Entrepreneurship development and the negative implications for sustainable development: the context of socio-cultural and economic environment in Nigeria

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Abstract

The paper examined the negative role of entrepreneurship in sustainable development agenda, using the impact of entrepreneurship on socio-cultural and economic environment as the intermediation between entrepreneurship development and sustainable development. The focus is on socio-cultural and economic sustainability as components of the concept of sustainable development. It argued that entrepreneurship creates negative socio-cultural and economic conditions that detract from the goals of sustainable development. This was buttressed by the fact that the increasing level of entrepreneurship involvement in national economies is in contrast to expectation, being accompanied by a negative reversal in socio-cultural and economic conditions in a rising trend. The Nigerian prevailing socio-cultural and economic conditions were used as relevant cases for the arguments particularly with reference to the impact of the terrorist activities, among other anti-social factors. The paper concluded that sustainable development pursuit must be taken in totality by balancing ecological sustainability with socio-cultural and economic sustainability and this can be achieved by redirecting the focus of entrepreneurial activities towards creating positive socio-cultural and economic conditions that reflect and guarantee societal intergenerational survival.

Keywords: Entrepreneurship Development; Sustainable Development; Socio-Economic Environment; Livelihood Assets; Nigeria

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1. Background

In the last twenty years Nigeria has witnessed unprecedented emphasis on entrepreneurship by government and other stakeholders who have given various supports to encourage individuals to engage in entrepreneurship both at the practical business establishment and ownership level, and at the level of entrepreneurial education and training in institutions. The emphasis on entrepreneurship by Nigeria as other nations of the world is based on the belief that entrepreneurship is an agent of development and mass engagement in entrepreneurship would alleviate the poor socio-economic conditions of Nigerians, in line with development objectives, in a way that will not only sufficiently provide for the needs of present generation but also lay foundations for assuring the survival of future generations of Nigerians. This effort towards building entrepreneurial spirit has evidently yielded dividend in terms of the increasing interest in entrepreneurship by individuals and the number of business establishment/volume of business activities that the country has witnessed over the period. But this volume of entrepreneurial engagement appears also to have under-lying grave negative impact on the socio-economic environment of Nigeria.

The impact of entrepreneurship (businesses or industry) on environment and the need to assess the environmental conditions which entrepreneurship creates and to re-organize the activities such that their negative impact on environment is lessened to allow for development across generations, led to the introduction of the concept of "sustainable development" which came into focus some 30 years ago, precisely in 1987 (Grubb et al., 1993), and since its inception the concept has continued to gain relevance in economic development policies of all nations. The concept was developed essentially as a strategy to conserve the environment for future generations. It was borne out of the recognition of the need to ensure the survival of future generations. The World Commission on Environment and Development (WCED) that originated the concept in 1987 viewed that environmental and development concerns are inter-linked, such that policies aimed at fostering economic growth and development are not sustainable in the absence of efforts to protect and conserve the environment (Jhingan, 1997).

Invariably, the notion of sustainable development, was conceptualized with only the physical/natural environment on focus, but it is however, evident today that the relationship between development and the other components of our environment, particularly the socio-cultural and economic environment are similar to that between development and the natural environment. Thus, the notion of sustainable development must also apply to socio-cultural and economic environments because it is not only the physical/ecological environment that is negatively affected (degraded and depleted), the socio-cultural and economic environment are also prone to such negative effects from the forces of development galvanized and propelled by businesses in the pursuit of their goals and objectives.

It is against this background that this paper is contemplated to bring into focus the negative effects of entrepreneurship and development pursuit on socio-cultural and economic environment and the implications for sustainable development in Nigeria.
2. Literature review and conceptual analysis

2.1. The concept of sustainable development

The construct, 'Sustainable Development' is a fusion of 'sustainability' and 'development' both of which are very fuzzy concepts, with different interpretations by different people. Consequently, the definition of 'sustainable development' has varied widely in line with the variations in the interpretations of the concepts of 'sustainability' and 'development' with each variant relating explicitly or implicitly to the protection, conservation and enhancement of the environment. Blowfield and Murray (2008). The most generally accepted definition is that given by WCED (Blowfield and Murray, 2008), as “meeting the needs of the present generation without compromising the ability of the future generations to meet their own needs” (WCED, 1987). This definition tied the existence of future generations and the capacity of meeting their needs, to an environment that is capable of providing the resources and support for meeting their needs.

There is no doubt that the general concept and definition of sustainable development is quite robust. Apparently, however, in spite of this robustness, the generally adopted definition of sustainable development has the shortcoming or weakness that, even though it may be implied, it does not explicitly capture the concerns for sustainable development in the context of social, economic and cultural aspects of environment (Jabareen, 2008). The definition seems to undermine the importance of socio-economic and cultural environment in human existence. Therefore, in various occasions where the issue of sustainable development are deliberated and proposals are made for achieving the goal in practical terms, the focus is only on the natural environment expressly. Consequently, policy makers have tended to place little or no importance on the non-physical aspects of the environment, in policy making and execution within the context of sustainable development.

In recognition of the delimitations of the concept as used by WCED, the concept has over the years received new thoughts from various stakeholders and various issues have been brought into the scope to reflect the newer challenges and concern of present generation, which are feared are likely to impact on future generations as in the case of the ecological environment, if unattended (Blowfield and Murray, 2008). Some of these issues have been conceived in terms of vision expression, value change, moral development, social reorganization or transformational process toward a desired future or better world (Gladwin et al., 1995). In the view of Gladwin et. al, (1995) development is unsustainable when an enlargement of human choice leads to value corruption and negation of good value system, or raises socio-economic inequity, uncertainty and insecurity. Gray (2006) and Bebbington et al. (2004) have argued that, in the current situation, sustainable development is not being achieved as the needs of the present generation are still not met. Their contention is based on the wide spread inequality amongst the present population of the world. The present situation brings fear about the hope of the future generations. Is there any reason to think that the future generation will fare better? This is the question that is stirring everyone in the face.

2.2. The concept of socio-cultural and economic environment

The concept of ‘socio-cultural and economic environment’ refers to the conditions of constraints and opportunities in both economic, social and cultural realms under which people live, and which consequently
determine or have effect on their activities and their chances of survival. Socio-cultural and economic environment of a people comprise of the heritage and values, social systems and institutions (i.e. socially constructed rules, organizations and relationships), capabilities and intangible assets (including social networks), which serve as social sources for peoples’ economic livelihood resources, that individuals require for sustenance and survival (Chambers and Conway, 1992).

Social institutions are important livelihood assets. They constitute social capital for individuals in society and as with the other forms of capital they serve productive ends (Chambers and Conway 1992). An important element included in the social capital concept is “values and norms” of a society which bind together members of the society, guiding their conducts and providing a basis for reference in social behavior from generation to generation. Societal values and norms are resources for survival and sustainability of a society and her people as they determine the people’s actions and the choice between right and wrong, what is relevant and irrelevant; and the vision for the future.

2.3. The concept of entrepreneurship and entrepreneurship development

Entrepreneurship has been defined differently, however, for the purpose of this paper, it is considered as the creation of a business system, that is, a set of activities designed and coordinated to operate within the expectation and desirability of society, to use human and natural resources to produce and provide goods and services to meet the needs of society, in the expectation of financial reward (profit) in return. It is essentially, a socio-economic behaviour that is founded on creativity and innovation in the use of available resources to meet societal needs. In strict sense, entrepreneurship is a tool for business creation. The elements of ‘creativity and innovation’ are the characteristics of entrepreneurship without which business operation becomes difficult, but without business creation, entrepreneurship is incomplete and futile. Impliedly, entrepreneurship development is the investment/commitment of resources to create business systems/ventures that provide goods and services that meet the needs of society. Simply, it is the creation of the framework for production activities aimed at providing value to society. The major concern is value creation to society and/or individual(s) through a shift in or from the existing system, paradigm or order.

From the definition, there is a fundamental feature of entrepreneurship that is of interest in sustainable development question: Entrepreneurship is not only affected by its environment, it also affects its environment by creating new values and orientation. It creates certain conditions within the environment (society) which manifest in the process of production and marketing, and these in many cases have underlying negative socio-economic effects on social system and institutions which sustain society. It is to ameliorate or eliminate the negative environmental conditions created in the process of entrepreneurship that the call on businesses to be environmentally sensitive and responsible is often made (United Utilities, 2006).

3. Discussion

In this paper, the focus is on sustainability in the context of socio-cultural and economic variables and it addresses sustainable development concern from the perspective of the impact of entrepreneurship/business
actions and the pursuit of private economic goals, on socio-cultural and economic conditions. A major objective of development is the provision of an enabling survival environment for citizens. A ‘socio-cultural and economic environment’ is enabling environment when it allows for people’s sustainability, that is, people having the capacity to cope with and recover from stresses and shocks, and maintain or enhance their capabilities and assets both now and in the future, while not undermining their existing socio-economic resources (Gladwin et al., 1995).

The argument is that development is unsustainable if the process do not support the long run economic and socio-cultural interest of the masses of people in society, reflected as improvement in the livelihood assets of the people and their capacity to survive both now and in the future (Chambers and Conway, 1992) or if the process to attain development negates the heritage and positive value system of the people and the socio-cultural ties which bind them together as one people. This argument suggests there is a relationship between socio-cultural and economic environment and sustainable development. In the argument, two aspects of the matter are delineated. First, the negative effects of entrepreneurship on socio-cultural and economic environment, and second, the nexus between entrepreneurship, socio-cultural and economic environment, and sustainable development.

3.1. Effects of entrepreneurship on socio-cultural and economic environment

The effects of entrepreneurship on socio-cultural and economic environment are in terms of the level of depletion of socio-cultural and economic environment that has resulted from entrepreneurship over time. Entrepreneurship has resulted in a shift from existing order to a new order, not only in product offer but also in marketing approach, consumer thinking, values, needs, tastes and preferences, windows of opportunities, constraints, demands, resources and even relationships, all of which imply a change in the socio-cultural and economic components. Many of the changes resulting from entrepreneurship have great negative effects with a lot of burden on society across generations, with great challenges to the existence of future generations. Some instances of the manifestations of entrepreneurship include:

1- Reduction in communal life in many societies through the introduction and proliferation of communication technologies. Entrepreneurship (both in production and marketing) in communication systems such as mobile phones, which makes easy long-distance interaction between people at all places has reduced communal life system with all its advantages, since people can communicate from their homes without visiting. Thus, communal life as a source of livelihood and sustenance is lost to communication facilities provided by entrepreneurship, with successive generations losing value for communal system. From ages past, societies have survived on personal contact among relations as a means of care and support for one another. But the existence of communication facilities has gradually eroded this means of sustenance by removing personal contact in communication. Beyond this, and very importantly, these facilities have also affected largely, the ability to communicate in writing which older generations developed through letter writing as the only means of long distance communication and messages. The present generation is suffering this and no doubt future generations will be worse off.

2- Promotion of unemployment. Paradoxically, entrepreneurial innovation is a source of employment challenges which confronts societies today. The wave of unemployment across nations of the world in varying degree is partly attributable to new technologies which now replace persons at work.
and therefore reducing the level of placement. The use of automatic teller machines (ATM) at the banks and other labour saving technologies in industry as means of increasing efficiency, are good examples of this situation. In many other cases, the advancement in technology through entrepreneurial development is a source of worry about future generations.

3- Entrepreneurship creates a social standard for everyone to fit in and consequently causes people to develop inordinate desire for consumption and criminal ambition to acquire the resources for such consumption level. Entrepreneurship causes a variety of goods to be available, a lot of which are inaccessible to a great number of people because of the cost of obtaining them. The high volume of goods and the different varieties engender the need for better life in people which consequently causes them to develop inordinate desire and ambition. In order to achieve their goals for comparable better life, majority of people take to different means that are generally unacceptable to society to acquire wealth, and this gradually becomes a general orientation and culture. Such general culture of making wealth in an anti-social manner removes the spirit of hard work and integrity from members of society and makes it impossible to bequeath to future generations values that can sustain them as enduring and stable society. In other words, the values, habits and activities of people which are incidental to the social standard created by entrepreneurial development result in high level of social insecurity that challenges the inter-generational stability and survival of society. In simple terms, entrepreneurship through innovation has exposed today's society to various manifestations which have negatively affected moral values and standard for peaceful coexistence and enduring society. Many of the goods created through entrepreneurship do not only detract from age long good values and heritage, they serve as source of unholy behavior amongst people and attraction for crimes in society.

Apparently, entrepreneurship has led to continued depletion of socio-economic resources of society as individual nations and as a global community. This is evident in the increasing level of negative socio-economic manifestations being experienced in every society across the globe under increasing level of entrepreneurial activities. Centuries past or even decades ago the level of entrepreneurship and industrial activities was lower, but people had better life and were more satisfied, and society was peaceful, with everyone having some economic source of livelihood. But the realities of today show that with increased level of entrepreneurship across societies, the level of social upheavals, economic displacement and deprivation is on the rise, causing very serious socio-economic trauma to majority of people in all societies.

Figure 1 below illustrates the negative effect of entrepreneurship on socio-cultural and economic wellbeing of society. It shows that as the demand for entrepreneurship increases (rightward movement along the downward sloping line), there is a change in the total level of development (i.e. stock of new goods & services, facilities, institutions, structures, processes, values and orientation) depicted in the figure by an outward shift of the upward sloping (supply) line to a new position represented as ‘development 2’. A shift in the level of development leads to a change in the general level and pattern of consumption as represented by the movement from C1 to C2 along the consumption path. The net effect of the change in consumption pattern occasioned by the outward shift in development is a fall in societal wellbeing represented by a downward movement from SW1 to SW2 shown in the figure.

There is no doubt that unemployment is rife and poverty and hunger are ravaging mankind even as entrepreneurship development is constantly increasing with new discovery and development on a daily basis. The situation suggests a linear positive correlation between the level of entrepreneurship development and negative socio-economic conditions of societies. Increasing level of entrepreneurship is expected to come with
increasing level of available resources and more evenly redistribution of wealth, and a more civilized, inclusive and humane world, all of which should translate to reduced negative socio-economic conditions. But paradoxically, the contrast is the experience, with world socio-economic resources shrinking, and financial resources increasingly being retained by the very few, with wars, chaos and instability everywhere, being sponsored by the few who retain the resources of the nations, causing threat to survival and insecurity around the world.

![Figure 1. Negative effects of Entrepreneurship on Societal wellbeing](Source: Authors)

In the past, with lower level of creativity and innovation, major crimes against public members were mainly armed robbery and burglary to dispossess people of their resources and belongings, but today through sophisticated technology enhanced by entrepreneurship, armed robbery has become the least method, various sophisticated means of robbery or dispossessing people of their resources as well as other crimes have been introduced. Evidently, as there are innovations in consumer products, so also entrepreneurship has introduced new innovations in criminal process and means of crimes. For example there is now, what can be called “technological robbery”, i.e. robbery powered by technological processes. All these conditions of socio-economic environment present a challenge to the concept of development in its totality. Essentially, entrepreneurship has created a new system of survival that appears to be self-centered and which undermines the potentials of living for one another as a means for sustaining society which is the fundamental goal of sustainable development paradigm. Various analysts captured the social aspect of sustainable development as “social sustainability” and described it as the existence of processes and structures which support the ability of future generations to maintain a healthy society (McKenzie, 2004).

3.2. The nexus between entrepreneurship, socio-cultural and economic environment, and sustainable development

The argument for a nexus between entrepreneurship, socio-economic conditions and sustainable development is based on the role of entrepreneurship in creating shocks or/and trends (new developments) in socio-economic conditions with the capacity to affect the existence of future generations. The conditions created by entrepreneurship are the parameters for measuring sustainability of a society in the context of socio-economic
development, where sustainability or sustainable development is contrived as “meeting the needs of the present generation without compromising the survival of future generations”.

The critical point is that entrepreneurship creates shocks and trends in socio-economic variables. Shocks and trends are sudden and gradual changes in economic and social variables which eventually affect individuals and their economic activities. They represent change from an existing order, and are sometimes regarded as vulnerability context in the sense that they have potentially harmful effects. Some examples of trends and shocks associated with entrepreneurship include new conditions in economic values and cost of living, new social values and norms, new preferences and tastes. Resources and assets can be wiped very suddenly by shocks if they are not protected, and adverse trends can result in them being gradually eroded if economic activities (sources of livelihood) are not able to adapt to the existing environment or change in the environment. Essentially, the effectiveness of individual asset in providing security will depend upon contextual environmental conditions, such as market conditions, economic and social factors. These factors influence not only what can be achieved with assets, but the access people have to them in the first place. The influences often result from what has been described in different terms such as ‘transforming structures and processes’ (Carney, 1998) policies, institutions and processes (Jabareen, 2008); and social relations, institutions and organizations (Ellis 2000).

In any case, the point to note is that exposure to change can have a direct influence on livelihood by weakening them, strengthening them, or forcing a new direction. They can also influence economic activities in a slightly less direct way, when people, anticipating the potential impact of trends and shocks, design their livelihood strategies in a way that helps them manage their exposure to sudden or gradual change and cope better with the potentially harmful effects of such change. This is the context in which the management of the outcomes of entrepreneurship particularly with respect to changes in social-cultural and economic conditions that it creates, becomes very relevant for sustainable development pursuit.

![Figure 2. Sustainable development Nexus between Entrepreneurship, Development and Socio-cultural & Economic Environment (Source: Authors)](image)

Essentially, sustainable development is at the nexus of the interaction between entrepreneurship, development and environment (society). This is illustrated in figure 2 below. Entrepreneurship is an agent of
development, and development creates the enabling environment for the sustainability and survival of society. The way and manner development interacts with the environment will determine the extent of provisions for the survival of future generations. Thus, the level of sustainable development is a product of the chain of interaction of the three primary components.

3.3. The Nigerian experience: implications for sustainable development

The Nigerian experience of socio-economic conditions presents a good argument for the negative roles that entrepreneurship development can play, and has played to inhibit the attainment of the goal of sustainable development. Today, the socio-economic conditions of the Nigerian society is a tale of woes with such variables as high level social and economic insecurity, decadence in socio-cultural systems, insecurity of lives and properties and others. Theoretically, increasing level of entrepreneurship should reduce the level of these phenomena but what exists in practical terms is apparently the reverse. All of the variables are on a rising trend that threatens the survival of not only the present generation but more critically, future generations of the Nigerian society and consequently poses a challenge to the attainment of sustainable development in Nigeria.

The terrorist activities and insurgencies are examples of cases of the Nigerian socio-cultural and economic environment which origination is traceable to parochial business interest of members of society, among other reasons, and fueled by further business interests. The effects of the emergence of terrorist insurgency in the context of sustainable development in Nigeria are quite obvious, with great negative implications for the survival of future generations of Nigerians. Beyond the indelible horrific experience of displacement and loss of families that affected families carry in their hearts from generation to generation, the activities are creating a psyche of fear amongst people, particularly in the areas where these heinous crimes are being perpetuated. The people in these areas and indeed Nigerians in general are losing self-value or self-worth, seeing themselves as not better than animals as they are slaughtered the same way animals (cows, goats and chickens) are slaughtered. When a people or society loses self-worth it is as bad as being extinct, in which case the context of sustainability becomes eroded.

These insurgencies are also reducing the economic space for Nigerians to earn their livelihood with a potential danger of depleting their livelihood assets. The spatial area of Nigerian economy has been narrowed with the activities of the insurgent groups as many people now have to relocate out of fear of insecurity, from the turbulent areas to other zones of the country with relatively better security conditions. In other words, people are being confined to smaller geographical area of the economy for their economic activities, and this has negative implications for availability, adequacy and access to livelihood assets and intergenerational sustainability.

Generally, there is ample evidence that development through increase level of entrepreneurship is depleting existing positive socio-cultural and economic assets and potentials of Nigerians, while causing an emergence of new socio-cultural and economic conditions that are negative and contrary to development essence. Figure 3 below illustrates Nigerian socio-cultural and economic environment experiencing extinction and being replaced with emergent new conditions.
Essentially, out of the nine (9) human needs espoused by Max-Neef (1992) as the need of modern day man, seven (7) of them, viz, protection, affection, communal participation, leisure, recreation, identity, and freedom are critically affected negatively and being pulled down by the forces of entrepreneurship. Only subsistence and understanding can be said not to be too strongly affected negatively even though there is evidence that poverty is ravaging the societies of the world.

4. Conclusion

The preceding analysis of the effects of the current situation of Nigeria’s socio-economic environment created by businesses on the survival and quality of life of present generations of Nigerians is a pointer to the negative effects of entrepreneurship on socio-economic conditions and the implications for sustainable development. It reveals that, to achieve development and yet safeguard the socio-cultural and economic environment from the hazards of development, our socio-cultural and economic environment must be placed now on the front burner. We must begin to think of managing the activities of entrepreneurship and their effects on our socio-cultural and economic environment, just as the natural environment if we must holistically achieve the goal of sustainable development.

In conclusion, we state that, to interpret sustainable development solely in terms of the conservation of natural environment is to ignore the significance of socio-cultural values in the sustainability equation, thereby corrupting the very essence of the concept. As IATA (2012) argues, environmental issues should be firmly placed in the wider context of sustainable development, striking a balance with social and economic objectives. While natural environmental sustainability objective is being pursued, we must also be concerned with the
implications of failing to achieve social-cultural and economic environmental sustainability. In other words, sustainable development must extend beyond the concentration on ecological environment to include socio-cultural and economic environment.

Environmental sustainability cannot be examined in isolation from social-economic considerations and factors. This was addressed by Baker (2006) when they posited that sustainable development is built on three pillars: economic growth, ecological balance, and social progress. Their contention reflects the social-economic implications of sustainable development concept. Understanding that entrepreneurship is a major agent for socio-cultural and economic conditions which affect sustainable development in totality, there is need to redirect the focus and activities of entrepreneurship with respect to how they affect relevant socio-cultural and economic variables upon which the survival of society depends. This calls for a reassessment of the current policies and strategic approaches of businesses as they affect socio-cultural and economic conditions to carve for them a new paradigm that would not only better empower them to play their roles, but also place in their hands responsibilities to achieve their purposes without compromising and degrading the socio-cultural economic values and parameters which sustain society and upon which the existence and survival of future generation critically depend.

Essentially, as Baker (2006) pointed out, “development is……..socially unsustainable if the social structures and/or behavior that are required to support it, either do not exist or breakdown as a result of development or its process”, and if the process leads to disutility (such as mass unemployment, economic marginalization, lopsidedness in income distribution, insecurity of economic assets, loss of values and cultural heritage, etc.) in contrast to the objectives contemplated for achievement.

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