

# Book Review: Profits and Sustainability: A History of Green Entrepreneurship by Geoffrey Jones

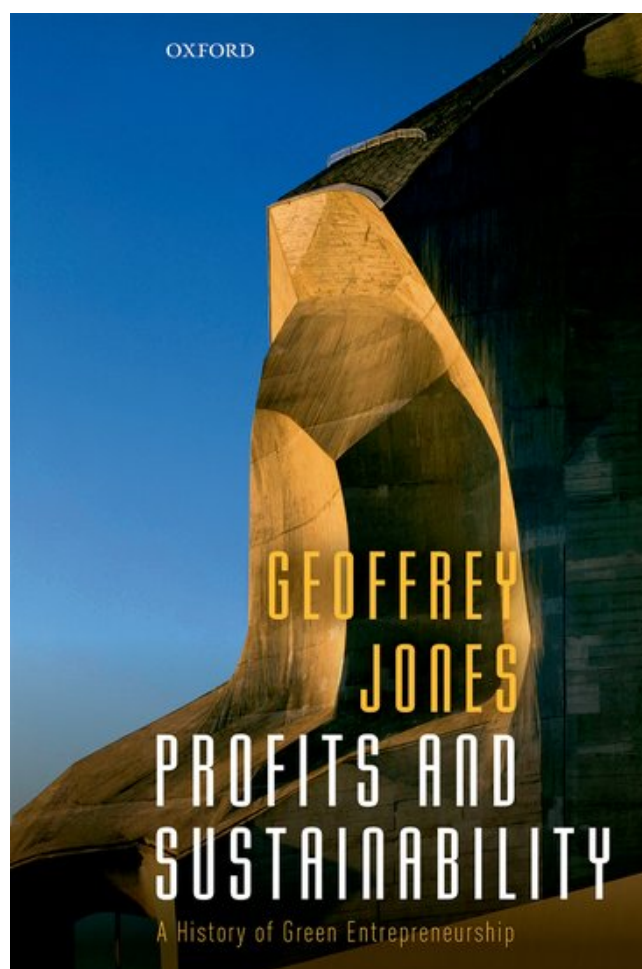
*In Profits and Sustainability: A History of Green Entrepreneurship, Geoffrey Jones maps the development of green entrepreneurship from the nineteenth century to the present day. Spanning an eclectic range of industries, the book chronicles how unconventional individuals pioneered new ways of thinking about sustainability by seeking to mitigate environmental degradation by using for-profit business ventures. At the very core of the book is an interrogation of whether and when profits and sustainability are indeed compatible, writes Ganga Shreedhar, offering valuable insights for those seeking to understand the historical development of the green economy.*

**Profits and Sustainability: A History of Green Entrepreneurship. Geoffrey Jones. Oxford University Press. 2017.**

Find this book: 

Historically, the economy and the environment have often been at odds. The industrial revolution shifted the economy towards a geo-based economy of coal, iron and steel and to large-scale factory production. Numerous inventors and entrepreneurial firms drove this transition and businesses were mainly the cause of, rather than the solution to, environmental degradation. But, at present, oil and gas companies like Exxon and Chevron, and technology and industrial companies, such as Facebook, General Electric and Walmart, reiterate their continuing commitment to environmental sustainability, even [after Donald Trump withdrew the USA from the 2015 Paris Climate Agreement](#). When and how did for-profit businesses begin to position themselves as partners in environmental sustainability? What are the historical origins of this shift, and who were early entrepreneurs who imagined a different – and greener – way of doing business?

In *Profits and Sustainability*, Jones critically examines the history of green entrepreneurship by first focusing on individuals motivated by the desire to achieve environmental sustainability through business. An important contribution of this book is redefining the scope of 'green entrepreneurship' to encompass for-profit businesses of the nineteenth and early-twentieth centuries, which attempted to counteract the negative environmental consequences of rapid industrialisation. Another criteria for 'greenness' is the intrinsic motivation of the entrepreneurs themselves, which intersected ecological, social, health and ethical concerns rather than solely profit-maximisation.



Rudolph Steiner, for instance, was a polymath born in present-day Croatia at the turn of the nineteenth century. He functioned outside the cultural and economic mainstream and advanced his own ideology called 'Anthroposophy' ('a science of spirit'), which emphasised the interdependency of economic, legal and cultural life domains (called 'threefolding'). A staunch advocate of vegetarianism, he researched the medicinal qualities of plants and developed methods of 'biodynamic' agriculture to actualise his views on 'holistic' health and medicine. Importantly, his motivation behind venturing into for-profit business was two-fold: to create an ethical business culture and finance education and cultural institutions to promote his philosophy.

In other examples, early wind energy entrepreneur, Poul la Cour, was a Danish engineer who attempted to address rural energy supply scarcity. Rachel Carson was concerned about the health impacts of the pesticide DDT, and was herself terminally ill while writing *Silent Spring*. Conventional businessmen also became accidental green entrepreneurs – for instance, Frederick Selous and Edward Buxton in East Africa were pivotal in the genesis of the eco-tourism industry, but transitioned from hunting to photographing animals. As noted by Jones, these 'quirky' individuals reimagined trade-offs between environmental and economic sustainability. They sought ways to align the two, and were faced with the challenge of selling their radical ideas and products to consumers, investors and the state to establish their legitimacy and that of the nascent green economy.



Image Credit: Walmart Hybrid Assist Truck ([Walmart CC BY 2.0](#))

Jones discusses their legacy in relation to the development of the green market. For example, Steiner influenced organic and biodynamic farming movements in Western Europe (especially Germany), green building design, 'natural' brands such as [Weleda](#) and green institutions like [the Demeter biodynamic certification scheme](#). In this way, Jones presents a rich historical and comparative analysis of entrepreneurship in organic food, renewables, beauty, waste, architecture and eco-tourism across time.

However, Jones remains tantalisingly silent on green entrepreneurs from the Global South. This contrasts with frequent discussions of how indigenous cultural and religious systems often inspired unconventional early entrepreneurs (e.g. Steiner was influenced by Hinduism, Buddhism and Theosophy) and the second wave of environmentalism from the 1960s onward. There is some anecdotal evidence of green entrepreneurship from the Global South. For example, in India, 'The Himalaya Drug Company' and 'Hamdard' were started in 1930 and 1906 respectively by M. Manal and Hakeem Hafiz Abdul Majeed in Dehradun and Delhi, and sought to bring Ayurveda and Unani medicine to society in a market-based form. A notable exception is Jones's writing about Hassan Fathy, an Egyptian architect who set out to rediscover local traditions of building to provide housing to the poor. A more geographically and culturally balanced analysis in this section would shed greater light on the development of [emerging green markets](#) and [the role of entrepreneurs](#) in the Global South, which is critical to addressing global climate change.

In the second part, Jones explores the creation and deepening of markets for green businesses. The experience of the solar industry is illuminating. According to Jones, this was one of the few sectors where conventional entrepreneurs were attracted by expected financial returns, alongside environmental, ethical and social principles. In the first wave of renewables, early entrepreneurs required capital, production and distribution networks, and faced stiff competition from incumbent fossil fuel companies. Accessing financial capital was challenging and came from many sources with different strategic considerations – including oil and gas companies like Exxon and Mobil during the 1970s oil crisis. Initially public regulation favoured fossil fuels and support for solar was weak – in the USA, government policy restricted solar to use in defence and within the space programme. Subsequent public policies were instrumental in scaling up production and capacity (e.g. solar roof programmes and feed-in-tariffs in Germany, USA and Japan). But the downsides of industry dependence on tax breaks and subsidies, coupled with unpredictable government policy, led to boom and bust cycles in solar in Europe and the USA (Ronald Reagan reversed public support in favour of fossil fuels and even removed solar panels from the roof of the White House). In this way, Jones highlights the ‘Janus-face’ of public policy in relation to its ability to boost or knock down incipient green businesses.

Jones consistently delves into the fundamental question of what the impact of green entrepreneurship has been. He aptly locates its growth since the 1980s in the question of the economic and environmental cost of scaling up businesses. Are organic foods, renewables or other green sectors stripped of their original sustainability ideals with increased scale? This is important as the ‘grey’ component of green businesses also scales up with greater growth – including the extraction of rare (sometimes toxic) materials and pollution from solar PV production, or the carbon footprint from the international transfer of organic food.

Moreover, increased scale can be accompanied by changing businesses practices and even ownership. As start-ups grow, there is pressing need for more finance, especially as green businesses find it difficult to make profits (in part due to the non-pricing of negative externalities and environmental bads like CO<sub>2</sub>). Jones’s analysis reveals that large global corporations with the technological and financial resources to drive green innovation became increasingly bigger players in the sustainability game. A significant trend is acquisition of green start-ups by multinational conglomerates such as Unilever (Ben & Jerry’s), PepsiCo (Naked Juice) and L’Oreal (The Body Shop). Jones also systematically reviews corporate environmentalism in relation to ‘greenwashing’ through the adoption and/or attenuation of green certification, selective information disclosure and changes in marketing and branding to target the ‘green consumer segment’.

The fundamental problem, according to Jones, is that incentives for corporations and their CEOs are tied to quarterly financial returns based on share price and not environmental sustainability (he differentiates between shareholder and stakeholder businesses within the larger system of ‘quarterly capitalism’). He skillfully discusses the unfolding tension between the incremental modification of products and practices to align themselves with environmental sustainability, and the dilution of environmental standards, brands and values originally envisioned by the green entrepreneurs. In this way, multinational corporations are both ‘both polluters and greeners’ at the same time. As succinctly summarised by Jones:

while entrepreneurial firms lacked the reach of the Greening Goliaths [...] sustainability reduced to one component inside a global corporation coexisting with environmentally damaging activities offers little hope for radical change.

*Profits and Sustainability* shows that financial and environmental sustainability are difficult to reconcile as the growing environmental awareness of consumers, businesses and the state has been accompanied by cumulative environmental deterioration. It should be read by anyone seeking to better understand the shifting boundaries of corporate sustainability – that is, what businesses can and cannot accomplish in the fight against environmental degradation and climate change. The book draws out the historical role of multiple stakeholders at the local, regional and international level in enabling sustainability, including social movements, communities, consumers and citizens, companies and governments. It shows that individuals can offer productive alternatives to unsustainable mainstream businesses and government policies: in short, ‘yesterday’s crazies turn out to be the historical origins of the sustainable world of the future’ (403). Importantly, it emphasises that there is a vital space for moral and social motivations in the ability to envision and deliver radically new paths to sustainability.

**Ganga Shreedhar** is an LSE Fellow in Environmental Economics, and is currently pursuing her PhD in the Department of Geography and Environment.

*Note: This review gives the views of the author, and not the position of the LSE Review of Books blog, or of the London School of Economics.*