

The dark side of Entrepreneurial Finance: What has changed with COVID?

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Abstract

The call for papers of a special issue in *Entrepreneur & Innovation* on the dark side of Entrepreneurial Finance, in the first half of 2019, indicated that financiers were gaining too much importance and exerting too much control over entrepreneurs. The call talked about the unintended consequences, where Finance eventually kills the entrepreneurial spirit instead of creating it and nourishing it. There is extensive literature in microfinance devoted to the harmful financing of microentrepreneurs (Bateman, 2010, Sinclair, 2012). Our interview with Nobel Laureate Muhamad Yunus showed that he focused on the difficulties of financing social businesses (Toutain and Ashta, 2021 forthcoming). He considers that dividends should not be paid and that this internal financing would allow the social business to grow faster, in a healthy way. An obsession with growth, of course, can have dark consequences. 2021 has been marked by a problem of supply chain finance being used to finance growth, as demonstrated by the Greensill Capital bankruptcy (Ashta, 2021 forthcoming-b). Ultimately using short-term finance for long-term needs can result in dire consequences for both the financier and the entrepreneur. My interview with Gilda E. Darlas showed that she was focusing on the dark side of greed which makes people evil, and she wanted to focus on the right kind of education which could make people more altruistic (Ashta, 2021 forthcoming-a). She hopes this would reduce concentrations of wealth by financial institutions. The talk will reflect on the need for originality in policies, strategies and research. The research method for achieving successful HSC transplantation for a variety of scenarios including management of hs-ARS.

Biography

Dr. Arvind Ashta is professor of Finance. He is a member of research associations (RRI, CERMi, PRME Anti-poverty Working Group, among others) and has been associated with the European Microfinance Platform. He has over eighty publications in international journals. He has edited "Advanced Technologies

for Microfinance", co-edited "MIS in Microfinance" and "Slow Management" and authored "Microfinance: Battling a Wicked Problem" and "A Realistic Theory of Social Entrepreneurship: A Life Cycle Analysis of Micro-Finance". He is a member of a club of micro-investors. The essential of his research interests hovers around microfinance, social entrepreneurship and fintech.

