

9th International Strategic Management Conference

Visionary or criminal: From profit through morality to socially sustainable entrepreneurship

Neil E. Béchervaise^{a*}, Colin G. Benjamin^b

^aDivine Word University, Madang - Papua New Guinea

^b'Life. Be in it.' International Pty Ltd, Melbourne - Australia

Abstract

From pirates and warlords to accountants and corporate raiders, successful business practice has always incorporated a degree of volatility. At the same time, business leaders have too frequently neglected social responsibility in their pursuit of expanded reach, market advantage and, ultimately, increased profit. In a climate of immediate economic uncertainty, the need for responsible practice has become central to recovery from an ongoing global recession. Strategic differences between commercial, moral and social entrepreneurs point to the need for a more integrated theory of entrepreneurship.

Successful entrepreneurial activity is based in sound moral principles. As a consequence, this paper observes that exploitation, corruption and criminality may masquerade as business in the short term but are unsustainable in the longer term because they detract from the common good. Instead, it is argued, innovative business is good business when it generates a net increase in *social capital*. In consequence, effective definitions of entrepreneurship must be grounded in social advantage from which economic advantage must necessarily arise.

Identifying entrepreneurial activity ranging from criminal through opportunistic to well-intentioned and visionary, this paper explores the increasing demand for transparency in business activity, the necessity for a sound moral position undergirding innovation within a culture of entrepreneurship and the complexity of maintaining a socially responsible vision when minor departures might seem to assure *profit -stability*. Ultimately, when issues of accountability and net benefit are accepted as measures of innovation, creativity and entrepreneurial activity, then good business generates a net increase in social capital.

© 2013 The Authors. Published by Elsevier Ltd. Open access under [CC BY-NC-ND license](https://creativecommons.org/licenses/by-nc-nd/4.0/).

Selection and peer-review under responsibility of the International Strategic Management Conference.

Keywords: Entrepreneurship, social sustainability, morality, moral entrepreneurship, social entrepreneurship, resource mobilization, opportunity cost, corruption, innovation, profitability.

Corresponding author. Tel.: +61 3 9043 2647

E-mail address: neil@bechervaise.com

1. Moral and social entrepreneurship

As celebrated cases of the neglect and abrogation of moral responsibility emerge increasingly from the international business community and as national economies falter in the face of global economic uncertainty, public awareness of the *entrepreneur as a socially responsible actor* has become increasingly sensitive.

In this climate of growing interest, Bechard's (2006) demonstration of evolving patterns of research convergence offers at least an awareness of those earlier cries of Shane and Venkataraman (2000) and Low (2001) for more coherent approaches to entrepreneurship research; a response to what Benjamin (2006) has identified as the pursuit of a new market space under conditions of Pareto Optimality with Nash Equilibria (Benjamin, 2006).

Hannafrey's (2003) review of literature across the closing decades of the twentieth century reveals an explosion of academic interest in entrepreneurs and the social impact of their activities, indicating that, "Entrepreneurs face uniquely complex moral problems related to basic fairness, personnel and customer relationships, distribution dilemmas and other challenges" (p.99). In this tense climate, Fisscher, Frenkel, Lurie and Nijhoff (2005) point towards an intense love-hate relationship between entrepreneurship and ethics in which, on the one hand, "... entrepreneurs, who are regarded as creative innovators, are praised for their contribution to the development of society ... [while] on the other hand, entrepreneurs are often criticised for a one-sided pursuit of business success and being willing to compromise moral values. (p.207)

Kao (1995) extends this positive subjective stance with the notion of consequences and cost-benefit perspective in which both the individual *and* society must stand to gain from the processes of change and innovation. Introducing a critical social dimension, Kao observes that, "We want to fit entrepreneurship within our own terms, and hence, drug traffickers, criminal bosses, people in business who deliberately harm others for financial gains, and people exploiting the earth for the simple sake of making a profit and regardless of the future, consider themselves to be entrepreneurs ...Therefore, entrepreneurship is not merely about business, it must be considered as an individual's attitude, and a way of life." (p. 83). Accepting the centrality of success in business to social well-being, nevertheless, Kao argues that: "The wealth-creating and value-adding responsibility is not just for business persons, but ... for every single individual on earth." (p. 83)

Redeveloping Adam Smith's (1776) position from 'The Wealth of Nations', Schumpeter had asserted that, "The essence of entrepreneurship lies in the perception and explanation of new opportunities in the realm of business...it always has to do with bringing about a different use of national resources in that they are withdrawn from their traditional employ and subjected to new combinations. (p. 361). In this context of moral responsibility, Kao (1995) proposes that, "Entrepreneurship is the *process* of doing something new (creative) and something different (innovative) for the purpose of creating wealth for the individual *and adding value to society*." (pp. 83-84) (Our emphasis in italics)

Schumpeter's position suggests that entrepreneurial activity provides a break from equilibrium pathways toward the creative destruction of a prior equilibrium state by reducing its personal risk and lowering its uncertainty, through novel and hence market space-creating activity.

For Schumpeter, the greater ability to recognize opportunities was a function of a person's creativity, whereas for Knight (1921), it had been a function of a person's intelligence and foresight (Shane, 2003). Having introduced the critical dimension of 'social value' to address issues of relationship between the individual and society in managing wants, values and demand, Schumpeter (1909) further observed that these contribute to social marginal utilities as an influence on achieving a social equilibrium outcome.

Almost half a century and a global economic depression later, Milton Friedman (1970) offered a more Machiavellian, less morally intrusive and, for many, more appealing interpretation of entrepreneurial freedom which stressed the objective, dispassionate stance of making as much money as possible while conforming to the basic rules of society, such that:

There is one and only one social responsibility of business - to use its resources and engage in activities designed to increase its profits *so long as it stays within the rules of the game*, which is to say, engages in open and free competition *without deception or fraud*. (Friedman 1962, p133) (Our emphasis in italics)

Friedman's range of technically acceptable behaviour provides no basis for setting ethical and moral boundaries. What can and cannot be accepted as entrepreneurship appears innocent of both the social vision of idealists and the unethical behaviour of corporate cowboys, criminals and possibly well-meaning social entrepreneurs seeking to promote their own private values or to plead the cause of a special interest group.

2. Definitions of entrepreneurship

2.1 Commercial entrepreneurship

Following Friedman's (1970) dictum, commercial entrepreneurship has been reduced to being seen as creating profitable operations resulting in increased profits - within the constraints of what is legal and sustainable over time.

2.2 Social entrepreneurship

The underlying drive to create social value, rather than personal and shareholder wealth (e.g., Zadek & Thake, 1997; Béchervaise & Bourke, 2003) as a means of redressing a perceived social imbalance.

For the social entrepreneur, the central driver is the social problem being addressed. The particular organizational form taken by a social enterprise becomes, necessarily, a decision based on which format would most effectively mobilize the resources needed to address that problem (Wei-Skillern, Austin, Leonard & Stevenson, 2007).

In seeking to redress imbalance, to right wrongs or to reduce inequality, social entrepreneurship offers a deficit model that maintains an often-acute consciousness of the potentially undesirable consequences of changes in the previous *status quo*. Despite their focus on redressing imbalances between rich and poor, currently evolving definitions of social entrepreneurship retain a focus on *profit-stability* while redefining the intended beneficiary

(e.g. <http://www.investopedia.com/terms/s/social-entrepreneur.asp#axzz2DL7b6K4d>)

In essence then, the fundamental purpose of social entrepreneurship is delivery of a net social reduction in the disparity between identifiable groups within society – albeit promoted by well-intentioned ‘voluntary’ or, at least, not-for-profit organisations such as World Vision, Médecins Sans Frontières or The Salvation Army.

2.3 Moral entrepreneurship

In contrast with social entrepreneurship, the central driver for moral entrepreneurship is a promulgation of alternative patterns of thought and behaviour that may not have the support of the current majority of the population or even widespread community acceptance (Cohen, 2002). More importantly, they may demand an uncomfortable paradigm shift from the quantitative ‘certainty’ of identifiable profit (and loss) towards a qualitative intention to increase social well-being, a social vision.

This shift from profit towards social well-being highlights questions of moral behaviour and social responsibility that extend beyond Friedman’s minimalist and essentially amoral position through Stevenson’s (1983) “... pursuit of opportunity without regard to resources currently controlled.” (p.131)

A successful appreciation of entrepreneurship in the context of moral responsibility, beyond working within the law while still making the highest possible profits, must involve intentions concerning the dynamic fit between: a set of individuals; the opportunity to be derived from a particular context, and: the social consequences of the deals to be made.

For the moral entrepreneur, an ultimate increase in individual and *social well-being*, regardless of monetary profit, represents successful entrepreneurship (Becker, 1963). How this success might be quantified remains irrelevant to the intention of the act or its impact on the specifically disadvantaged social groups who attracted the intentions of the social entrepreneur. With such a definition, poverty might be eliminated quite simply, by removing the poor! Unfortunately, this is not an original action – whether posed as entrepreneurship, slum relocation or genocide.

While the individual entrepreneur need only become aware of an emerging opportunity to capture personal benefits, both social and moral entrepreneurs must look beyond the short-term shareholder benefit to the longer-term social impact of intervention in the market process on behalf of those with less power and influence. Because the social entrepreneur has identified a quantifiable difference between a selected group and others in society, any reduction in the deficit between groups may be represented as success. For the moral entrepreneur, success may be less tangible, less easily achieved, in the shorter term at least.

Withdrawing the primacy of the financial profit motive, the fundamental purpose of moral entrepreneurship becomes effective delivery of a net social improvement to the public good.

3. Some theoretical considerations

The paradigm shift from a purely profit-driven perception of entrepreneurial activity towards a wider social commitment and then to the apparently visionary and altruistic moral pursuit proposed in this paper requires entrepreneurship to deliver benefits for both the individual and society as a whole. Meanwhile, triggers for entrepreneurial activity and measures of entrepreneurial success tend to remain predicated in projections of individual or shareholder return. More explicitly, factors impacting economic return are

accepted as factors impacting social well-being. After all, it is argued, social well-being depends on access to an ever-expanding range of consumer products and services! How these ‘factors impacting economic return’ might be influenced by a shift to moral entrepreneurship are considered, in this paper, in terms of the difference between vision (or intention) and enactment.

3.1 Market failure

It has been argued that social-purpose organizations emerge from perceived market failure. When commercial market forces do not meet a social need such as equality of access to services or benefits (Weisbrod, 1975), e.g. the inability of those needing goods and services to pay for them, or the failure of contracts to be fulfilled (Nelson & Krashinsky, 1973), social welfare agencies become essential to maintaining basic services. The well-intentioned formation of the League of Nations and its replacement with the United Nations offer internationally collaborative examples of political response to commercial market breakdowns.

In the market failure scenario, the problem for the commercial entrepreneur may become the opportunity for the social entrepreneur who is looking for non-tangible benefits justifying intervention in the process of free market forces. A market failure to maintain essential services, as in widespread famine, fire or flood, may become more generally attractive when proposed as an opportunity for social entrepreneurship.

3.2 Resource mobilization

Commercial entrepreneurs need to gain access to resources beyond their immediate control by persuading other people of the benefits that might be captured by bringing forward profits to be derived from first mover advantages in opportunity exploitation. The persuasion of an indigenous group to cede mineral rights over ancestral land to a miner, of a tenant group to their expropriated accommodation rights or farmers to the crops they choose to grow regardless of market demand offer unambiguous examples of resource mobilisation.

Moral and social entrepreneurs must also give consideration to the levels of risk and uncertainty about outcomes for both individual and society that might arise at some later stage from initially inadequate consideration of the community and societal impacts of market intervention. Embryo stem-cell research, *in-vitro* fertilisation and human drug testing offer simple examples promising short-term ‘profit-stability’ with uncoded social implications. Clear-fell logging, open-cut mining and intensive farming provide less obvious examples when they are countenanced to maintain expanding social services.

While commercial, social and moral entrepreneurship may each improve the benefits to be derived from any given access to resources, the moral and social consequences of choices have significantly different time and scope imperatives.

3.3 Performance measurement

Commercial entrepreneurs can apply their superior alertness and capacity to capture private benefit from changes in social infrastructure, economic and social changes and breakthroughs from publicly funded research and development initiatives. Moral and social entrepreneurs face the greater hurdles of probity, transparency and establishing public trust that they will not pursue private gain at the expense of the

public purse. These problems are amplified in developing countries such as Congo, Ivory Coast and Papua New Guinea (Howley, 2012) where, again, the differences are not in the commercial performance measurement of resource development but in accepting the moral and social implications of opportunity cost and alternative resource development.

3.4 Entrepreneurial intention

Major approaches to describing and analysing entrepreneurship (Stevenson & Jarillo, 1991) have tended to fall within three main streams of research with a focus on:

- the results of entrepreneurship,
- the causes of entrepreneurship
- entrepreneurial management

In each, the causes and results of entrepreneurship are predicated upon the intention of the entrepreneur to establish and maintain 'profit-stability'. In contrast, the management of entrepreneurship may offer scope for moral decision-making in planning *the entrepreneurial act* because successful entrepreneurial activity is based in sound moral principles.

Exploitation, corruption and criminality may masquerade as business in the short term but are unsustainable in the longer term because they detract from the common good. Instead, it is argued, good business generates a net increase in social capital. As such, it is necessarily grounded in the anticipation of socially beneficial behaviour.

Adopting the widest social perspective goes beyond either Shane's (2003) 'individual-opportunity' nexus justified by the pursuit of opportunity, and beyond currently controlled tangible resources (Stevenson 1983), to create a self-serving enterprise and/or economic endeavour. It seeks to encompass all primary, secondary and the ethical and societal tertiary dimensions of entrepreneurship in any country and at any time (Benjamin, 2006).

4. Motivation for entrepreneurship

Researchers examining the motivation for entrepreneurship have tended to focus, from psychological and sociological perspectives, on the entrepreneurs themselves (e.g., Collins & Moore, 1964; McClelland, 1961). In this context, opportunity is defined as "any activity requiring the investment of scarce resources in hopes of a future return" (Sahlman, 1996, p. 140) while change is motivated by a vision of the future that is better for the decision-maker, and by the credibility of the path presented to that desired future state. However, there is *no necessary requirement for benefit* to come to both (or either) the individual or society as a whole.

One of the historic difficulties with the study of entrepreneurship has been that the multiple constituencies who must work together to create change do not necessarily need to share the definition of opportunity. The vision for forest preservation achieved by Papua New Guinea environment minister, Kevin Conrad at the 2008 Bali Conference with the support of his Prime Minister Michael Somare and Costa Rican President Oscar Arias Sánchez suggests a challenging convergence of interest. While Conrad remains a leading international environmentalist and Sanchez has been awarded the Nobel Peace Prize for his

international peacekeeping and humanitarian efforts, Somare has been increasingly linked with political instability and corrupt logging activity in his home region.

In contrast, Schumpeter (1934) examined entrepreneurship as a key process through which the economy as a whole is advanced. Often, change affects power relationships, economic interests, personal networks, and even self-image. The success of both the social and the moral entrepreneur is dependent on the additional task of communicating the essence of an enhanced range of social behaviours and/or benefits while ensuring that these benefits do not come at the expense of any individual or of society as a whole.

This leaves unresolved the relationship between behaviours that have entrepreneurial outcomes and the essence of entrepreneurship as it enables beneficial and economically sustainable solutions to the processes of innovation, creativity and entrepreneurship (Benjamin, 2006).

4.1 Sustainable social entrepreneurship

Any consideration of ethical and moral practice relies upon acceptance that the way in which individuals and society interact to produce benefits must share a common set of rules, standards and norms. These, it is assumed, assist in determining the consequences of departure from the conventional patterns of exploration, discovery, exploitation and enjoyment of the benefits of the opportunity search.

Opportunities for return to the economic or social entrepreneur require the investment of under-utilised resources under conditions of risk and uncertainty (Knight 1921) with the hope of capturing the benefit of future returns. Entrepreneurs are concerned about customers, suppliers, entry barriers, rivalry, and 'profit-stability', although the differences in market dynamics between commercial and social sectors may, perhaps, affect the degree (Oster, 1995: Porter, 1985).

In moral entrepreneurship, the benefit proposition, the vision of the entrepreneur, flows from acceptance of common practices that deliver superior degrees of freedom and accountability *to society as a whole*. For a moral entrepreneur, the increased good of the society is a singular concern. Maintaining this vision in the face of sliding profit margins or threatened opposition, however, may test even the most moral of intentions. Bending rules, expanding markets and combating rivals are seductively criminal irritations to be overcome in the implementation of change.

In order to establish the moral dimensions of the problems associated with most current definitions of entrepreneurship, three necessary, but not necessarily sufficient, conditions for the separation of ethical and unethical behaviour by an entrepreneur. These require that the actions of the entrepreneur have been *consciously, deliberately* and *with intent* designed to discover, explore, exploit and personally enjoy some benefit from the action.

Entrepreneurship is not a chance occurrence. It remains the result of an *intended intervention* in the prior state for the benefit of at least the actor or agent of change. Hence, the action can be subject to evaluation by a third party with an expectation that the actions and their consequences will be reasonably regarded as beneficial to the actor or agent of change, *prior to the action being taken*, to enable a reasonable exercise of choice about whether to proceed.

In this context, a standard for the practice of entrepreneurship is available that is independent of the intent or motive of the actor or agent of change. Furthermore, a responsibility exists for the actor or agent of

change to avoid *any potential* for damaging any third party by failing to apply insights or appreciation of opportunities for personal benefit at the expense of that third party. In brief, it provides a measure of the net benefit principle underpinning an ethical judgment.

5. Requirement from a beneficial outcome

The basis for a beneficial or Pareto efficient outcome is determined by the extent to which individual actors (or change agents) are entrepreneurial, in the sense that they create new benefits, and that they do not create new detriments.

In addition, withholding the benefits of a known potential opportunity (even with no actual detriment to any other party - an opportunity cost) sets up the requirement of a Nash Equilibrium outcome from any proposed change in the *status quo* that would justify a claim to entrepreneurship.

Confirmation that the intended actions and desired outcomes were in fact gained from the entrepreneurial act by the individual actors or agents of change and by society as a whole cannot take place until after the actions have been taken - whereupon the Pareto efficiency of that outcome can be determined over time to ensure that both intended and unintended consequences of actions based on conscious and documented intent are proven entities.

5.1 Towards truth, trust and transparency

Efforts to link economic activity with social outcomes (eg Grégoire, Noël, Déry & Béchar, 2006) still largely neglect the temporal dimension of the moral responsibility issues facing entrepreneurs. Similarly, definitions that relate only to the primary entrepreneurship behaviours of the entrepreneur seeking to discover, explore, exploit and enjoy the benefits of emerging opportunities ahead of competitors (Shane 2003) or to capture the benefits of the use of resources beyond personal control (Stevens 2004) fail to distinguish a continuum of entrepreneurial activity ranging from opportunistic to criminal, from well-intentioned to visionary.

More importantly, profit-directed conceptions of entrepreneurship have been rendered increasingly inadequate since Jacobs' (1962) identification of *social capital* and Becker's (1963) constraint on *moral intention*.

Notwithstanding Keynes (1932) conviction that the economic problem of poverty and the economic struggle between classes was merely transitory and actually unnecessary, social context remains largely determined by economic process. The call for a *new market space* (Benjamin, 2006) invariably evokes Schumpeter's (1950) observation that, "Every piece of business strategy acquires its true significance only against the background of process and within the situation created by it. (83-84)

There is an increasing demand for greater truth, trust and transparency (a triple-T standard) in business and corporate activity (Welter and Smallbone, 2006). This suggests the need to distinguish between the positive or negative behaviour of persons perceived to be acting in an entrepreneurial manner and actors or agents who, as practitioners of entrepreneurship, are exercising a sound moral position.

If we remain compelled to distinguish between the behaviours of the pirate, the privateer and the opportunistic parasites who scavenge at the end of the market by no more extreme reference than a

sentence to imprisonment, how are we ever to establish ethical from unethical patterns of behaviour within our definitions of the construct of entrepreneurship?

5.2 Determining the difference

Former Papua New Guinean Prime Minister Michael Somare and Enron boss Jeffrey Skilling have been generally accepted as entrepreneurs. That their entrepreneurial activity should have blackened their reputations internationally, dragged them through courts, ousted them repeatedly from office or landed them in jail, however, confirms that available definitions of entrepreneurship remain, at best, incomplete. Similarly, apart from their political fame, the entrepreneurial pursuits of Nelson Mandela and Mahatma Gandhi remain largely unrecognized – despite each having precipitated fundamental social and economic changes at national levels. Again, it appears, available definitions of entrepreneurship remain incomplete.

Skilling and Somare were praised as entrepreneurial role models, as leaders of commerce and nation, before charges of corruption, social disintegration and multi-million dollar business collapse were revealed. Consequent massive damage to the lives of individuals, organisations and society at large arising from their actions has led to legislative changes impacting fundamental definitional parameters of entrepreneurial activity and governance responsibility.

On the other hand, despite their capacity to meet all of the criteria for entrepreneurship, to greater or lesser degrees, Gandhi and Mandela not only survived long periods of imprisonment and exclusion from the formal processes of the state but established new nation states that continue to contribute to social well-being beyond their immediate control and, indeed, beyond their life span.

An adequate definition of entrepreneurship should, as Benjamin (2006) has argued, be able to distinguish the behaviours of Gandhi and Mandela from those of Somare and Skilling. More fundamentally, perhaps, it should differentiate between amoral and immoral pursuits of profit.

A brief comparison of the intentions and the publicly reported actions of Mandela, Gandhi, Somare and Skilling provides an insight into this range of moral considerations which may confound the development of an integrated theory of entrepreneurship. For the purposes of this paper, they provide effective exemplars because each:

- is recognised to have taken actions that have an impact beyond their own immediate benefit *on a societally significant scale*
- has been found guilty of crimes against the public interest and/or served time in jail as a result of his own individual behaviours and, in court, *made statements that are on the public record*
- has explored ways of exercising the creative destruction of large sums of public and private capital with impacts that were personal, organisational and social in both scale and scope and *introduced creative, innovative and entrepreneurial changes on a national scale;*
- has demonstrated a capacity to influence the choices of second and third parties to an extent that *there is a large and significant body of writing about the choices that they made and the moral implications of their intent and their actions on the lives of large numbers of people that they have neither met or could never have met;*
- has motivated very significant changes in national legislative and commercial enterprise as it *impacts on the relative power of persons with limited income, education and opportunity to influence their personal relationships, resources, information and decision making power.*

A fully integrated theory of entrepreneurship must take into account both the intended and unintended consequences of actions and behaviours that *do not* comply with ethical standards expected equally of individuals, up-and-coming small to medium enterprises and large organisations or nation states, all of which may have struggled to develop an open and transparent operation.

Where profit forms the sole intention for entrepreneurial behaviour, measurement is relatively simple though social impact remains unaccounted. In contrast, where the increased well-being of society, the ‘wealth’ of society, represents the sole intention of the moral entrepreneur, short-term success becomes indeterminable, control over resourcing and development becomes undefined and achievement can frequently be judged only in historical terms.

In this context, the difference between moral entrepreneurs and economic entrepreneurs lies less in their capacity to cause a major disruption to the *status quo* in the market-place than in their capacity to generate a non-violent overthrow of the entire structure of governance to create that significant change which increases the ‘wealth’ of the nation through an effective restructuring of the civil society of their time. In effect, the moral entrepreneur creates a social resonance that topples governments, topples Berlin Walls and substantiates the initiative that leads to socially responsible entrepreneurship.

Nelson Mandela argued that sabotage was necessary to overthrow a tyrannical state without damaging any of its citizens personally in pursuit of the required change. Mandela maintained his steadfast refusal to become involved in violent overthrow of the existing government. Despite its substantial likelihood of success, Mandela recognised the social cost, the likelihood of rapid and prolonged increases in civil unrest, the withdrawal of international support for his people and ongoing damage to the South African economy. Under Mandela’s leadership, the ‘wealth’ of the nation was increased with a minimal disruption to its social fabric.

Mahatma Gandhi argued that the measure of moral accountability was the impact on the last harijan in the last village of India rather than any personal benefit. His assassination, no doubt, unbalanced the socio-economic, political and social development of Gandhi’s progression towards the ‘wealth’ of the nation. The ramifications of his teachings, nevertheless, remain intuitively visionary.

In stark contrast, stalking beyond the boundaries of Friedman’s (1970) definition, Michael Somare and Jeffrey Skilling continue to argue that their actions were *appropriate* to winning the support of voters and investors even at the expense of the millions of people who lost money, pensions, safety and security as a result of their actions. Their stories, ultimately, are neither isolated nor illuminating.

6. Conclusion

If entrepreneurship is merely a combination of the innovative, creative and entrepreneurial behaviours of actors and agents of change as individuals, members of organizations or societies as a whole, then it is necessary to distinguish clearly between visionary and self-seeking entrepreneurs, between criminal, and socially sustainable entrepreneurship.

Regardless of its individual or social intention, successful entrepreneurial activity is based in sound moral principles. Exploitation, corruption and criminality may masquerade as business in the short term though Somare and Skilling, to name but two, have established that they are unsustainable in the longer term because they detract from the common good.

If the intention to ensure that gains are not mere redistributions of current power over relationships, resources, information and decision-making for personal or limited social gain at the expense of those less able or informed, then moral imperatives must be accepted as necessary conditions for acceptance of any claim to entrepreneurship.

If issues of accountability and net benefit are accepted as measures of innovation, creativity and entrepreneurial activity, then good business generates a net increase in social capital. As such, it is necessarily grounded in morally accountable and socially beneficial behaviour.

If the intention to ensure that gains are not mere redistributions of current power over relationships, resources, information and decision-making for personal gain at the expense of those less able or informed, then moral imperatives must be accepted as necessary conditions for acceptance of any claim to entrepreneurship.

Ultimately, when issues of accountability and net benefit are accepted as measures of innovation, creativity and entrepreneurial activity, then good business generates a net increase in social capital. As such, sustainable entrepreneurship is necessarily grounded in morally accountable and socially beneficial behaviour.

Endnote

In the interests of brevity and comparability, details of the behaviours of Gandhi, Mandela, Somare and Skilling have been left for the reader to research. Adequate summaries of their actions and stated intentions are readily accessible (e.g. <http://www.wikipedia.org>).

References

- Béchervaise, N.E. & Bourke, S.M. (2003), Corporate governance, shareholder interests and managerial accountability in turbulent time. In McIntosh, M., Murphy, D and Rupesh Shah (Eds) *Something To Believe In: Creating Trust and Hope in Organisations*, (Pp. 59-78), U.K.: Greenleaf.
- Becker, Howard S. (1963), *Outsiders: Studies in the Sociology of Deviance*, New York: The Free Press. pp. 147–153.
- Benjamin, C.G. (2006), *Towards an integrated theory of entrepreneurship*. Unpublished doctoral thesis. Melbourne: Swinburne University of Technology.
- Benjamin, C.G. & Béchervaise, N.E. (2007), *Towards an integrated theory of entrepreneurship*, Fourth AGSE International Entrepreneurship Research Exchange, Brisbane.
- Cohen, S. (2002) *Folk Devils and Moral Panics* (3rd ed.), Milton Park, Routledge.
- Collins, O. and Moore, D. (1964), *The Enterprising Man*, East Lansing: Michigan State University.
- Fisscher, O., Frenkel D., Lurie, Y. and Nijhof, A. (2005), Stretching the frontiers: Explaining the relationships between entrepreneurship and ethics, *Business Ethics*, Vol 60, No 3. Pp 207-209.
- Friedman, M. (1962), *Capitalism and Freedom*, Chicago, University of Chicago Press
- Friedman, M. (1970), *The Counter-Revolution in Monetary Theory: First Wincott Memorial Lecture*, University of London, 16 September, 1970 (IEA Research Monographs, 24).
- Grégoire, D.A., Noël, M.X., Déry, R. and Béchar, J-P. (2006), Is there conceptual convergence in entrepreneurship research? A co-citation analysis of frontiers of entrepreneurship research, 1981-2004 *Entrepreneurship Theory and Practice* 30 (3) 333–373
- Hannafey, F.T. (2003), *Entrepreneurship and ethics: A literature review*, *Journal of Business Ethics*, vol. 46(2) 99-110
- Howley, P. (2012), *The KomKui Who Made a Covenant with God*, Papua New Guinea, DWU Press.

- Jacobs, J. (1962), *The Death and Life of Great American Cities*, London, Jonathon Cape .
- Kao, R. (1995), *Entrepreneurship – A Wealth Creation and Values Adding Process*, Singapore, Prentice.
- Keynes, J. M. (1932), *Essays in Persuasion*, New York: Harcourt, Brace.
- Low, M.B. (2001), The adolescence of entrepreneurship research: Specification of purpose, *Entrepreneurship: Theory and Practice*, Summer 2001, v25.
- McClelland, D. (1961), *The Achieving Society*, Princeton, NJ: Van Nostrand.
- Nelson and Krashinsky (1973), Stakeholder theories of the non-profit sector: One cut at the economic literature, *International Journal of Voluntary and Nonprofit Organizations*, vol 8(2) 149-161.
- Oster, S.M. (1995), *Strategic Management for Nonprofit Organisations: Theory and Cases*, Oxford: Oxford University Press.
- Peirce, C.S. (1923), *Chance, Law and Logic*, New York, Harcourt, Brace.
- Porter, M.E. (1985), *Competitive Advantage*. New York. Free Press.
- Say, J. B. (1803), *A Treatise on Political Economy and the Production, Distribution and Consumption of Wealth*, New York, Augustus M. Kelley.
- Schumpeter, J. A. (1908 –9), On the concept of social value, *Quarterly Journal of Economics*, Vol. 23.
- Schumpeter, J.A. (1928), The instability of capitalism, *Economic Journal* XXXVIII, pp. 361-368.
- Schumpeter, J.A. (1950), *Capitalism, Socialism and Democracy*, 3rd Edition, New York, Harper & Row.
- Shane, S., (2003), *A General Theory of Entrepreneurship: The Individual – Opportunity Nexus*, Massachusetts, Edward Elgar Publishing.
- Shane, S., (2004), The promise of entrepreneurship as a field of research, *Academy of Management Review*, 25(1) pp. 217 – 226.
- Stevenson, H.H. (1983), A perspective on entrepreneurship, *Harvard Business School Working Paper* 9, pp. 384-131
- Stevenson, H.H. (2004), *Intellectual Foundations of Entrepreneurship*. In Welsch, H.P. (Ed) *Entrepreneurship; The Way Ahead*, (2004), New York, Routledge.
- Stevenson, H.H. and Jarillo, J.C. (1989), *The incredible shrinking field: Attaching structure to the field of general management.*, Harvard University, Graduate School of Business Administration.
- Wei-Skillern, J., Austin, J., Leonard, H. & Howard Stevenson (2007), *Entrepreneurship in the Social Sector*, New York: Sage.
- Weisbrod, B. A. (1975), *Towards a theory of the non-profit sector* in E. Phelps (ed.) *Altruism, Morality and Economic Theory*. Russell Sage, New York.
- Welter, F. and Smallbone, D. (2006), Exploring the role of trust in entrepreneurial activity. *Entrepreneurship Theory and Practice*, 30(4 pp. 465-476.
- Zadek, S. & Thake, S. (1997), *Practical people, noble causes*. London: New Economics Foundation.