Harmonious entrepreneurship – a new approach to the challenge of global sustainability

David Anthony Kirby
Almaty Management University, Almaty, Kazakhstan, and
Iman El-Kaffass
Independent Researcher, Washington, District of Columbia, USA

Abstract
Purpose – The article is intended to consider how entrepreneurship needs to adapt if it is to address the global sustainability challenge. The intention is to propose a new business model that recognises the interconnectedness of the global ecosystem.

Design/methodology/approach – The article analyses two case studies purposively written to demonstrate the difference between the traditional entrepreneurship approach, dating back to the 19th century and the proposed harmonised one. Both cases are based on secondary data and personal field observation.

Findings – While the two cases focus on wealth creation, job generation and innovation, the traditional approach is shown to have had a long-term deleterious impact on both society and the environment, whereas the proposed harmonised approach impacts positively. The article recognises the multifaceted nature of the sustainability challenge and that the three elements (economy/commerce, society and environment) are interconnected. If there is a change in the status of one the other, connected facets will change or will need to be changed. Thus any solution needs to address all three facets.

Social implications – The proposed business model will be of interest to scholars and practitioners of entrepreneurship and sustainability, as well as to policy makers and educators.

Originality/value – Apart from proposing a new business model that will address the sustainability challenge, the article provides a definition of harmonious entrepreneurship and identifies the conditions required for it to be met, as well as the characteristics of the harmonious entrepreneur.

Keywords Entrepreneurship, Harmony, Sustainability

Paper type Viewpoint

Introduction
As Villar and Miralles (2019) have recognised entrepreneurship has the potential to address sustainability [1] issues and is regarded by some as a panacea hypothesis. However, while entrepreneurship is a global phenomenon and is not new, there remains, as Hall et al. (2010, p. 440) acknowledge, “considerable uncertainty regarding the nature of this role and how it will unfold”. Accordingly, the purpose of this article is to examine the nature of the problem and identify a possible solution. It does not do this through theory and by adopting a traditional academic structure but by presenting and analysing two concrete real-world examples.

Despite the fact that the term “entrepreneurship” originated in the 1920s and the word “entrepreneur” (from which it is derived) dates back to 16th century France, there is no agreed definition of what entrepreneurship is. To some it is the creation of a new venture (Timmons and Spinelli, 2006), to others it is a way of thinking and behaving (Kirby, 2003) while to others it has to do with innovation (Drucker, 1985). A suggested definition might be, therefore,-

Entrepreneurship is about seeing new opportunities and/or finding new, innovative solutions to problems, it is about harnessing the resources to bring them to fruition and it is about instigating measurable change and improvement.

Dedication: This article is dedicated to the late Richard Sanders, a victim of COVID19. Richard was Editor in Chief at the International Centre for Agricultural Research in Dry Areas (ICARDA) and the presenter of the BBC’s “Farming Today” programme.
This would very much fit with Schumpeter’s (1943) view of entrepreneurship as creative destruction—it results from “new combinations” (innovations) and is disruptive, bringing about change.

**The traditional approach to entrepreneurship**

According to Schumpeterian economics, entrepreneurship disturbs the status quo—it knocks the economic system out of its equilibrium or steady state through the introduction of innovations. However, it need not necessarily lead to improvement—and this is the problem. Entrepreneurs traditionally have brought about change and have been responsible for creating jobs and growing the economy, but their activities can have, and have had, negative consequences as the following case study demonstrates.

At the beginning of the 19th century, Widnes, in the North West of England, was a rural village nestling on the northern banks of the River Mersey. The 1,063 inhabitants were engaged mainly in farming and fishing and the river was unpolluted and alive with fish. By the end of the century, as a result of the endeavours of industrial entrepreneurs such as Henry Deacon (1822–76), Holbrook Gaskell (1813–1909), William Gossage (1799–1877), John Hutchinson (1825–65), Ludwig Mond (1830–1909), Frederick Muspratt (1825–72) and others, it had become a town of around 28,250 people that was the origin and heart of the modern chemical industry [1].

There can be no doubt that such entrepreneurial activity brought about change and created an industry that produced wealth for the owners [2], the investors, the region and the UK, but it did not result in improvement in environmental or human conditions. As Shehrard (1897, p. 47) observed:

> the foul gases that belched forth night and day from the many factories rot the clothes, the teeth and, in the end, the bodies of the workers, have killed every blade of grass and tree for miles around

This was despite the fact that by 1864, the UK Government had been so concerned about the atmospheric pollution, and the damage it was causing, that Parliament had introduced a bill intended to control the emission of noxious vapours. Clearly it was ineffective.

It was not just atmospheric pollution that was the problem, however, but the living and working conditions of the people. By the middle of the century, Widnes had been transformed from a riverside hamlet into a settlement

> with dingy, unfinished streets of hastily constructed houses, with works that were belching forth volumes of the most deleterious gases and clouds of black smoke from chimneys of inadequate height...The air reeked with gas...and small and large heaps of stinking refuse began to accumulate. (Allen, 1907, p. 168).

The homes had no proper sewerage and industrial disease and injury were rampant. The long hours worked in the chemical industry made matters worse. Exposure to acid and chlorine gas created terrible problems and those who escaped death or disfigurement all too often ended their lives in the workhouse [3] (Walton, 1987).

Additionally the toxic waste produced by the factories created not just visual pollution but a local health hazard that persisted for decades. Known locally as “galligu” (Freeman, 2008), by 1891 some 500 acres of land had been covered with toxic waste to a depth, according to the Government’s Akali Inspector, of 12 feet—10 million tons, of which 15 per cent was sulphur. Not only did rainwater turn the waste into a serious health hazard, but the wind would cause it to burst into flames.

While these problems had an immediate and local damaging impact on the environment and its people, the ramifications lasted longer and were more widespread. The fumes contributed to the incidence of the acid rain that polluted waterways and destroyed flora and...
fauna not just locally but in other parts of the country and as far afield as Northern Europe (Barrett and Brodin, 1955). It was not until 1985 that an £8 billion sterling campaign was embarked upon to improve water quality in the Mersey river and not until 2002 that oxygen levels in the river were capable of supporting fish once more. It took until 2009, some 162 years after Hutchinson’s first chemical factory had been opened, for the river to be declared cleaner than at any time since the start of the industrial revolution, similarly with the toxic waste. This only began to be reclaimed in 2008 having been unusable and a health hazard for over 100 years.

Clearly as a result of the entrepreneurial innovations introduced in 19th century Widnes jobs were created as the entrepreneurship literature suggests (Birch, 1979) and the town became not only the seedbed for new large firms (Committee of Inquiry on Small Firms, 1971) but the birthplace of the modern global chemical industry [4]. However, while wealth and jobs were generated, the failure to recognise the interconnectivity of the system meant that the environment was severely impacted. The atmospheric pollution and toxic waste destroyed the local flora and fauna while the lack of attention to the conditions of the employees and their families resulted in a residential environment that was both poor and physically unattractive, as well as unpleasant and a health hazard – conditions that lasted for well over a century. While such local conditions have been ameliorated, somewhat, in recent years [5], at considerable expense, the more widespread impact of the industry on the environment has not.

Cases such as this, which have been repeated globally, have raised questions about whether entrepreneurship is compatible with the concept of sustainability (Gawel, 2012). As a consequence “scholars and practitioners are therefore increasingly exploring whether modified and completely new business models can help maintain or even increase, economic prosperity by either radically reducing negative or creating positive external effects for the natural environment and society.” (Schaltegger et al., 2016, p. 4).

A harmonised approach to entrepreneurship
While the sustainability challenge is not new, as the above case demonstrates, the severity and consequences of such, similar and subsequent actions around the globe have been recognised only relatively recently. It was not until the founding of Greenpeace in 1971, for example, and the recognition in 1986 of the potential problems of global warming, 100 years after it was first identified, that attention has begun to be paid to the impact of change, particularly on the environment. With this there have emerged new techniques and disciplines for dealing with the problem, including corporate social responsibility (CSR) and the more recent concepts of ecopreneurship (Kainrath, 2011) and social entrepreneurship (Borzaga and Defourney, 2001). While CSR has a long history, the concept has changed over time and it is only since the 1990s that it has received global attention (Aquello et al., 2019). In part because of its changing definition and in part because of the misleading practice of “greenwashing” (Delmas and Burbano, 2011), CSR has not achieved its true potential. The application of entrepreneurship is more recent (Schaefer et al., 2015) and there are valuable and growing cases of eco [6] and social [7] entrepreneurship. However, rarely do they address, together, both environmental and social aspects [8] and the more recent “theory” of humane entrepreneurship, which focuses on the management of people within enterprises, “presents a new perspective on how to create 40 million quality jobs each year and helps address global challenges” (Kim et al., 2018, p. 10). This has led Schaltegger et al. (2016, p. 5) to observe that “while extant research on sustainable business models has often been rooted in ecological sustainability, other scholars have seen business models as tools for addressing social needs”. To date business models have not integrated the economic/commercial, social and environmental facets of the sustainability challenge, though the importance of this has
been recognised (Katsikis and Kyrgidou, 2007; Tilley and Young, 2009) and the fact that if any one element in the ecosystem is changed it will have implications for all connected elements, which will need to adjust or be adjusted. The sustainability challenge, therefore, is multifaceted and the interconnectivity of the component elements means that any solution will need to adopt Ashby’s (1968) Law of Requisite Variety. This implies that only variety can absorb variety— that it is not possible to address any problem by addressing just one facet. The solution must be equal to or greater than the number of factors involved. As Popper observed, “every solution of a problem, raises new unsolved problems”. Not addressing such consequent problems leads to further disequilibrium, which suggests that any new business model must address not one but all aspects of the challenge. The second case study demonstrates how this may be achieved.

SEKEM Holding (Abouleish and Kirchgessner, 2005) is an Egyptian commercial enterprise that sells 150 products, including organic foods, herbal teas, medicines and organic cotton products, that are produced by 10 companies and sold nationally and internationally through 4 subsidiaries

(1) ISIS Organic Food (vegetables, honey, dates, oils, beverages)
(2) Lotus Organic Herbs and Spices
(3) NatureTex Organic Textiles (Baby and children’s wear, dolls, toy, home textiles)
(4) PharmaAtos (pharmaceuticals)

To do this it has introduced biodynamic agriculture to Egypt and turned 70 acres of desert located 37 miles north east of Cairo into a thriving, fertile oasis. However, instead of focussing solely on business growth the objective of SEKEM Holding is somewhat broader, namely the introduction and promotion of sustainable agriculture through the holistic development of the individual, society and the environment. Profits generated by the Holding Company are used to fund social and cultural projects through the Co-operative of SEKEM Employees, which has responsibility for all aspects of the HR development of the workforce, and the SEKEM Development Foundation, which is responsible for all cultural matters and which receives 10% of all company profits.

In total the Holding company employs some 2000 people and has a network of over 3,000 farmers who produce for the Group. To help meet its objectives of promoting sustainable agriculture it has trained some 477 Egyptian farmers in biodynamic agricultural methods which are applied on approximately 4,600 acres of land. Since 2000 around 1,000 students have graduated from the Company’s Vocational Training Centre and in 2012 it opened a not for profit university that specialises in sustainability and offers knowledge transfer opportunities to farmers, employees and the community. In addition, employees are entitled to reduced fees for the education of their children at SEKEM’s Steiner or Waldorf schools [9], while free courses are provided for illiterate employees. Healthcare is available for employees in SEKEM Health Centres.

The initiative was founded in 1977 by the late Dr Ibrahim Abouleish (1937–2017), an Egyptian Pharmacologist who studied Chemistry and Medicine in the Technical University of Graz in Austria. On returning to Egypt he became aware of the pressing problems of overpopulation, pollution and education, as well as the parlous state of Egyptian agriculture, with the country importing some 40% of its food and 60% of its wheat. Accordingly his vision was to create a comprehensive holistic business venture, based on a synthesis of the Islamic values of equitable business and social responsibility and the anthroposophy of Rudolf Steiner [10] that would promote sustainable agriculture and enable employees and farming communities to improve their living conditions, health, education and quality of life. When the project was first launched he planted 120,000 casuarina, eucalyptus and Persian...
lilac seedlings, engaged the internationally renowned Egyptian architect, Hassan Fathy, to design traditional adobe housing and engaged and housed the native Bedouin residents. Some 43 years later his vision has resulted in some 684 acres of desert being reclaimed and converted to agricultural use with a 90% reduction in artificial fertilisers and pesticides and a 30% increase in the production of Egyptian cotton.

In 2003 Dr Abouleish received the Right Livelihood Award (also known as the Alternative Nobel Prize) from the King and Queen of Sweden in recognition of his creation of a 21st century business model that provided a practical and exemplary solution to one of the challenges of the 21st century.

Discussion

Although separated by some 200 years and almost 2,200 miles, there are similarities between the two case studies. Both brought about change through innovation and both created wealth and jobs as the literature on entrepreneurship suggests. However, the two cases are very different in terms of their social and environmental impact. Whereas in the first case, entrepreneurship paid attention solely to one facet (wealth and job creation), in the second the human, social and environmental facets were addressed and were equal in importance to the economic/commercial facet (Table 1).

Clearly the harmonised approach adopted by SEKEM combined economic/commercial, social and eco entrepreneurship [11] – and it is contended here that this is the way entrepreneurs will need to operate in the future if the mistakes of earlier generations are not to be repeated and the sustainability challenge is to be addressed.

Dr. Abouleish clearly understood the interconnectivity of the ecosystem and recognised that any change in the state of one will require or bring about change, to a greater or lesser extent, in the other connected elements, as did the Right Livelihood Award Foundation. In its Award citation, the Foundation stated:

Sekem (Egypt) shows how a modern business can combine profitability and engagement in world markets with a humanistic and spiritual approach to people and respect for the natural environment. The Jury sees SEKEM as a business model for the 21st century in which commercial success is integrated with and promotes the social and cultural development of society through the ‘economics of love’.

The SEKEM initiative very much accords, therefore, with the harmony principles espoused by His Royal Highness The Prince of Wales (HRH The Prince of Wales et al., 2012). The Prince asserts that many of the modern challenges the world is facing are the result of disharmony with nature and contends that the solution lies in our ability to regain a balance with the world around us. It is not just nature and the environment that is important, though, but the physical wellbeing of the human population—its health, nutrition, living conditions, education, spirituality, etc.

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Note(s): (−) denotes negative impact (+) denotes positive impact
The future of entrepreneurship and its contribution to sustainability lies, therefore, in seeing problems and opportunities more holistically and harmoniously, rather than as unrelated elements in what is a highly interconnected system. Accordingly, harmonious entrepreneurship might be defined as:

a vision for the future that is rooted in ethical innovation that results in change and improvement in economy and society, while not harming or damaging people or the environment. Preferably, it improves and replenishes them and leads to development that is both long-term and sustainable.

From the SEKEM case, it can be concluded that to be classed as harmonious entrepreneurship, entrepreneurial activity should not only conform to the definition but should embrace five PROSPER aspects of development identified by El Kaffass (2007), namely it should be:

1. Professionally based: taking state-of-the-art quality measures to develop, improve and grow the business
2. Spiritually and ethically inspired: emanating from a principle of doing good on Earth – benefit the environment and the wholeness of the world, ensuring equilibrium and justice and sustaining the initial harmony of the universe.
3. Physically/materially concerned: supporting improvement in the health and wellbeing of people and the physical environment, including air, Earth, seas and space
4. Emotionally rooted: serving and benefitting the community
5. Rationally and intellectually based: creative and innovative, finding smart and novel solutions.

Conclusion

As Tilley and Young (2009, p. 91) have acknowledged, there has been an explosion of sustainability rhetoric but far too little absolute progress in reducing (never mind improving) the environmental and social problems society faces today.

Thus although it is recognised that there remain important research gaps in the field of sustainable entrepreneurship (Greco and de Jong, 2017), the aim has been to demonstrate the challenge and to show how entrepreneurship might contribute to what Schaefer et al. (2015) refer to as “sustainability-as-flourishing”. It contends that if sustainability is to flourish, and both potential future damage and the mistakes of the past are to be avoided, a holistic, harmonious approach to entrepreneurship is required. It is not sufficient for entrepreneurship to be categorised as social, commercial, eco, humane, etc. and implemented independently. Rather, the approaches need to be integrated or harmonised and the likely ramifications of any innovation need to be anticipated and addressed. This would appear to contradict the finding of Belz and Binder (2017, p. 1) who conclude “that the triple bottom line of ecological, social and economic goals is integrated sequentially, not simultaneously”. As the SEKEM case demonstrates, they can be introduced simultaneously, but they should be planned from the outset.

The two case studies have been selected purposively to demonstrate the traditional and harmonised approaches to entrepreneurship and innovation. While one dates back 150 years or more, it demonstrates quite clearly the long-term, damaging impact innovation can have on society and the environment without harmonisation. The other, a product of the 21st century, shows the positive effects of innovation on the economy, the environment and society with
the adoption of a harmonised approach. SEKEM could not have been as successful commercially if it had not cared for and educated its workforce, or ensured the sustainability and fertility of the environment. As Gawel (2012, p. 14) has concluded, though, the proecological and pro-social postulates of sustainability must be integrated into the strategy of the firm. This has implications for both new and established ventures, whether large or small, as well as for those members of the support network who advise, mentor and train them.

Additionally, the SEKEM case demonstrates the sort of competences entrepreneurs will need if they are to lead sustainable change. Villar and Miralles (2019) conclude that sustainability entrepreneurs (as they call them) differ from more conventional entrepreneurs particularly in their desire to change the world and it is necessary, therefore, “to acknowledge the orientation and motivation of the entrepreneur to include non-economic goals in the entrepreneurial ventures” (Villar and Miralles, 2019, p. 106). Clearly, the SEKEM case highlights Dr Abouleish’s concern for both the environment and society, and his desire to address the economic and social problems facing Egypt. At the same time it demonstrates his

(1) Creativity, foresight and vision,

(2) Ability to think strategically

(3) Interdisciplinary competence (including commercial awareness)

(4) Economic, ethical, environmental and social consciousness

(5) Understanding of systems thinking

(6) Action orientation

(7) Ability to motivate and empower people.

Several of these competences have been identified, previously, by Lans et al. (2014) and more recently by Ploum et al. (2018). They are the competences that will be needed to deliver a harmonised approach to entrepreneurship and the sort of competences that will need to be developed in our young people if the sustainability challenges the world is facing are to be addressed currently and in the future. Inevitably this will require a paradigm shift in the way entrepreneurship and sustainability are taught, something that appears to be more established in entrepreneurship education (Kirby, 2007) than it is in education for sustainability (Christie et al., 2013).

Doubtless other, similar cases could have been cited to exemplify both the negative and positive contributions that entrepreneurship can make to resolve the sustainability challenge the world is facing. On the basis of these two cases, though, a harmonised approach to entrepreneurship would appear to offer opportunities for increased sustainability. Further research is necessary to explore such cases and test the efficacy of the proposed harmonised approach in different socio-economic contexts and physical environments. However, as HRH The Prince of Wales et al (2010, p. 3) have recognised “the many environmental and social problems that now loom large on our horizon cannot be solved by carrying on with the very approach that has caused them”. A new approach to entrepreneurship and sustainability is required for, as Schumpeter has acknowledged, it is only through “new combinations” that the status quo will be disrupted and progress made.

Notes

1. The 1987 World Commission on Environmental Development definition of sustainability is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”.


2. In 1866, Frida Mond (wife of Ludwig Mond) wrote that where she lived, about 3 miles from the chemical plants on the outskirts of Widnes, was “a pretty place, with cheerful, clean houses, quite free from the smoke and dust of the factories, chiefly occupied by manufacturers and nice people... I love it here” (Cohen, 1956).

3. In the UK a workhouse was a place where those unable to support themselves were offered accommodation and employment.

4. In 1890, several of the independent chemical companies merged to form the United Alkali Company Ltd which merged, in 1926, with three other companies to form Imperial Chemical Industries Limited (ICI), at one time the largest manufacturer in Britain. In 2008 it was acquired by AkzoNobel for £8 billion.

5. In 2009, Halton Borough Council, the planning authority for Widnes, published a 60 page Supplementary Planning Document intended to deliver comprehensive regeneration benefits to the area and ensure that “a suitable standard of development is achieved that will improve the visual and environmental quality of the area”. Implementation of the plan was scheduled to take 15 years from 2011-2026.

6. Ecopreneurship may be defined as entrepreneurship that addresses and finds innovative sustainable solutions to environmental problems.

7. In social entrepreneurship the aim is not to create wealth but to find innovative solutions for community-based problems.

8. Under some definitions of social entrepreneurship the environment is considered but usually the focus is on only one aspect of the problem, social or environmental.

9. These schools provide a holistic approach to education by developing the intellectual, artistic and practical skills of their pupils.

10. As system of teaching and helping people to become as mentally and physically healthy as possible.

11. In 2004 the Schwab Foundation selected Dr Abouleish for their Outstanding Social Entrepreneur Award.

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**Corresponding author**
David Anthony Kirby can be contacted at: kirbydavid1@gmail.com

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