture, entrepreneurs need higher degree of autonomy and any imposition of legislation or decree in the name of sustainable development would negate the very essence of entrepreneurship. Strictly speaking, the goals of sustainable development is antithetical to the inherent tendencies of hardcore entrepreneur. What is the guarantee that entrepreneurs would pursue sustainability oriented entrepreneurships? No entrepreneurs would be insane enough to overlook the costs of several challenging factors to pursue sustainable development.

In this age of neoliberalism where economies of countries are globalized, entrepreneurs tend to expand their business rapidly by obtaining all what that takes. Entrepreneurs, driven by the hunger for success and profit, have the zeal to outdo the rivals and stay afloat in the global market. Even the small size entrepreneurs develop the penchant to upstage the competitors in the market as a rule. Karl Marx rightly expounded that the petite bourgeoisie naturally wants to become higher bourgeoisie class. This means that a proprietor of a start-up company would always have the tendency to amplify it and become a full-fledged capitalist or industrialist in any sector. Once established, big time enterprises would not be always mindful of sustainable ways of doing business. In fact, giant business houses or corporate firms are the ones which fundamentally stand against the idea of sustainable development. Global corporate houses like Microsoft, Honda, Samsung, and Ford, to name a few, are the main players which cause environmental degradation and overexploitation of natural resources in many ways. It is because the actual conciliation between moral consideration for society and the entrepreneurial motive for success appears quixotic. As Marx famously advocates that capitalism, for its fetish for surplus value, adversely affects environment (Choonara, 2017: 129). Hence, the voice of radical ecologist for zero growth, reliance on craft skills, living in small rural communities and returning to nature without technology cannot fine-tune with the genuine interest of self-made entrepreneurs.

The above arguments can be validated through the illustration of the current centrestaged trend of entrepreneurship. In this age of digital technology and new telecommunication, one of the biggest pollutants of environment is 'E-waste.' E-waste essentially means discarded electronic devices or obsolete electronic devices required to be destroyed such as computer parts, air conditioner, mobiles, television sets, printers, and refrigerator. According to a report of United Nations Environment Management Group, the total amount of e-waste forecasted to be generated in 2018 is 50 million metric tonnes. Electronic devices make our lives comfortable, no doubt, but they are also harmful. There is also an increasing water crisis around the world and in many cases, it is man-made. 'Water business' is carried aggressively by giant beverage companies which absorb much water from rivers, lakes and canals, thereby depriving farmers of waters for irrigation. Excessive drawing of water by these companies causes drying up of water level, affecting harvesting of crops, and contamination of water. No doubt, these companies provide jobs for the locals, but the bottling plants exhaust water beyond the permissible level. 'Mining' has been a lucrative business for several multinational companies. Mining raw material like of

coal, sand, bauxite, mineral and so on result in the massive exploitation of environment. Mining destroys the ecological system of the area thereby causing severe environmental hazards. It also displaces the indigenous people of the area which often lead to engender anti system elements. Similarly, 'real estate business' is booming and mass scale deforestation along with the conversion of natural lakes and hills into concrete jungles affect the overall environment. Likewise, the coming of 'Mall culture' in market is not conducive for the overall economic sustainability. The multinational retail companies mercilessly suck the business share of local small shop keepers. A serious study about the working nature of these overarching enterprises indicates how entrepreneurship clashes with the ideals of sustainable development.

Modus Operandi towards a Praxis of Equilibrium

The point to be cogent is that actual nature of entrepreneurship and the goals of sustainable development invariably collide. At the root, the very inclination of entrepreneurship nullifies the very rationale of sustainable development. Advancing a faith that innovative skill of entrepreneurs would devise the sustainable modes of development stands idealistic. However, a theoretical framework can be formulated to find an equilibrium between the two. Entrepreneurs can evolve to be pragmatic to bring about sustainable development without having to violate their fundamental interest. First, one of the major challenges to sustainable development is the burgeoning human population. Entrepreneurs can help in busting the myth of demographic dividends. It is mostly the poor countries that do not have population control system. With the increasing mouths to feed, conservation of natural resources is bound to recede. Entrepreneurs can go out of their way and spread awareness about the needs of birth control. For active public participation, awareness can be diffused through different fora. It should be also the call of entrepreneurs to change their uncompromising attitude to accumulate vast wealth at the expense of environment. They can inculcate the culture of 'sustainable entrepreneurship' which cares for business that does not compromise the social and environmental concerns. Secondly, rich entrepreneurs like Bill Gates and Warren Buffett, wealthy entrepreneurs around the globe can engage in various charity activities. For this, some sort of distribution of wealth is called for. Eradication of poverty can be one significant step towards bring sustainable development. Entrepreneurs can lead the way and urge the national governments to take up drastic steps to mitigate the causes of poverty. Third, one practical means to minimize poverty can be through cultivating the culture of entrepreneurship among educated people rather than leaning on white collar jobs. Government can create conducive environment for people to start business. Synchronization of Economy and environment—proper blending of environment concerns and basic economic demands must be a part of policy making. In this context, the application of indigenous knowledge in producing goods and services must be encouraged. It is because traditional knowledge has rich wealth suitable for the conservation of environment. And, a majority of world population depend on traditional means for their livelihood (Malhotra & Jyoti, 2010: 466). Fourth, national government can sincerely implement well designed legislation to curtail the illegal and unfair ways of draining natural resources by various companies and non-state actors. Along with retributive laws, public must be empowered to be vigilant about any

nefarious activities. The culture of public appreciation and incentives for persons promoting entrepreneurship with an eye to sustainable development must be established. As a way to incentivize, certain taxation policy towards those who could show the path must be implemented. Most importantly, the earnest need for sustainable development while pursuing entrepreneurship must be incorporated in the education curriculum. Nonetheless, there is no denying the fact that entrepreneurship per se cannot be taken as a panacea to sustainable development unless a drastic paradigm shift takes place in the approach of all stakeholders.

Concluding Remarks

In this paper, an argument advanced is that entrepreneurship cannot necessarily be a conduit to sustainable development. No doubt, entrepreneurship can be a means to promote an overall development in a society. In a laissez-faire market system, successful enterprises have the formidable potential to boost the economy of a country. However, the modes of entrepreneurship to be carried out to foster sustainable development is still vague. In the developed western societies, entrepreneurship is seldom looked upon as a minimal partner in market. The inherent tendency in entrepreneurship does hardly match the roads towards sustainable development. Therefore, any assumption about entrepreneurship being the ultimate solution for sustainable development could prove to be a myth in its embryonic stage.

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