

# Sustainable Entrepreneurship – Why does it matter today?

**Amrita Dutta**

Netaji Nagar College, Kolkata, West Bengal, India

Corresponding Author's Email: amritaroy59@gmail.com

## ABSTRACT

Sustainable entrepreneurship is a concept that focuses on the long-term social and environmental ramifications of business decisions. In this article, we look into the conflicts between the ideas of sustainability and entrepreneurship. We delve into the general approach in which an entrepreneur undertakes a new business venture and the implications of adopting sustainable business practices in the face of market competition. We discuss the benefits of being an early adopter of sustainable entrepreneurship as well as the challenges that will impede its global acceptance. We finish the article with a case study of a small-scale business idea and ponder the role of sustainable entrepreneurship in shaping the future.

**Keywords:** *Blithely, Obliteration, Eco-friendly*

## Introduction

In recent human history, businesses around the world have continually undermined environment and long-term human well-being to maximize fiscal interest. There are innumerable instances of large organizations blithely overlooking the ramifications of the noise and pollution emanating from their business endeavors. Oil spills, carbon emissions, felling of trees, and overuse of oil and timber form the long list of relentless activities that pose major threats to natural environments. Therefore, it is not an exaggeration to suggest that the terms 'sustainable' and 'entrepreneur' do not always go hand in hand. However, very few would argue that sustainable entrepreneurship is also the need of the hour as well as our last resort to prevent the obliteration of life from the face of this planet. Incidentally, the word 'entrepreneur' originated from a French word, meaning to undertake. One can only hope that the future entrepreneurs will truly undertake a mission of rescuing the environment and not plunder it.

Let us take a step back to ponder what an entrepreneur's undertaking truly is. Traditionally, the goal of the entrepreneur has been to act as a bridge between the suppliers and end users. Frese and Gielnik (2014) have pointed out that an entrepreneur tends to exploit any profitable business opportunity in the following three phases. First, he seeks out a viable business proposition through market research.

Second, he puts together the necessary resources needed to bring the idea to fruition. Third, he starts the venture and works toward its overall growth. It stands to reason that an entrepreneur's journey through these steps is not an easy one – he is constantly challenged by the market forces and is striving to make his proposition more attractive to the end users. Needless to say, the environmental impact of his business is the last thing on his mind.

This is a good time to float the idea of sustainable entrepreneurship. As mentioned earlier, it is a marriage of two seemingly dissimilar ideas sustainable and entrepreneur. Sustainable entrepreneurship attempts to balance the immediate payoffs of the business with large-scale market success and societal and environmental innovation. Schaltegger and Wagner (2011) has rightly pointed out that a sustainable entrepreneur assumes a social responsibility for his actions. In other words, he is committed to meeting the supply demands of his product or services, while minimizing the negative environmental and social effects therefrom. Oftentimes, a sustainable entrepreneur ends up seeking out complex environmental and social issues and realizes a successful business model to overcome the problem. Given that a vast majority of business are operating with unsustainable methods, the sustainable entrepreneur is also a bit of a maverick trying to turn things around. To achieve these goals, he employs cost reduction, eco-friendly practices, public awareness campaigns to catch public attention.

The most important thing to recommend for an entrepreneur to realise very consciously the field or market they are entering. First, need to assess the every possible perspective, the viability of the idea or concept and also the competition and upskill behind the planning of business of any sort.

In this context, I remember the utterances of a Social Entrepreneur, Milan Ganatra, Co-founder and CEO of 1Silverbullet, who said that currently we cannot deny the increasing acceptance of digital operations especially from the pandemic period. Now what we need is a certain amount to invest in the business and the will to work hard.

It was suggested by Ganatra that now is the time to work on a hybrid model. The opinion of common men is like the impact of COVID-19 has been multi-fold. It has created an opportunity for those looking to do their own thing.

One can tie up with a big e-commerce company that needs delivery agents to drop products at the consumer's doorstep. This service would be helpful to those who cannot step out themselves.

This brings a very important question to the fore – why would an entrepreneur, whose primary objective is to optimize his monetary returns, look to incorporate sustainable methods into his toolkit? This question is an imperative because a rational entrepreneur will look to weigh the risks-to-reward trade-off for his actions. There are actually several

advantages of sustainable entrepreneurship, especially for budding entrepreneurs.

- Businesses function on novelty – how different is your product from those of others? Environment truly can offer that edge to the sustainable entrepreneurs. Specifically, the fact that a business is abiding by the government regulations and expressing concerns over the depleting natural resources makes it a unique proposition. The end users are considerably more trusting of products that follow the prescribed guidelines.
- While sustainable business models come with a higher initial investment, they possess a significantly lower maintenance cost. Sustainable practices coupled with customer goodwill promises a higher long-term reward to the entrepreneur.
- There are innumerable businesses that invest funds towards battling legal cases against disgruntled customers and government agencies. A sustainable entrepreneur is actually capable of cutting down on all those expenses by sheer dint of his eco-friendly practices. This is also a reason why skilled individuals would like to get hired by a sustainable business as opposed to an organization with a dubious track record of causing environmental and social hazard.
- Finally, it is well known that sustainable practices come with tax benefits. Cleaner practices are encouraged by the government, provisioning tax-reliefs under sustainable manufacturing and distribution practices.

Despite these benefits of sustainable entrepreneurship, we are unlikely to find too many organizations adopting these sustainable strategies in the recent future. The primary reason behind this hesitancy is the perception that sustainable entrepreneurship is a 'high-risk high-reward' game. The perception of risk can have several implications here. As we discussed earlier, entrepreneurs are intrinsically risk-takers, i.e., they thrive on challenge. Consequently, it is likely that there exist a few young entrepreneurs expressing willingness to adopt sustainable methods. However, the major challenge for these risk-takers is market forces. Rival companies as well as critics have written off sustainable entrepreneurship as a gimmick or 'greenwash'. There are a few other reasons that impede large-scale acceptance of sustainable entrepreneurship.

- It is often difficult for the up-and-coming entrepreneur to find investors for his new practices. The skepticism of the investors dissuades them from pursuing their vision and at times accepting to play by the conventional rulebook.
- The fact that sustainable entrepreneurship is at a nascent stage means that there is limited access to knowledge about sustainable practices. The lack of the understanding of raw materials and supply chain, together with steep market competition checks the growth of sustainable business models.
- Another problem along very similar lines is the absence of infrastructure. Although

the investors, customers, and governments are beginning to recognize the importance of sustainable entrepreneurship, we have yet to see a massive boom that will incentivize these early efforts. Till such time, the entrepreneurs would continue to swim against the tide.

It is worth mentioning here that the problems are compounded by poverty and unemployment ubiquitous in the developing nations. The entrepreneurs are burdened by loans and familial financial responsibilities that cloud their judgement. They are desperate to make a living and support their basic needs and in no position to have long-term aspirations for a cleaner and happier future. Government efforts to mitigate these problems are seldom enough since many of these nations have an exploding population, and the welfare and incentive programmes are too few to meet their needs. However, I would like to believe that there is light at the end of the tunnel. Especially, the advent of technology has opened several opportunities for the young and enterprising minds of this age. They are beginning to believe that if they are skilled and have unique ideas, the sky is the limit. Let me relate this story of a group of convent school students based in Calcutta. They came up with an idea of creating an assisted living programme for the elderly, especially those whose children have settled abroad. They were able to realize this idea through digital fund transfer and donations from different parts of the world. This programme still exists and continues to grow, providing cleaning, counselling, shopping, and medical support to the aged. Evidently, sustainable entrepreneurship can often take the form of 'social entrepreneurship'. I am hopeful that we will see many such innovations in the days to come.

From the daily newspaper, The Telegraph, I came to know that Surbhi Arora, 35 years old Jalandhar based housewife turned entrepreneur after realising the importance of cleanliness and hygiene last year during the first lockdown. Nobody can deny that entrepreneurs create new businesses, which would definitely add to national income as well as economic growth. But, unregulated entrepreneurship and unfair market practices is never recommended as positive career option.

I would like to finish this article with a discussion on the broader future implications of sustainable entrepreneurship. As the awareness grows, I am certain that the future holds great promise for sustainable practices. We are beginning to see early evidence of companies being penalized for the emission of greenhouse gases, compelling the companies to design climate policies that align with their social responsibility. We shall soon see business leaders paying closer attention towards the assessment of the risks of the environmental impacts of their business. This means that they will focus more and more on technologies that minimize resource wastage and we will witness new products that meet the environmental and social guidelines. Sustainable entrepreneurship will also benefit human health in a massive scale, by revolutionizing the food and beverage industries. Overall, we can only hope that sustainable entrepreneurship, like information technology and the recent pandemic, will reshape

the terrains of business practices around the world.

## **Conclusion**

In conclusion, sustainable entrepreneurship will pave the way for innovative business models. On the one hand, business ideas that incorporate sustainable practices will stand out as novelties. This would compel the existing corporations to revisit their strategies. Specifically, the tech giants would take this opportunity to introspect on the downside of technology and ways to mitigate them to be able to create new markets for their products. On the other hand, it will bring about positive ecological, environmental and social change. Overall, as a consequence of sustainable entrepreneurship, we can envision a world where commerce and consumerism can coexist with equity and social welfare.

## **Acknowledgment**

The author expresses gratitude to Netaji Nagar College for giving her the generous opportunity to write this essay for the esteemed publication in cooperation with Lincoln University College, Malaysia.

## **References**

- Frese, M., & Gielnik, M. M. (2014). The psychology of entrepreneurship. *Annual Review of Organizational Psychology and Organizational Behavior*, 1(1), 413-438.
- Schaltegger, S., & Wagner, M. (2011). Sustainable entrepreneurship and sustainability innovation: categories and interactions. *Business Strategy and the Environment*, 20(4), 222-237.