

Challenges and trends of green-entrepreneurship

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Abstract

Entrepreneurs play a key role in creating wealth and employment for the growth of the economy. It not only boosts innovations but also removes regional income disparity. However, present environmental issues have stimulated the businesses to find new ways to do the green business. Entrepreneurs do their bit to save the environment by producing eco-friendly products. It leads to sustainable development as well as providing competitive advantage to them. Present study helps to get insights about the concept of green entrepreneurship. It aims to understand the theoretical background and challenges which green entrepreneurs' faces in the current scenario.

Keywords: green-entrepreneurship, competitive advantage, sustainable development, green-innovation

Introduction

Entrepreneurship is the wide term which acts as a moving force for the economy. Though entrepreneurship does not have the established definition but when a risk loving person who owns a certain amount of capital to manage and carries business innovatively then it is termed as entrepreneurship. Environmental crises have motivated the companies to create solutions and products which meet the issue of sustainable development and environmental responsibility. Growing need for innovative products, processes and management which exclusively do not harm the environment have insisted entrepreneurs to think about use of green principles in businesses. It not only helps them to earn profit but also helps in preserving nature. This phenomenon is known as green entrepreneurship (Berlo 1991). Green entrepreneurship is often interchanged with ecopreneurship (Schaper 2010) ^[14], eco-entrepreneurship (Schaper 2002) ^[13] depending upon the suitability and environmental motives. It transforms commercial venture efforts into community effort that helps to conserve and sustain the environment (Gupta 2021) ^[4].

Literature review

Green entrepreneurship is still in its infancy stage due to which it is still not able to agree upon its universally accepted definition (Demiral *et al.* 2019). However, it is easy to conceptualize but harder to explain (Halder 2019) ^[5]. Various scholars and institutions have stressed on the fact that in business management, ecological sustainability plays a very important role (Pachecho, Dean & Payne (2010) and traditional business practices which are unsustainable have hindered the planet integrity (O'Neil and Gibbs). Dale (2019) ^[2] has advocated it as a revolutionary solution to various social, economic and environmental challenges. Sunny & Shu (2019) ^[15] suggested that it should be defined in terms of production and firm activities which should be undertaken technically. Khan (2015) ^[6] viewed green entrepreneurship as the strategic solution for prosperity which ensures long run survival of business and overcomes the problem of sustainability. York *et al.* (2010) ^[16] argued it as a process in which new innovative products and technology is used to address the environmental problems.

Reinhardt (1998) ^[12] suggested that product differentiation theories should be adopted in management practices to become innovative and gain competitive advantage in business. Menon & Menon (1997) ^[9] advocated it as the idea of environmentalism in business that helps to exploit new market opportunities and gain competitive advantage. Contrary to this Pastakia (1998) ^[11] have stated that it should be viewed as the attempt to popularize environment friendly practices. Therefore, the concept of green entrepreneurship varies depending upon the different ideas of thinkers. Based on the above different concepts various components can be identified.

Components of Green entrepreneurship



Fig 1: Adapted and modified from Halder (2019) ^[5]

Boosting factors of green entrepreneurship

Green entrepreneurship is still at its infancy stage, therefore it enjoys numerous advantages. There are several boosting factors of green entrepreneurship which ease the business doing in the existence of appropriate natural conditions and resources. At the initial stage an abundance of resources are available to make use of, which helps in establishing the business. Another helping factor for green entrepreneurship

is cooperation from local certified schemes and NGOs who favors green process, products, and management. Also, environmental conservation has become a hot topic in the current scenario due to which these organizations are lending their full support to green entrepreneurship. Implementation of green policies not only creates a good image for the business but also helps in ensuring its long term survival in the marketplace. Growing consciousness and awareness of consumers about green products, process and management serves an important factor to boost green entrepreneurship. Consumers' favor' green products and services. They consider that purchasing and dealing from green ventures helps them to contribute their part in protecting the environment. Potential economic benefits from green entrepreneurship attract the entrepreneurs to enter in green business. Basically green entrepreneurship is a need of an hour which require shift from traditional business practices to modern green business practices. Adopting green policies in business acts as an opportunity to earn profits accompanied with fulfilling environmental goals.

Problems faced by green entrepreneur

Entering into green business is not an easy task. It was discussed earlier that it is easy to conceptualize but difficult

to define. It is still at its infant stage due to which local entrepreneurs have limited know-how about going green. Entrepreneurs lack practical knowledge and skill in this field. Low demand for green products is another big problem that is faced by green entrepreneurs. Though, people want to support the environment by purchasing green products but high prices of these products makes them hesitant to do so. Sometimes, the inferiority of eco-product also becomes the reason for low levels of demand. Limited availability of resources to support green initiative is also the problem for green entrepreneurship. Current infrastructures, financial and institutional hold are not fully supportive which act as a barrier for green entrepreneurs. In addition to this, lack of platform to address green issues in appropriate regulatory framework creates hurdles. Absence of proper rules and regulations to run green business are required for its effective functioning.

Green entrepreneurship trends

Green entrepreneurship is expanding its base from normal consumable products to various other sectors such as energy, education, tourism etc. In fact, the energy sector constitutes half of overall trends of greening.

Table 1: Current trends of green entrepreneurship

Activity	Characteristic
Innovative & Renewable Energy	<ul style="list-style-type: none"> ▪ Treating sewage & waste to turn into usable product ▪ Solar paneling ▪ Usage of wind, geothermal and solar energy.
Zero Waste	<ul style="list-style-type: none"> ▪ Reducing food waste (food banks)
Sustainable advertising	<ul style="list-style-type: none"> ▪ Urban garden hosting ▪ Air purifying billboard ▪ Reducing paper use ▪ Digital & online advertising
Eco-product	<ul style="list-style-type: none"> ▪ Production of organic foods, toys, clothes etc ▪ Providing eco-friendly spa, care products, cosmetics etc.
Eco-education	<ul style="list-style-type: none"> ▪ Development of E-content, E- lectures ▪ Providing facilities of E- schools, E- campus etc.
Eco-transport	<ul style="list-style-type: none"> ▪ Production and use of e-vehicles, e-fuel. ▪ Bicycle rental services.
Ecological cleaning	<ul style="list-style-type: none"> ▪ Production of recyclable packing material, safe allergy free routine usable products.
Eco-tourism	<ul style="list-style-type: none"> ▪ Eco-hotels ▪ Boosting eco-tourism ▪ Eco-recreation center

Apart from these, green taxes are also imposed in certain countries which are further used to conserve the environment and support green businesses. Various environmental developmental projects are implemented with the help of these funds.

Conclusion

Green entrepreneurship strengthens the green culture in the business. Green culture can be nurtured by providing incentives via green investment and creating awareness among entrepreneurs about it. The study throws light on the theoretical background problems trends of green entrepreneurship. It is revealed that it provides solutions to many sustainable deliberations. Growing trends of greening offer numerous opportunities for entrepreneurs. Consumption pattern of consumers is changing. Their mindset is diverting in favor of green products. Green entrepreneurs can change the market scenario by delivering

their desired product. Development of training platforms for these entrepreneurs can overcome the barriers of green entrepreneurship. Various measures discussed in the study such as financial, technical can be initiated to boost green entrepreneurship. It will not only foster economic development but will also support the environment protection cause.

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