



## AN ANALYSIS OF CHALLENGES TO SUSTAINABLE ENTREPRENEURSHIP IN INDIA

\* **Dr. Aarti Sachin Chhajed,**\* *MGV's Arts, Science & Commerce, College, Manmad, Nasik***Abstract**

*The five dimensions of sustainability are people, prosperity, planet, partnership and peace.*

*Entrepreneurs and firms must take sustainable development goals as a guiding force and participate as a catalyst in the system of change.*

*Sustainable entrepreneurship can be accomplished through step by step policy frame work that keep balancing the activity starting from establishing the business unit to clearing compliances through a single window operation, facilitating with appropriate infrastructure and ensuring smooth supply of raw materials. Apart from making the unit running, necessary arrangements to support in promoting the produce until it attains global recognition and extending price protection until it reaches self-sufficiency. The arrangements also need to be made to understand the evolving sentiments of the emerging entrepreneurs and devise appropriate mechanism by constituting a core advisory committee comprising of industry experts. The goal is not only to offer entrepreneurs but to help them stay sturdy, so that the larger goal of addressing constant problems of unemployment, slow economic growth, earning foreign exchanges, creating level, playing field, competing with global markets and many more can be attained and sustained.*

**Key Words:** *Sustainable entrepreneurship, SDG, Venture Capital Fund, Innovation*

**Copyright © 2023 The Author(s):** This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

**Introduction:**

Entrepreneurship has a long and renowned history that exist before human civilization. One of the trade systems includes the exchange of items with other items popularly known as a 'barter system'. Entrepreneurship in India has grown in the last decade and is increasing massively at this moment. Government of India is also framing rules, schemes in support of the new comers creating the proposition worthwhile. With more and more ventures joining the movement, it is not too far that entrepreneurs will be taking a substantial position in the Indian economy.

The very idea of sustainability was first introduced in a report by the Brundtland Commission in 1987 titled as

Our Common Future, which famously defined Sustainable development as:

“Development that meets the needs of the present without compromising the ability of the future generation to meet their own needs.”

The five dimensions of sustainability are ***people, prosperity, planet, partnership and peace.***

Entrepreneurs and firms must take sustainable development goals as a guiding force and participate as a catalyst in the system of change. It has been globally accepted that all the SDGs are interconnected with each other in one aspect or another. This creates both a challenge and opportunity for stakeholders as it enables them to tackle more than one SDG at one time.

***Sustainable Entrepreneurship:***

Sustainable entrepreneurship is nothing but an organization's responsibility to perform necessary action with the ethical value that put in economic growth while ensuring improved lives of employee families also both local and global community and protecting generations to come.

Sustainable entrepreneurship refers to the innovation, formation, and taking advantage of entrepreneurial opportunities that contribute to sustainability by generating social and environmental advances for others in society (Hockerts and Wüstenhagen, 2010; Pacheco et al., 2010; Shepherd and Patzelt, 2011). Common ground between entrepreneurship and sustainability is the concept of permanency, assuring long lasting goods, values or services: preserving current resources for future generations (sustainability) and developing unique solutions for the long run.

***Sustainable entrepreneurs*** are those who develop a business to aid both their own and the public good by meeting unmet social and environmental demands.

Sustainable entrepreneurship has become increasingly important in today's world, where environmental issues, social inequality, and economic disparities are major challenges. By adopting sustainable practices, entrepreneurs can play a crucial role in addressing these issues and creating a more sustainable future.

India is the 6<sup>th</sup> largest economy in the world and as per the global entrepreneurship monitoring hand book (2020/21), India stands at the 20<sup>th</sup> position in global startup ecosystem index, 43<sup>rd</sup> place in world competitiveness ranking, 48<sup>th</sup> in global innovation index and 63<sup>rd</sup> in ease of doing business. It is notable that in almost all rankings India has improved over the previous years though many miles to go. Kulkarni (2020) mentioned that, while the number of new firms in the recognized sector developed at a cumulative annual growth rate of 3.8% from 2006-2014, the growth rate from 2014 to 2018 has been 12.2%. As a

result, from about 70,000 new firms created in 2014, the number has grown by about 80% to 1,24,000 new firms in 2018, the Economic Survey 2020 said quoting the World Bank's data on entrepreneurship. The Survey notes that the entrepreneurial activity in the Manufacturing sector is highest in the regions of Gujarat, Meghalaya, Puducherry, Punjab and Rajasthan while establishments in focus are manufacturing, textiles, chemicals, metals, plastics, and pharmaceuticals manufacturing apart from service sectors and digital initiatives.

**Review of Literature:**

Costanza et al., (1997) stated that, Surface water degradation, polluted groundwater with toxic waste, ozone layer depletion air pollution, change in climatic conditions, and also the ocean fisheries extinction worldwide are just a few of the issues that need to be addressed. Because a large portion of the world's cost-effective manufacturing depends on natural system sustainability, the long-term economic implications of these negative effects are substantial.

Rao(2017) while analysing evolution of entrepreneurship in India found that 'new economy' entrepreneurs and their ventures differ from the 'old economy' entrepreneurs and their businesses in several respects. While asset heavy manufacturing and conventional service businesses defined the old economy, asset light, online based new service ventures characterised by rapidly changing technology represent the new economy. He also observed that the present day entrepreneurship has moved from family based business to competency based business ventures that is sustainable through continuously evolving technology. According to Edenhofer, 2015; Skjrseth & Eikeland, 2016; Sunny & Shu, 2019, despite economic development and improved quality of life in recent years, the world has witnessed significant detrimental consequences on nature and the environment, which impend the long-term sustainability of our economies.

Dean & McMullen, 2007; Johnsen et al., 2017 analysed and concluded that ,through the development of environmentally approachable goods and services and production processes that are also economical on the market, entrepreneurship plays an acute role in addressing these environmental concerns .

Dean & McMullen, 2007; Schaltegger & Wagner, 2011 observed that, Sustainable entrepreneurship arose out of a desire to lessen behaviours that destruct the nature, as well as a desire to create financial advance

De Palma and Dobes (2010) explained that, entrepreneurship will take economic, social, and environmental factors into consideration that concerns of relevant both external and internal associated people. Kuckertz and Wagner, 2010 observed, the connection of sustainable entrepreneurship is not only with the guarantee of more classic entrepreneurship notions, but it also has extra perspective for the environment and society.

Ganeshan M K et. Al 2020 stated that, In India's current circumstances, the necessity for innovation is highlighted heavily. Many businesses have been motivated to adjust both their external and internal working systems to expand their market competitiveness as a result of this. Customer service, product design, product utility, marketing strategy, human resource management, and so on are all part of it. It spawned a slew of new entrepreneurship breakthroughs. This had a profound impact on business. This changed entrepreneurial strategies through innovative ideas and practices.

#### **Objectives:**

- To Study the present position of Sustainable Entrepreneurship in India
- To know the challenges for Sustainable Entrepreneurship in India
- To offer the solutions to overcome the challenges for Sustainable Entrepreneurship in India

#### **Research Methodology:**

The researcher follows analytical research method and uses secondary data from various research papers, articles, blogs etc.

#### **Challenges & Solutions for Sustainable Entrepreneurship in India:**

While sustainable entrepreneurship offers immense opportunities, it also comes with challenges. These can include limited access to funding, resistance to change etc. However, by collaborating with like-minded organizations, seeking support from sustainability-focused networks, and staying informed about relevant policies, entrepreneurs can overcome these challenges and drive positive change.

**Limited Resources:** One of the key environmental challenges that businesses face is the inadequate availability of resources. As the demand for products and services continues to grow, businesses must find sustainable ways to use resources without exhausting them.

**Pollution and Waste:** Another significant environmental challenge is pollution and waste generation. Businesses often add to air, water, and soil pollution through their manufacturing processes, transportation activities, and disposal of waste. To address this challenge, companies can invest in eco-friendly technologies, such as installing air filtration systems.

**Climate Change:** Climate change offers a complex challenge for businesses as it carries risks to supply chains, operations, and overall business sustainability.

**Biodiversity Loss:** The loss of biodiversity is a pressing environmental issue that businesses cannot afford to overlook. Many industries depend on on natural resources, such as forests or marine ecosystems, for their operations. Companies can address this challenge by executing sustainable sourcing practices, such as using certified sustainable timber or supporting fisheries with responsible fishing methods. For

example, a cosmetics brand may source ingredients from sustainable farms that promote biodiversity conservation.

### **Efficient Resource Management**

One of the biggest challenges faced by sustainable entrepreneurs is overcoming resource constraints. Limited financial capital, absence of skilled manpower, and partial access to raw materials can often delay the growth and development of a sustainable business. However, with effective resource management strategies, these limits can be overcome. By sharing resources such as office spaces, equipment, and even employees, sustainable entrepreneurs can reduce costs and expand their business without the need for substantial truthful investments.

By collaborating with other businesses or organizations that have complementary resources and proficiency, sustainable entrepreneurs can pool their resources to accomplish common goals.

### **Understanding the Regulatory Landscape**

Navigating the regulatory and policy structures is an essential aspect of sustainable entrepreneurship. As entrepreneurs, it is vital to have a clear understanding of the various regulations and policies that govern your industry. This knowledge will help you stay submissive, avoid legal issues, and generate a sustainable business model.

### **Keeping up with Changing Policies**

Policies and regulations are constantly changing, and as an entrepreneur, one needs to stay updated with the changes that may impact the business. This can be a challenging task, but it is indispensable to make certain that the business remains compliant and sustainable in the long run.

**Regulatory Compliance:** Businesses must comply with environmental regulations and standards set by governments and international bodies. Failure to comply can result in fines, legal actions, and reputational damage. To ensure compliance,

companies need to stay updated with changing regulations, conduct regular environmental audits, and invest in training programs for employees. Therefore it is the responsibility of a manufacturing company to establish an environmental management system to monitor and control its environmental impact.

**Stakeholder Expectations:** Increasingly, stakeholders, including customers, employees, investors, and communities, expect businesses to operate in an environmentally responsible manner. Companies need to line up their practices with stakeholder expectations to maintain their reputation and competitiveness.

### **Establishing Clear Sustainability Goals:**

When developing sustainable supply chains, it is essential to establish clear sustainability goals. These goals should align with the overall vision and ideals of the company. By setting specific targets, such as decreasing carbon emissions or eliminating waste, businesses can work towards creating more sustainable supply chains.

### **Developing Sustainable Supply Chains. :**

Collaboration with suppliers is a key in evolving sustainable supply chains. Businesses should work faithfully with their suppliers to ensure that sustainability practices are integrated throughout the entire supply chain. This can involve engaging in open dialogue, sharing best practices, and setting sustainability requirements for suppliers.

**Green logistics:** Green logistics play a major role in evolving sustainable supply chains. This involves boosting transportation routes, using energy-efficient vehicles, and minimizing emissions throughout the transportation process. By implementing green logistics practices, businesses can lessen their carbon footprint and pay attention to a more sustainable future.

### **Taking up Technology and Innovation:**

Technology and innovation can greatly enhance the development of sustainable supply chains. Businesses



can leverage digital tools and platforms to track and monitor their supply chain activities, identify areas for improvement, and implement more sustainable practices.

### **Engaging Consumers:**

Engaging consumers in the journey towards sustainable supply chains is indispensable. By raising awareness and educating consumers about the prominence of sustainability, businesses can create demand for sustainable products and encourage behavioural changes.

### **Implementing sustainable Business practices**

In today's more and more environmentally conscious world, entrepreneurs face the challenge of balancing profitability with minimizing their environmental impact. While the quest of profit is essential for business success, it is equally important to adopt sustainable practices that decrease harm to the planet.

### **Leverage Technology**

In today's digital age, technology plays a crucial role in topping up and growing sustainable ventures. From e-commerce platforms to data analytics, technology can streamline operations, improve efficiency, and enhance customer experiences. For instance, TOMS, the footwear company known for its one-for-one giving model, has successfully scaled up its business by leveraging technology. They have executed an e-commerce platform that enables them to grasp customers worldwide, while also using data analytics to gain intuitions into consumer preferences and behaviour.

### **Seek Financing Options:**

Scaling up and expanding a sustainable venture often requires significant financial resources. Therefore, it is essential to explore different financing options to support growth. This can comprise of traditional sources such as banks and investors, as well as alternative financing options like crowdfunding or impact investing. For example, Warby Parker, the

eyewear company, raised significant capital through venture capital funding to scale up its business. They also attracted impact investors who were associated with their mission of providing affordable eyewear to those in need.

### **Overcoming Resource Constraints:**

Limited financial capital is over and over again a major constraint for sustainable entrepreneurs. However, there are alternative funding sources available that cater specifically to sustainable businesses. Crowdfunding platforms, impact investors, and grants for sustainable initiatives provide opportunities for entrepreneurs to safe funding without relying solely on traditional sources.

### **Building a Circular Economy Model:**

The circular economy model is a pioneering approach to economic development that aims to generate a sustainable and regenerative system. Unlike the traditional linear economy, which follows a "take-make-dispose" pattern, a circular economy focuses on designing out waste and keeping materials and products in use for as long as possible.

### **Conclusion & Suggestions:**

In conclusion, sustainable entrepreneurship is a powerful approach that pools business intelligence with a commitment to environmental, social, and economic sustainability. By taking up sustainable practices and incorporating them into their business models, entrepreneurs can not only form successful enterprises but also contribute to a more sustainable and equitable world.

Sustainable entrepreneurship can be accomplished through step by step policy frame work that keep balancing the activity starting from establishing the business unit to clearing compliances through a single window operation, facilitating with appropriate infrastructure and ensuring smooth supply of raw materials. Apart from making the unit running, necessary arrangements to support in promoting the

produce until it attains global recognition and extending price protection until it reaches self-sufficiency. The arrangements also need to be made to understand the evolving sentiments of the emerging entrepreneurs and devise appropriate mechanism by constituting a core advisory committee comprising of industry experts. The goal is not only to offer entrepreneurs but to help them stay sturdy, so that the larger goal of addressing constant problems of unemployment, slow economic growth, earning foreign exchanges, creating level, playing field, competing with global markets and many more can be attained and sustained.

To achieve global sustainability goals, entrepreneurs can assure that,

- The designs of the products are such that, which meet the basic needs and amenities of people in emerging markets.
- Expansion of distribution channels at local level to help individuals who lack access to formal markets, benefiting the society as well as gaining advantage by servicing markets previously unserved.
- Nurture local supply chains and source of raw materials from small-scale producers while training and employing local communities to drive down costs and improve worker efficiency and providing employment opportunities.
- Leveraging technology for financial inclusion by providing micro-credit and financial service to previously unbanked
- Micro-insurance products and services provided to low-income individuals possibly as a part of remuneration for labour utilised
- Promoting technology based solutions to meet the health and education demands especially for individuals located in previously unserved locations.
- Offering such products or services, the consumption of which leads to a change in the consumer's

behaviour, decreasing the negative effect on the environment.

- Make equal the ecological and the economic goals of the business enterprise.
- Developing business models which, when applied to use, might lead to a sustainable economic development;
- Discovering new possibilities on the market which are in connection with the demand and new way of living of the society
- Ethical sourcing of raw materials while ensuring curbing of unfair and discriminating trade practices at the input stage.
- Employing individuals from disregarded communities in the manufacturing or sourcing phases to guarantee provision of opportunities. This can further be accompanied by undertaking training initiatives which can improve effectiveness and efficiency of labour.

#### References:

- Sustainable Entrepreneurship Innovation and its challenges in India, Dr. P.V.M.Raju, K. PrudhviRaj, Dr.S.Madhavi, Y.V.Nagakumari, International Journal of Mechanical Engineering, Vol.7, Feb. 2022, ISSN : 0974-5823
- Shukla et.al.(2022), Global entrepreneurship Monitor India Report 2020/21, Entrepreneurship development institute of India, Ahmedabad.
- Sustainable Entrepreneurship and Economic Development in India Dr Janmejy Senapati, Dr Bhabani Shankar Dash, Dr Ranjan Kumar Dash, Volume 9, Issue 5, May 2022, JETIR, www.jetir.org (ISSN-2349-5162)
- Role of Sustainable Entrepreneurship towards Sustainable Rural Development of India, Dr. Shilpa Pandey, International Journal for Research in Engineering Application &

Management (IJREAM) , special Issue –  
NSAPSDS -2018 , ISSN : 2454-9150  
<https://www.un.org/development/desa/jpo/wp-content/uploads/sites/55/2017/02/2030-Agenda-for-Sustainable-Development-KCSD-Primer-new.pdf>  
<https://www.mcgill.ca/sustainability/files/sustainability/what-is-sustainability.pdf>  
[https://sustainabledevelopment.un.org/content/documents/6534116\\_Guercio\\_Sustainability%20and%20economic%20degrowth.pdf](https://sustainabledevelopment.un.org/content/documents/6534116_Guercio_Sustainability%20and%20economic%20degrowth.pdf)  
<https://blogs.adb.org/blog/how-social-enterprises-can-help-us-meet-sdgs>

<https://eprints.whiterose.ac.uk/129474/1/Chapter%20%20Social%20Entrepreneurship%20and%20the%20SDGs.pdf>  
[https://catalogue.unccd.int/686\\_Business\\_SDGs\\_INN\\_OVE\\_English.pdf](https://catalogue.unccd.int/686_Business_SDGs_INN_OVE_English.pdf)  
<https://fastercapital.com/content/Sustainable-Entrepreneurship--Key-Challenges-and-Solutions.html#:~:text=One%20of%20the%20biggest%20challenges,development%20of%20a%20sustainable%20business.>

**Cite This Article:**

Dr. Chhajed A. S. (2023). AN ANALYSIS OF CHALLENGES TO SUSTAINABLE ENTREPRENEURSHIP IN INDIA. In Aarhat Multidisciplinary International Education Research Journal: Vol. XII (Number VI, pp. 126–132). AMIERJ. <https://doi.org/10.5281/zenodo.10517875>