

Is Entrepreneurship Always a Good Thing?

Fardeen Dodo, University of Bologna, Italy

The dominant narrative of entrepreneurship presents the creation of new ventures as highly valued and an important factor for achieving the growth and development of economies. However, examples from less-understood industries are showing how entrepreneurial activities cause severe harm, rather than good, and which poses an important challenge to policymaking. Destructive Entrepreneurship (DE), which concerns how entrepreneurial practices create harmful outcomes has remained a blurred subject, in general, and particularly among policymakers. But what is DE, in practice, and how is it relevant to policy?

To explain the idea of DE, we examined the entrepreneurship of gold mining in Nigeria, where growing commercialization policies in the sector, over time, occurred along with a wave of the harmful behaviours that are embedded within the good, the bad and the ugly forms of entrepreneurship. Using over 30 interviews, 300 press articles and historical data on the dynamics of entrepreneurship in the gold mining industry, we show how mining practice moved from a hitherto acceptable and praiseworthy activity to the point when it has assumed different colours of destructiveness. The rise of formally registered gold mining firms that pay royalties and do social responsibility, which was the main focus of evolving government policy, did get realized over time.

In addition, however, unethical rent-seeking behaviours evolved among formally registered (the good) firms, as well as enormous levels of illegal gold mining activities, in ways that happen peacefully (the bad) and in ways involving forced displace communities and/or fight with government forces to mine gold (the ugly). This situation represents a classical example of where the assumption that by promoting 'good' entrepreneurship, the industry and societal situations will improve. This assumption failed in Nigeria's gold mining industry, given that policy efforts did not fully address how to handle the 'bad' forms of entrepreneurship. We conclude that entrepreneurial behaviour is not a two-sided coin, because each form of entrepreneurial behaviour has 'a life' of its own and a different set of antecedents.

But how can policymakers address destructive entrepreneurship? Well, destructive entrepreneurship is an entrepreneurship, and understanding the activities, markets, supply chains and business models that sustain it is critical to fighting it. For illegal gold mining in Nigeria, the policymakers will need to design programmes to stem the activities of illegal miners and identify and shut markets and supply chains of illegally mined gold in the country, to ensure that only responsible entrepreneurial activities thrive and succeed in the industry.

As put forward by Wangari Mathai, "We need to promote development that does not destroy our environment."

CONTACT: Fardeen Dodo; fardeen.dodo2@unibo.it; University of Bologna; 34, Via Capo di Lucca, 40126 Bologna, Italy.