

Exploring Economic Sustainability among Aspiring Entrepreneurs in Higher Education Institutions: A Qualitative Inquiry

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Abstract—Economic sustainability has become a central concern in contemporary entrepreneurship, especially for young entrepreneurs poised to drive inclusive economic growth. This study examines the perceptions of aspiring entrepreneurs towards economic sustainability, focusing on their awareness, attitudes, and challenges in integrating sustainable practices into business models. Using a qualitative research design, data were collected through focus group discussions and in-depth interviews with seventy aspiring entrepreneurs from Higher Education Institutions (HEIs) across the southern regions. The authors have been awarded a project by the Indian Council of Social Science Research, New Delhi. The credit goes to the Indian Council of Social Science Research (ICSSR), New Delhi, for awarding and funding the project under the Special Call for Vision Viksit Bharat @2047 (F. No. 134/VVB@2047/2024-2854/ISD-A/SCD). The guidance and financial support provided by ICSSR enabled the successful and timely completion of the project. Thus, the study aims to examine the economic sustainability among Aspiring Entrepreneurs in higher education institutions.

The findings reveal that while participants demonstrate conceptual awareness of sustainability and express positive attitudes toward long-term viability, financial illiteracy, restricted access to capital, and uneven institutional support continue to impede effective practice. HEIs are identified as pivotal ecosystems for developing sustainability orientation through contextual entrepreneurship education, mentorship, financial literacy modules, and university–industry collaboration. The paper concludes with recommendations for strengthening economic

sustainability in entrepreneurial education and policy frameworks.

Keywords—Young entrepreneurs, economic sustainability, higher education institutions, financial literacy, sustainable entrepreneurship

I. INTRODUCTION

Economic sustainability has emerged as a vital dimension of entrepreneurial success in an era characterized by technological change, market volatility, and global competition. Entrepreneurship now extends beyond profit generation to encompass long-term economic resilience, innovation, and responsible resource management. Young entrepreneurs play a strategic role as the future architects of sustainable business ecosystems, reflecting both the opportunities and constraints of emerging economies.

Economic sustainability refers to the capacity of an enterprise to generate sustained economic value without compromising future growth potential (Schaltegger & Wagner, 2011). For startups led by young entrepreneurs, sustainability involves balancing profitability and purpose by integrating prudent resource management, financial literacy, and risk mitigation strategies. However, in contexts defined by limited financial access, uncertain markets, and minimal institutional infrastructure, this vision remains complex.

Within this ecosystem, Higher Education Institutions (HEIs) serve as incubators of entrepreneurial development—providing exposure, mentorship, and incubation support. They shape young entrepreneurs' conceptual frameworks and practical readiness for implementing economic sustainability. While global discourse has deepened understanding of sustainability, empirical inquiry into how aspiring entrepreneurs perceive and practice its economic dimension within HEIs remains minimal. This study bridges that gap through an interpretive exploration of perceptions, challenges, and enabling mechanisms.

II. LITERATURE MAPPING

Economic Sustainability and Entrepreneurship

Economic sustainability emphasizes the ability to generate economic value consistently while supporting innovation and long-term survival (Schaltegger & Wagner, 2011). Dean and McMullen (2007) propose that sustainable entrepreneurship must integrate social responsibility and market growth, positioning sustainability as a dynamic balance between profit and resilience.

Young Entrepreneurs and Sustainability Orientation

Although young entrepreneurs increasingly recognize sustainability's importance, a gap persists between awareness and application (Kuckertz & Wagner, 2010). Pressures for immediate profitability often discourage the adoption of long-term strategies. Their orientations are primarily influenced by education, mentorship, and exposure rather than by structured institutional frameworks.

Role of Higher Education Institutions

HEIs serve as incubators for sustainable entrepreneurship (Fayolle & Gailly, 2015). By integrating sustainability into pedagogy and incubation initiatives, they influence student mindsets. Yet, disparities in institutional support—particularly between urban and rural HEIs—limit consistent outcomes.

Financial Literacy and Institutional Support

Sustainability is fundamentally linked to financial competence. Entrepreneurs with strong financial literacy navigate uncertainty more effectively, ensuring liquidity and sound risk management (Lusardi & Mitchell, 2014). Despite progress in

financial inclusion, access to capital and training remains uneven.

III. RESEARCH GAP

A review of existing literature reveals four critical limitations:

1. A disproportionate focus on established entrepreneurs, overlooking aspiring youth in HEIs.
2. Lesser scholarly attention to economic sustainability compared to social and environmental aspects.
3. Limited use of qualitative methodologies capturing lived experiences.
4. Insufficient examination of institutional and financial barriers shaping entrepreneurial sustainability.

This study addresses these lacunae through qualitative inquiry among young entrepreneurs in HEIs.

IV. RESEARCH OBJECTIVES

1. To examine the level of awareness and understanding of economic sustainability among young entrepreneurs within Higher Education Institutions (HEIs).
2. To analyze attitudes and challenges faced by aspiring entrepreneurs in integrating sustainability into business practices.
3. To assess the role of financial literacy and institutional support in shaping the economic sustainability orientation of young entrepreneurs.

V. METHODOLOGY

This study employed a qualitative research design to capture participants' perceptions in depth. Data were collected through ten focus group discussions and twenty semi-structured interviews with a total of seventy aspiring entrepreneurs across HEIs in southern regions, namely: Tamilnadu and Kerala. Participants were purposively selected based on involvement in entrepreneurship programs, incubator initiatives, or early-stage start-up ventures. Data were analyzed thematically using iterative coding and cross-validation to identify emergent patterns related to the three research objectives. Triangulation, member checking, and peer debriefing ensured

reliability and validity and enhanced credibility and trustworthiness.

VI. FINDINGS AND DISCUSSIONS: OBJECTIVE-WISE ANALYSIS

Objective 1: Awareness and Understanding of Economic Sustainability

Most participants demonstrated foundational awareness, linking economic sustainability with long-term profitability, stability, and responsible resource management. While 65% could associate sustainability with global concepts like the UN SDGs, fewer understood practical frameworks such as financial forecasting, scaling strategy, or cost optimization.

Participants exposed to HEI-based incubation initiatives displayed advanced comprehension—linking sustainability to adaptive innovation, risk management, and value creation. However, those without structured exposure often equated sustainability solely with environmental or ethical action.

These findings parallel Fayolle and Gailly (2015), underscoring that awareness remains cognitive rather than operational. Economic sustainability education must, therefore, evolve toward practice-based learning integrating financial analytics and responsible leadership models.

Objective 2: Attitudes and Challenges Faced in Integration

More than 80% of participants associated sustainability with reliability, resilience, and brand trust. Several framed sustainability within a moral narrative of service to society, reflecting Jesuit educational values of stewardship and solidarity. Respondents expressed positive attitudes toward sustainability, viewing it as vital for responsible entrepreneurship and brand credibility. About 80% recognized its relevance for economic shocks and global competition, though 70% noted that market pressures and cost constraints hinder initial adoption.

Key Challenges

- **Financial Constraints:** Lack of collateral and restricted access to funding programs (Startup India, Mudra Yojana) were cited by 90% of respondents.
- **Short-Termism:** Start-ups prioritized survival over sustainability under immediate market pressures.

- **Market Resistance:** 70% perceived the Indian consumer market as cost-sensitive, discouraging sustainable or fair trade business models.
- **Risk Perception:** Sustainability was often viewed as a high-cost, low-return investment, reinforcing hesitant adoption.

The results echo Kuckertz and Wagner (2010), who reported that while sustainability orientation is aspirational, its materialization depends heavily on systemic support. Without affordable finance and market readiness, enthusiasm cannot translate into strategy.

Objective 3: Financial Literacy and Institutional Support in Sustainability

Eighty-five percent of respondents lacked adequate knowledge of budgeting, break-even analysis, financial forecasting, and risk assessment. Eighty-five percent of participants exhibited weak financial literacy, particularly in budgeting, cash-flow forecasting, breakeven analysis, and investment readiness. Many equated turnover with profit, revealing conceptual and analytical gaps that undermined financial sustainability.

Financial misinterpretation—such as equating sales revenue with profit—was common. Only 20% had received dedicated financial literacy training during university studies.

About 60% valued mentorship and incubation, but only 30% confirmed access to industry or investor networks. Respondents highlighted discontinuity in mentorship post-graduation, minimal exposure to venture capital systems, and absence of university–bank partnerships.

Differences were apparent between urban private universities (stronger ecosystems) and rural public HEIs (limited infrastructure). These disparities hindered equitable capacity-building and innovation diffusion. Limited access to finance was the most significant obstacle, cited by 90% of respondents. Barriers included collateral-based lending, lack of awareness about funding programs (e.g., Startup India, Mudra Yojana), and overreliance on personal savings. Cash flow instability forced many to prioritize short-term survival over long-term economic health.

Aligning with Lusardi and Mitchell (2014), the findings emphasize that financial literacy is a precursor to sustainable entrepreneurship, while

institutional collaboration serves as a multiplier of implementation.

Institutional mentorship and incubation were acknowledged as critical yet uneven. While 60% of participants appreciated HEI-based mentoring and space provisions, only 30% reported tangible access to seed funding or external linkages. Participants emphasized the need for bridge programs connecting universities with venture capital networks and governmental funding bodies.

Exposure to entrepreneurship courses positively correlated with sustainability orientation. Students from incubation-linked HEIs were 40% more likely to reference economic metrics in business planning than peers lacking such exposure. Rural participants, however, reported limited access to digital finance tools and expert mentorship, highlighting geographic inequities.

Participants identified external macroeconomic challenges—policy uncertainty, inflation, supply-chain instability—as key deterrents. Seventy percent described sustainability as a secondary goal during startup phases, citing low consumer willingness to pay for green or fair-trade models in price-sensitive markets.

The findings highlight an evident awareness–attitude–practice gap, confirming prior research (Kuckertz & Wagner, 2010). Despite positive perceptions, systemic challenges—financial illiteracy, funding asymmetries, and institutional fragmentation—restrict implementation. HEIs emerge as both enablers and mediators of sustainable entrepreneurship. Yet their interventions remain compartmentalized, focusing on ideation rather than long-term financial mentoring. Bridging this gap demands integrated curriculum design, continuous mentorship, and ecosystem collaboration with financial institutions and policy agencies.

Synthesizing across objectives, this study reveals a layered “awareness–attitude–practice gap.” Young entrepreneurs intellectually endorse economic sustainability but struggle to transform belief into behavior under systemic constraints.

This reinforces Schaltegger and Wagner’s (2011) theoretical model of sustainability as an iterative process—requiring interaction between individual capacity (knowledge and motivation) and institutional scaffolding (resources and policy

environment). For HEIs, this situates responsibility not only in teaching entrepreneurship but in modeling ecosystems where sustainability can be lived, financed, and scaled.

VII. CONCLUSION AND RECOMMENDATIONS

This study advances understanding of how young entrepreneurs conceptualize and operationalize economic sustainability within Indian HEIs. Although awareness and optimism prevail, tangible progress depends on bridging the structural deficits that shape entrepreneurial ecosystems. This study set out to explore the perceptions of young and aspiring entrepreneurs towards economic sustainability within the context of Higher Education Institutions (HEIs). The findings of the study clearly indicate that economic sustainability is increasingly recognized by young entrepreneurs as a critical determinant of long-term business success. Participants demonstrated a foundational understanding of sustainability, particularly in terms of financial stability, long-term profitability, and resilience in the face of economic uncertainty. This awareness reflects the growing influence of sustainability discourse within academic environments and broader socio-economic narratives.

However, the study also reveals a substantial gap between awareness and practice. While aspiring entrepreneurs express positive attitudes toward sustainable business practices, their ability to operationalize these principles remains constrained. Financial limitations emerged as the most significant barrier, with many participants reporting inadequate access to seed funding, limited knowledge of financial schemes, and dependence on personal or family resources. These constraints often compel young entrepreneurs to prioritize short-term survival over long-term sustainability, thereby undermining the economic resilience of their ventures.

Institutional support from HEIs plays a decisive role in shaping entrepreneurial sustainability. The study highlights that mentorship, incubation facilities, and entrepreneurship development programs positively influence sustainability orientation. Nevertheless, inconsistencies in the availability and quality of institutional support limit their overall effectiveness. Participants emphasized the need for stronger university–industry collaboration, continuous

mentoring, and structured financial guidance to translate entrepreneurial intent into sustainable outcomes.

Another critical insight from the study relates to financial literacy. Despite possessing innovative ideas and entrepreneurial motivation, many aspiring entrepreneurs lack essential financial management skills, including budgeting, financial forecasting, cost control, and risk assessment. This deficiency significantly affects their capacity to design and sustain viable business models. Integrating financial literacy and sustainability-oriented modules into entrepreneurship education is therefore essential.

From a policy perspective, the findings underscore the necessity for targeted interventions aimed at supporting young entrepreneurs at the formative stage. Policymakers and educational institutions must collaborate to create enabling ecosystems that provide access to finance, skill development, and mentorship. Incentivizing sustainable business practices through financial support schemes and institutional recognition can further encourage young entrepreneurs to adopt long-term economic perspectives.

Key recommendations include:

1. Curriculum Integration: Incorporate sustainability-driven financial literacy modules across entrepreneurship education.
2. HEI–Industry Linkages: Establish practical mechanisms connecting academic incubators to investors, banks, and public funding systems.
3. Mentorship Continuity: Institute ongoing, alumni-based mentorship programs fostering accountability and experiential learning.
4. Policy Incentives: Governments should incentivise green and socially responsible startups through preferential grants and capacity-building measures.
5. Inclusive Ecosystems: Address rural–urban disparities through digital platforms, mentorship networks, and financial inclusion programs.
6. Gender-Inclusive Education: Prioritize women’s financial inclusion by introducing tailored support and mentorship programs.

Economic sustainability among young entrepreneurs is not an isolated virtue but a shared societal goal,

shaped by educational infrastructure, financial inclusivity, and collective vision. Empowered through institutional partnership and value-based entrepreneurship, young innovators can serve as pivotal agents in building resilient, equitable, and sustainable economies.

In conclusion, economic sustainability among young entrepreneurs is not merely an individual responsibility but a shared outcome shaped by educational, institutional, and policy frameworks. HEIs have a pivotal role in nurturing sustainability-oriented entrepreneurship by bridging the gap between theoretical awareness and practical implementation. By strengthening financial literacy, institutional support, and policy alignment, young entrepreneurs can be empowered to build economically sustainable ventures that contribute meaningfully to inclusive and resilient economic development.

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