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# Green Entrepreneurship

Economics

KEYWORDS :

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## ABSTRACT

*Green entrepreneurship is a modern concept of business activity which corresponds to the needs of firms for profitability and development, taking into account also the environmental dimension.Green entrepreneurship or eco-entrepreneurship (ecopreneurship) has almost similar meaning and can be used interchangeably. Ecopreneurship was an apt answer to market breakdown in dealing with negative environmental impact created by the industries (Pastakia, 1998). Many researchers have addressed to this issue since the last decades and Schaper (2002) also believed that the transition of sustainable development will need huge numbers of ecopreneurs.*

**Introduction**

Green entrepreneurship or ecopreneurship has gained a momentum in recent years. Attempts have been made to be ecopreneur. That is to say, it is connected to the development of entrepreneurial activity fields, as long as to the positive external effects to the business level, for the transformation of entrepreneurship into a more environmental friendly form and as a fundamental element of sustainable development (Hall et al. 2010; Taylor and Walley, 2004), and for the highlighting of the natural environment and its protection, as an entrepreneurial field also. It constitutes a central developmental policy for our country in order to achieve improvement of life quality and to follow a sustainable developing course. A move towards a greener future asks for radical changes in the economic system. New and greener solutions must replace conventional technologies and practices for most "green green future" .Robert A. Isaak in 2005 defined green entrepreneur as "a person who seeks to transform a sector of the economy towards sustainability by starting business in that sector, with a green design, with green processes and with the life-long commitment to sustainability in everything that is said and done." (Isaac, 2005)

**Abstract**

Green entrepreneurship is a modern concept of business activity which corresponds to the needs of firms for profitability and development, taking into account also the environmental dimension.Green entrepreneurship or eco-entrepreneurship (ecopreneurship) has almost similar meaning and can be used interchangeably. Ecopreneurship was an apt answer to market breakdown in dealing with negative environmental impact created by the industries (Pastakia, 1998). Many researchers have addressed to this issue since the last decades and Schaper (2002) also believed that the transition of sustainable development will need huge numbers of ecopreneurs.

**Objective**

Highlight the term green entrepreneurship.
To bring out barriers to green entrepreneurship.

**Review of literature**

Meadows (1994) found that such individuals have moved away from an obsession with theSingle issue of environmentalism, echoed by Menon and Menon (1997) who write that the desire to change the world on the part of these innovative newcomers embraces a holy trinity of social, environmental and economicValues.

Anderson's view is that environmentalism and entrepreneurship actually share commonalities in terms of social process and attitudes and that entrepreneurship is more likely to sustainenvironmentalism than any other form of imposed change. He states that entrepreneurship is unique in that it is the only business forms that can directlyincorporate and consolidate the values of the individual, and that the moraldimension of environmentalism can empower entrepreneurship. Examples areprovided of environmental entrepreneuring, whose common factor is that they 'sell 'immaterial goods or culture; they extract both financial and moral value (Anderson, 1998).

These include the development and adoption of new or significantly improved products, processes and services, new marketing methods and new management regimes. Despite the obvious role of entrepreneurs in the move towards a greener future, the research literature has primarily been occupied with environmental business management in existing organizations (Larson, 1999).

Greening is used as a concept for moving towards environmental or ecological sustainability. The term sustainability and sustainable development themselves have a huge Literature on meanings and interpretation (Pearce & Barbier 2000).

A work has found that new entrepreneurs are not wasting any time crafting a future that looks a lot brighter—one where small businesses provide products, services, training programs, and living wage jobs that preserve the environment and lift people out of poverty.You can be a part of this new wave of entrepreneurship. The growing interest in environmentally responsible business practices can open up new business opportunities (Schaper, 2002).

Green Entrepreneurship or Eco-preneurship (Nikolaou et al. 2011; Rodgers, 2010; Zeiss, 2003), constitutes a modern form of business activity which corresponds to the needs of firms for profitability and development, but simultaneously takes under consideration the environmental dimension, dealing with it rather as an opportunity than an obstacle.

An analysis concluded that the most significant benefit that results from the implementation of green entrepreneurship, is consider to be the fact of environmental respect and the fact that, through this way an enterprise states an enhanced corporate social responsibility, while very significant benefits are considered to be the economic advantages that the enterprises gain.(TrigkasMario's, Papadopoulos Ioannis, Tassi opoulouKonstantina,PorikosNikolas)

Broadly speaking, environmental innovations (or eco-innovations) can be defined as "new or modified processes, techniques, practices, systems and products to avoid or reduce environmental harms" (Beise and Rennings, 2005, p. 6).

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der consideration the environmental dimension, dealing with it rather as an opportunity than an obstacleIn a broader sense, ecopreneurship are used to describe environmental business strategies that provide a competitive advantage (Schaltegger & Wagner, 2011).For the entrepreneurs and investors, green business is therefore a great opportunity of profit in many sectors (Hamdouch and Depret, 2012).

**Determination of the BarriersTo Environmental Entrepreneurship**

As per ArienAriantiGunawan's research on barriers to ecopreneurship ,he has highlighted the obstacles on the basis of Geographical Location.The table presented below on barriers of ecopreneurship based on geographical location can be tested in relation to the adoption of ecopreneurship practices by large corporations.

**Table1.Ecopreneurship Barriers based on Geographical Location**

(ArienAriantiGunawan, Institut Teknologi Bandung)

| NO. | Rural Areas | Urban Areas |
|---|---|---|
| 1. | Limited technology | Lack of awareness of environment sustainability |
| 2. | Lack of knowledge | Lack of consumer support |
| 3. | Lack of Government support | Lack of incentives |
| 4. | Too much financial risks | Lack of willingness to innovate |
| 5. | Lack of willingness to innovate | Too many competitors |

In case of rural areas and urban areas have different type of problems.Rural areas are lacking in technology, knowledge, government support and innovation. Financial risks can also be counted for the same. Competition,incentives, lack of consumer support and lack of awareness of environment are key obstacles in case of urban areas. Lack of willingness to innovate is common for both the locations.

Dongeun Leealso worked outthat the growth of green enterprises is the lack of governmental financial support. As once mentioned above, Institute for International Trade reported that 25.8% of Korean green enterprises feel that financial support is the most needed governmental aid, followed by marketing aid (24.5%) and R&D investment (14.3%). In fact, although Korean government provides various job training programs for the employees of green enterprises, the total government budget spent for green enterprises amounts to approximately 2% only. (Graph-2) More financial support from the government might help solve the uneven development of green technologies discussed before .Secondly he found that a problem of green enterprises in Republic of Korea is the lack of information about technologies, policies, and foreign markets. There are policies specifically designed for green enterprises but many green enterprises in their beginning are not informed of these policies and programs they can benefit from. Even when entrepreneurs are aware of those, they sometimes are confused because of thecomplicated or vague terms and difficulties learning about them. Thus, the government needs to streamline the process of registering to supportive programs and make sure that green enterprises fully learn the policies they can benefit from. Also, the Institute for International Trade reported that 30.0%of green enterprises feel the lack of information about foreign market is the obstacle in exporting their products (Dongeun Lee 2013).

**Future research prospects**

- How do these new SMEs evolve?
- Does size influence their abilities to carry out a green agenda?
- How eco-preneurship can be a part of curriculum.
- What policy system should be there for eco-entrepreneurship?

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