INDIVIDUAL CASE STUDY

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Turning Trash into Art Treasure as Venture Capitalist

Waste disposal is one of environment issue Malaysia currently facing and being concerned by the government. Based on Greenpeace report, Malaysia has imported waste from 19 countries, and daily waste of Malaysia is 38,000 tonnes (Mangai Balasegaram, 2019 and Sim Leoi Leoi, 2019). Waste issue definitely can cause problems to our country such as heath issue and affect daily activities citizens. Based on Star2.com article, the president of Kuala Langat Environmental Protection Association (KLEPA) Tan Ching Hin (2019) said that “the illegal plastic recycling factories are producing solid waste, and its water pollution has forced fish and prawn farms to stop operations “. Greenpeace report also claimed the resident of Jenjarom, in Kuala Langat were having difficulty breathing problems diseases due to the open burning of unrecyclable waste that release hazard gases (Mangai Balasegaram,2019). The effect is clearly showing the reason for this matter need to be solve. Thus, there are some initiative that have been made by government and non-government official (NGO). For example, environment fighter Pua Lay Pheng create awareness among people in Kuala Langat about illegal plastic waste in Jenjarom through social media (Sim Leoi Leoi, 2019). Our minister of energy, sciene, technology, environment and climate change, Yeo Bee Yin also said that Malaysia would send back the 10 containers of polluted plastic back to its origin country (Tashny Sukumaran,2019). While those examples are many good solutions, there is another way and it is turning those trash into art treasure such as painting, drawing and sculpture. The art in this context does not only limit to drawing only. Fashion, music, literature and dance also considered branches of art (Lexico dictionary, 2019). This idea is indeed a wonderful idea in solving waste issue in Malaysia. In fact, there are some organisations and people who already done it but not for profit. For instance, the workers of Bandar Perda, Seberang Prai lake park build benches and playground attraction by reusing rubbish such as tyres and old bicycle to beautify their park (Lo Tern Chern, 2018). It was a good effort indeed but imagine if they do it commercially. They could gain some profit from the community. As a venture capital, this could be an opportunity to invest into new kind of green project. In addition, a lot of researchers and professional nowadays are focusing in having a circular economy practices by creating more efficient, low cost, and sustainable closed loop systems (Bell et al., 2013; Govindan et al., 2015; Mirabellaet al., 2014; Sgarbossa and Russo, 2017; Liu et al., 2018). However, easier said than be done, there are some problems in fulfilling the “turning trash into art” project as a venture capitalist.

The first problems that ventured capitalists (VCs) faced is the risk of labouring the “trash into art “project. There are some contradict by researchers’ opinions about the commercialized green product. On the positive side, both Bocken (2015) and Petkovaet al. (2014) claim that the eco-friendly product which can help the growth of economic and environment can gain popularity and thus create more profit for the company. Beside than that, Petkovaet al. further said VCs are more likely to focus on booming sector which is supported by social media and government and green sector is perfect choice. Ambec and Lanoie (2008) also point out that cost of capital is lower when it comes to green business. Other than that, lack of natural sources causes the price of resources to be unstable and increase of global warming, thus induce the people see the need of green product. Additionally, as times goes on, green product will be cause market pull and policy push mechanisms to be in their favour (Mrkajic, B., Murtinu, S., and Scalera, V. G. 2019). On the contrary, there are some researcher such Santos and Eisenhardt (2019) who expect opposites because of several factors. They claim that the product theme itself create vague just like other booming technology sector, thus the chances for investor to success is low. Other than that, green technologies also proven to be expensive because its technology is complicated and require a lot of R&D spending (Bennedsen, 2016) in which causes capital market defects. Moreover, the project success rate also depends on government support, which create ambiguous investment support. Finally, green project investment usually takes a longer time compare to normal investment sector.

All those arguments have their own solid points. We can see that VCs that will invest into “trash into art treasure” project will face a possible high risk. But that is what VCs do, taking high risk and try as best as they could to get high return of investment. However, in Malaysia we can slightly reduce the VCs possibility of fail when invest into the project. In a study to investigate the people’s feedback about bio-waste product derived from organic waste, responded were collected to get their opinion and though about bio-waste product. Similarly, any NGO or company in Malaysia can do survey or find some respondents and ask their opinion about the project (Russo, I., Confente, I., Scarpi, D., & Hazen, B. T., 2019). For example, show to them a paint or fashion that made from trash and ask them would they buy it and does their personal values affect them to buy it (Russo, I., Confente, I., Scarpi, D., & Hazen, B. T., 2019). Once the data have been collected, the expert can do calculation and we get to know what consumers really want and came up with products that satisfies them. For instance, does people in rural are willing to buy green product despite its high price. In addition, the survey also slightly helps in promoting about the project and gain more popularity and support from society.

Besides having to face high risk, another problem that should be considered by VCs is to seek a good platform to invest. In this context, the platform means a company that has good management team and have support from community. [Akhilesh Ganti](https://www.investopedia.com/akhilesh-ganti-4590113) (2019) pointed that public often misunderstood on how VCs operate. VCs usually do not fund a company from bottom, instead they will look for a company that have a promising future along with VCs targeted commercial project. Once the company is found, VCs poured their fund to buy the firm of the companies. However, in Malaysia, we can see hardly any companies especially local is interested in indulging themselves into the “turning trash” project. This is due to the fact that green project in general, is still considered immature in Malaysia. Additionally, demand from people is aspects that companies considered when they want to commercial a new item. But the green project does not really have a lot of support from society in Malaysia for the time being.

 If we look at one of big shoes company, the Nike, they already turned trash into material needed for their products (Gina-Marie Cheeseman, 2016). As a matter of fact, they successfully changed 54 million pound of factory scrap into their products. But the question is what exactly driven this big company to become eco-friendly and use rubbish scrap into their product? The answer is in their goal where Nike determine to be a company that will not send their waste to landfill or incinerator anymore by 2020(Gina-Marie Cheeseman, 2016). Likewise, another Eco-Designer, Nancy Judd answer the question to HuffPost Rise why she made a dress out of trash. Her answer is she concern about the tons of trash in America and decided that fashion is effective way to alert people about the issue (Kira Brekke, 2016). Based on both answers, it is clearly the consciousness about excessive trash in our earth is what motivate people to help. Therefore, the solution for the problem is to create awareness inside Malaysia about waste issue. This is where the project is relying on government. For instances government can enforce law to reduce tax for any company prioritise of producing green product or hold a campaign and advertising in a big scale. Other than that, social media such as Twitter, Facebook and Instagram which is low cost to spend can help promote about green project due to its popularity these days. Consequently, as citizen alertness about this issue growing, they started to think about their responsibility as a fellow citizen and become more supportive while companies started to think of using trash as their product to gain more support from customers and fulfil consumers demand.

In conclusion, VCs and company that want to invest “trash into art” project need to consider all possibilities and think carefully. Even though the project is not done yet, it does not mean the project itself is fail, it just difficult. However, once the project success, it could have high return of investment for a prolong time. But most importantly, the project could help the waste issue in our country. In addition, later in future, green project is relevant to do it due to lack of resources. During my time working in this assignment, I learned some useful things for myself inside and outside class. First, I learned to appreciate the time management more respectfully. This assignment I started to do it 2 weeks before the dateline, considering how long the essay will be (1500 words). I found that doing assignment earlier is much easier without being push by the dateline when I was procrastinating. Second, I learned how bad the waste issue in our country. I read newspaper occasionally but rarely heard about waste issue, until I do some research and astonishingly found out that Malaysia is importing waste from big country. So now I will become more meticulous when it comes to helping trash. Maybe join a “gotong-royong” program.

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