

8. Green Entrepreneurship in India – A Study

Dr. K. Banupriya

Assistant Professor,
Department of Business Administration,
Ananda College, Devakottai, India.

Dr. K. Kasiviswanathan

Assistant Professor,
Department of Commerce,
Sree Sevugan Annamalai College,
Devakottai, India.

Abstract:

“Green Entrepreneurship” appeared for the first time in the book “The Green Entrepreneur: Business Opportunities That Can Save the Earth and Make You Money” by Gustav Berle (1991). The Study mainly focus on opportunities and challenges for green entrepreneurship development. Eco-premiership or green entrepreneurship is a new term for academic research, although some work began in 1970s, but the topic received a little attention in 1980s and 1990s. The rising global concern on climate change and sustainable development has led to a paradigm shift in the Indian markets. Consumers today prefer green products over conventional products as they are growing environmentally and socially responsible. As a result of the growing base of eco-consumers several individuals and organizations are taking advantage of the contemporary Indian market scenario by innovating and redesigning their products with a green perspective. Hence, the concept of green entrepreneurship is slowly and steadily establishing stronghold in the Indian markets.

Most international organizations - including the World Bank, UNCTAD, OECD, UNIDO, WTO and FAO - share the view that there needs to be a global transformation towards a greener economy.

Keywords: *Entrepreneurship, Green Entrepreneurship, Ecopreneurs, Environmental Entrepreneurship, green innovations, sustainable development.*

8.1 Introduction:

Green entrepreneurship must be entrenched in the current industrial exemplar to have ecological growth. The term 'green entrepreneurship' is easier to conceptualize but harder to explain. A series of philosophical and semantic arguments have emerged since 1991, when this term was first coined by Berle. However, there is still a lot to be answered regarding what are the key concepts that make up 'green entrepreneurship', and how can green entrepreneurs be discreetly defined and also differentiated from 'non-green' entrepreneurs? Thus, there is need for an extensive analysis of how green entrepreneurs identify new commercial ventures, incubate ideas and acquire specialization, accumulate resources to develop their designs to commercial reality and finally launch and nurture their business venture to make it profitable. In the present era of industrialization and rapid economic growth, India is also thriving valiantly in the process of keeping pace with the global growth. But in the blind chase of economic prosperity the earth's resources have reached their carrying capacity. Hence, green entrepreneurs stand as engines of change as they play a vital role in shaping the sustainable growth trajectory of India, by identifying the linkages between innovation and sustainability in the renewable energy sector. In our market-based economy the role of green entrepreneurs is not just confined to providing growth opportunities to first movers, but they also play crucial part in leading wider business communities to adopt green business practices. By demonstrating the economic benefits of developing comparative advantage in greener products, such innovative individuals serve as 'pull' factors that incentivise other firms to go green.

The concept of green entrepreneurship endorses the concepts of innovations and new product development to not only cater to the shifting consumer demands but also partake in the process of Sustainable Development in the long run. Broadly green entrepreneurs are entrepreneurial individuals who recognize the linkages between innovation and sustainability and hence develop comparative advantage of their firms/businesses by selling differentiated products and services on the basis of their environmental benefits. Green commodities may either be environment friendly in them or may be produced and/ or packaged in an environmentally sound way.

Thus, the role of green entrepreneurs is not merely limited to re-focusing, fine-tuning and enhancing the prevalent marketing scenario but they also seek to challenge the existing marketing approaches in order to provide a sustainably different perspective. This study digs into the emergence and evolution of the concept of green entrepreneurship and explores the key elements that attribute to this phenomenon. The present study offers insights into the implications and need of green entrepreneurs in the changing Indian market scenario. The next section presents a conceptual model that explores the inter-linkages between economic, social and environmental factors which promote green entrepreneurship and pave way for sustainable development in the long run. Hereafter, the study takes up case studies from successful green business initiatives in India to look into the opportunities and challenges in developing green entrepreneurship in Indian markets. As India has a demographic advantage of around 50% of the population falling in the age bracket of 20 to 59 years, development of opportunities for innovation and enhancing entrepreneurial capabilities in the youth is seen as a significant step towards fuelling sustainable economic growth in the country. The role of state and private actors in building an innovation ecosystem and fostering green entrepreneurship in India is also looked into in this study. In conclusion, suggestions are offered to overcome the bottlenecks in promotion of a sustainable production and consumption cycle in Indian markets on the whole.

8.1.1 Green Entrepreneurship:

Here, green economy is considered as the trail to sustainable development, poverty eradication, and quality of life (UNEP, 2011). Though it is inaccurate to claim that the private sector has totally embraced the need to become greener, it is sufficiently reasonable to state that the topic is now getting more prominent in the business decision making, strategic planning and performance management as what have been discussed in the Rio Summit.

The focus on the comprehending environmentalism and sustainability business practices has uncovered that green orientation can be beneficial as far as business main concern and world natural resources is concern. Thus far, the green entrepreneurship concept is significantly progressing trend from the development perspective.

The SME owner-managers' cognitive process is an important factor of the green entrepreneurship engagement (Koe et al., 2014). In this study, however the green entrepreneurship practices and its similar terms and definition will be emphasized and the factors that influence towards its practices among the SME entrepreneurs will be discussed and determined based on the independent variables to be presented in the study.

In other words, this study aims to determine the role of opportunities for green entrepreneurship as the factor for the SME entrepreneurs to practice green.

8.2 Objectives of the Study:

- To study the concept of green entrepreneurship in India
- To portray opportunities of green entrepreneurship in India
- To examine the challenges of green entrepreneurship

8.3 Review of Literature:

Schaper (2010) Eco-preneurship or green entrepreneurship is a new term for academic research, although some work began in 1970s, but the topic received a little attention in 1980s and 1990s. The issues like the links between sustainability and innovation, the importance of sustainability in strategic business development are receiving greater recognition and this lays the foundation stone for the creation and growth of viable, commercially successful business ventures.

Prahalad (2004), most economists believed that markets always fail to address the needs of the poor. They doubted that there was any growth opportunity at the bottom of the pyramid. Many of the reports on the green economy today are similarly sceptical about the ability of the market to address environmental concerns and to provide enough stimuli to incentivize green innovations (UNEP 2011, FAO 2011, and OECD 2011a).

Yet, there is evidence that green innovation existed throughout the 20th century, even in the absence of government interventions (Silverthorne 2011).

Successful green innovators had an intrinsic motivation to improve through experimentation and, at the same time, were able to create successful businesses. They also invested most of their profits again in the improvement of their green product or technology.

By doing that, they created large social and environmental welfare gains while ensuring the commercial viability of their business (**Aerni 2010**)

Green Entrepreneurship: Strengthening Indian Economy by Innovating the Future (2017): Study shows that human beings are now becoming more concerned towards environment. Their preferences are shifting toward eco-friendly products. Green entrepreneurship provides opportunity to the beginners who has identified and explored innovative ideas in serving the Indian society.

8.4 Challenges of Green Entrepreneurship in India:

8.4.1 Enhancing Green Skills:

Green entrepreneurship cannot be meaningful unless these entrepreneurs understand the true meaning of green business. Green skills are the training and knowledge and experience that can be utilized in adapting technology or materials that minimize environmental hazard.

8.4.2 Incubators of Innovation:

Platform for incubation of innovative ideas before they are set in motion need to be established and an eco-system which supports testing of ideas need to be created and supported. A strong system would encourage more and more young entrepreneurs to experiment with ideas and test piloting absorbs a great amount of risk

8.4.3 Public- Private – Community – Partnership:

A symbiotic relationship is the cornerstone of sustainability of green enterprises. The triad can provide the required mechanism for leveraging innovation, technological adaptation and scalability to reach the bottom-of-the pyramid.

8.4.4 Policy- Designing:

Policy approach to encouraging green ventures need to be put in place and implemented effectively to achieve concrete results of transforming the social and economic landscape of the country. Policy initiatives go a long way in generating confidence and potential to initiate into green ventures.

8.4.5 Greater Awareness and Attitude Building for Purchasing:

Need for a positive attitude towards purchasing organic products is imperative to create demand for these products and ensuring a growth for more sectors to adopt green processes. Hence, awareness drives along with display of better product attributes need to be undertaken through a well-designed communication strategy and positive word-of – mouth.

8.4.6 Start- up Capital:

A nascent economy and a young entrepreneurial nation, like, India, suffers from a biggest limitation in terms of entrepreneurial initiative and that is lack of financial support and absence of mortgage free loans. This factor deters a lot of young entrepreneurs from undertaking a risk in the unchartered territories. Mechanisms like venture capital, angel investors and subsidized and easy to procure commercial loans need to be strengthened to bring a larger proportion of population on board.

8.4.7 Entrepreneurial Education:

Adequate education in entrepreneurship at school, college and district centers level can provide the right impetus to building not only a conducive environment for entrepreneurship for the young minds by creating awareness about environment degradation but also impart knowledge about various mechanisms to improve the situation. Education can also assist in overcoming social compulsions attached to ‘jobs and ‘placement’ and start-ups can gain better social acceptance. Thus, harnessing the potential of potential ecopreneur’s is an important factor for generating a transition towards greener economy.

Environmental problems, today, definitely offer entrepreneurial opportunities and green entrepreneurship is the most sustainable solution to mounting environmental degradation, climate change, deforestation, rising air, water pollution and depleting biodiversity. Ecopreneurship offers a new paradigm shift from traditional business maxim of being ‘masters’ to embracing a matrix of creativity, technological adaptation and product innovation to solve environmental problems and thereby act as catalyst in bridging the gap between innovation and market place.

8.4.8 Green Jobs and Eco-Entrepreneurship opportunities for women in India:

UNDP commissioned the study on the green jobs and eco-entrepreneurship opportunities for women in India, across five major sectors: Renewable Energy, Green Transport, Green Construction, Water Management and Carbon sinks- Forest, Marine fisheries. The geographic focus of the study was- Delhi NCR (National Capital Region), Haryana, Maharashtra, Karnataka and Telangana, Uttarakhand and Odisha. Each of the sectoral study includes a brief sectoral analysis and combines that with the potential areas for employment and entrepreneurship opportunities and the need for supportive policies.

Overall, the reports make for a compelling case to include women in the green recovery process and integrate the marginalized community to build resilient economies. This also provides the impetus to work with key stakeholders and partners to advocate for an inclusive and environmentally sensitive response to COVID-19 that resets towards greener pathways for recovery.

8.5 Conclusion:

Green Entrepreneurship has gained a lot of importance in today’s era. Benefits include: encouraging risk taking and learning from failures; creativity; and helping people to make money and remain in business. The study throws bright on the concept of green entrepreneurship that uses green technologies in production and restyles supply chains to make these more responsive to the necessities of greenness, create green jobs and enhance the demand for green products leading to sustainable development and greener economy.

There is a need to create a culture that promotes the awareness among entrepreneurs regarding opportunities arising out of adoption of green business models, incentivizing green investments and removing the bottlenecks in the process of starting and sustaining green businesses.

8.6 References:

1. Ataman, K., Mayowa, J. O., Senkan, E., & Mayowa, A. J. I. B. O. L. A. (2017). GREEN ENTREPRENEURSHIP: AN OPPORTUNITY FOR ENTREPRENEURIAL DEVELOPMENT IN NIGERIA. *Theme: "Entrepreneurship and the Knowledge Economy"*, 88.
2. Farinelli, F., Bottini, M., Akkoyunlu, S., & Aerni, P. (2011). Green entrepreneurship: the missing link towards a greener economy. *Atdf Journal*, 8(3/4), 42-48.
3. Gupta, M., & Dharwal, M. (2022). Green entrepreneurship and sustainable development: A conceptual framework. *Materials Today: Proceedings*, 49, 3603-3606.
4. Haldar, S. (2019). Green entrepreneurship in theory and practice: insights from India. *International Journal of Green Economics*, 13(2), 99-119.
5. Mathur, S., & Tandon, N. (2016). Green entrepreneurship: the emerging paradigm for sustainable growth and development in India-A Study of the Millennials. *Indian Journal of Science and Technology*, 9(45), 1-11.
6. Potluri, S., & Phani, B. V. (2020). Women and green entrepreneurship: a literature-based study of India. *International Journal of Indian Culture and Business Management*, 20(3), 409-428