

A Study on the Role of Ecopreneurship in Sustainable Development

Dr. R. Sethu Ravi¹, Parvathy .P²

*¹Head & Associate professor in commerce,
Government College , Ambalapuzha*

²Guest Lecturer

*Government College Ambalappuzha
Parvathypavithran15@gmail.com*

ABSTRACT

Our environment faces lot of environmental problems, it is clear that past strategies used to address these challenges have failed to prevent environmental degradation. It is therefore time to pay attention to the role that entrepreneurs can play in solving our environmental problems. Ecopreneurs can help preserve our ecosystems, counteract climate change, improve fresh water supply, maintain biodiversity, and reduce environmental degradation and deforestation. This paper focuses on the role of entrepreneurship in sustainable development.

Keywords: Ecopreneurship, sustainable development.

I. INTRODUCTION

The term 'ecopreneurship' is a combination of two words, 'ecological' ('eco') and 'entrepreneurship'. Ecopreneurship can thus be roughly defined as 'entrepreneurship through an environmental lens'. Ecopreneurship is characterised by some fundamental aspects of entrepreneurial activities that are oriented less towards management systems or technical procedures and focused more on the personal initiative and skills of the entrepreneurial person or team to realise market success with environmental innovations.

Ecopreneurship is also important because eco-innovations will be the future competitive advantage of companies and countries. They argued that if companies and countries want to be successful in the international market, they cannot rely on having low cost as their competitive advantage; but rather on new and innovative environmental technologies, services and processes which will be the more important sources of competitive advantage. The long term sustainability of our economic system does not depend only on quantitative growth, but also on the ecological aspects of the growth and sustainable development.

Evolution of Ecopreneurship

The relationship between business and the environment is not new. There was an upsurge of interests in environmental degradation during the 1960s, in Western Europe and North America because of the incidents of heavy smog in London caused by business activities. At that time, people became more aware of the negative environmental consequences of business activities. Business response to the environmental concerns was antagonistic, with little care about the cost of business activities to the environment. They saw the environmental concerns as a nuisance to their businesses and opposed any effort to control performance. Ecopreneurship literature is still comparatively young. The growth so far has been supported by various consumer groups as well as the strong demand for green products, especially in the developed countries. Ecopreneurship has thus become a market-based approach for identifying opportunities for improving the quality of life through sound environmental practices.

II. OBJECTIVES OF THE STUDY

- To understand the concept of Ecopreneurship.
- To find out the significance of Ecopreneurship in present scenario.
- To identify the role of ecopreneurship in sustainable development.

Need and Significance of the Study

There are some practical business reasons that justify the need for ecopreneurship to solve our environmental problems. First, our finite resources, for example fish, minerals or gas are limited in their supply. Once consumed, many of them cannot be recreated and we will be left with diminishing or no natural resources, if we do not sustain them. Also, because of economic activity and consumption, most of our resources become waste. As a result, we have the problem of pollution, which seriously affects humans and the ecosystem and could lead to greenhouse gas accumulation and potential climate change. To sustain them, ecopreneurship is important to constantly look for alternatives, e.g. recycling or new sources of energy, such as wind, water, and solar. Second, the global population growth is also influencing ecopreneurship. Although part of this consumption is important for relieving poverty in many emerging countries, most it will be done by affluent consumers and can have a negative impact on the ecosystems.

III. RESEARCH METHODOLOGY

The present study is mainly based on data collected from secondary sources. The secondary data collected from books on Ecopreneurship, different journals articles, papers presented on entrepreneurship and ecopreneurship, internet and various academic databases.

Ecopreneurship

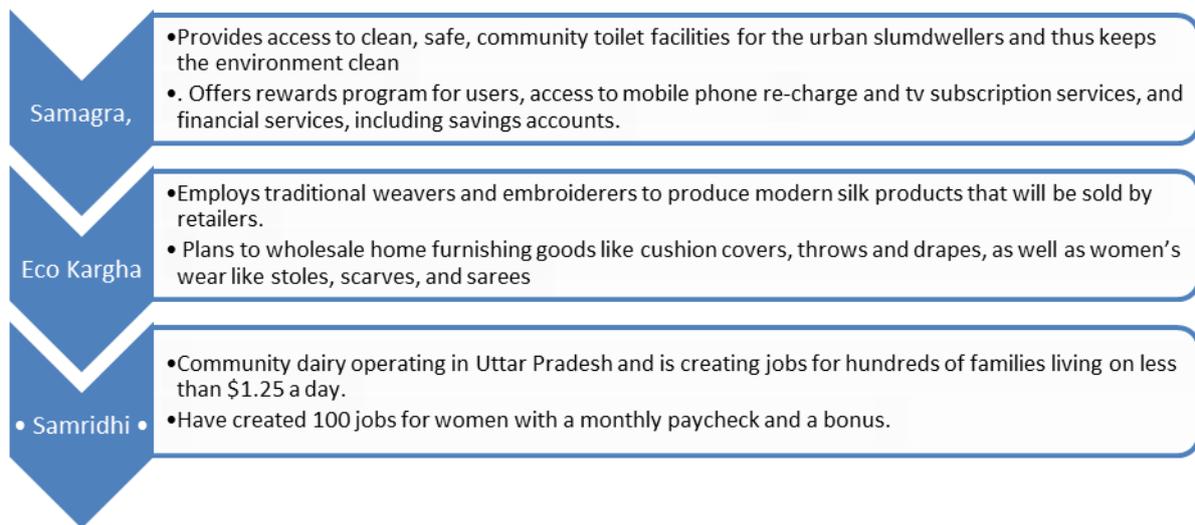
Definition and Meaning Ecopreneurship is a new concept in business research. The concept began to gain scholarly attention around the 1990s, when some researchers used the terms such as “green entrepreneur”, “environmental entrepreneur” and “eco-entrepreneur” to define the concept itself. Ecopreneurship simply relates to carrying out activities that keep the environment clean as well as meeting the business objective. But it is among the under-researched concepts in contemporary business research. Although, the term “ecopreneurship” is formed by stringing together two words, namely ecological (eco) and entrepreneurship, to denote an innovation or entrepreneurial action that hinges on the motive to produce environmentally suitable products and services. An entrepreneurial action occurs when the presence of enterprising individuals and the presence of lucrative opportunities are combined. Ecopreneurs are therefore enterprising individuals who key into the opportunities of turning waste to wealth. In the view of Hall, Daneke and Lenox (2010), ecopreneurship implies “the effort to minimize environmental footprint, namely the total environmental and social cost resulting from human entrepreneurial activity”. Ecopreneurship is the fulfilment of environmental obligations in entrepreneurship. In turn, Isaak (2002) construed the concept of ecopreneurship to mean an existential form of business behaviour committed to sustainability. An ecopreneur is 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. Based on this definition, ecopreneurs are therefore entrepreneurs who base their business philosophy on the norm of sustainability. Another fact that must be noted is that ecopreneurs do not engage in eco-friendly

markets or businesses only for profit making but also due to their strong entrepreneurial commitment to “green social values” and environmental values. Hence, it can be said that ecopreneurs operate companies that fulfil both social and environmental requirements.

Typology of Ecopreneurship



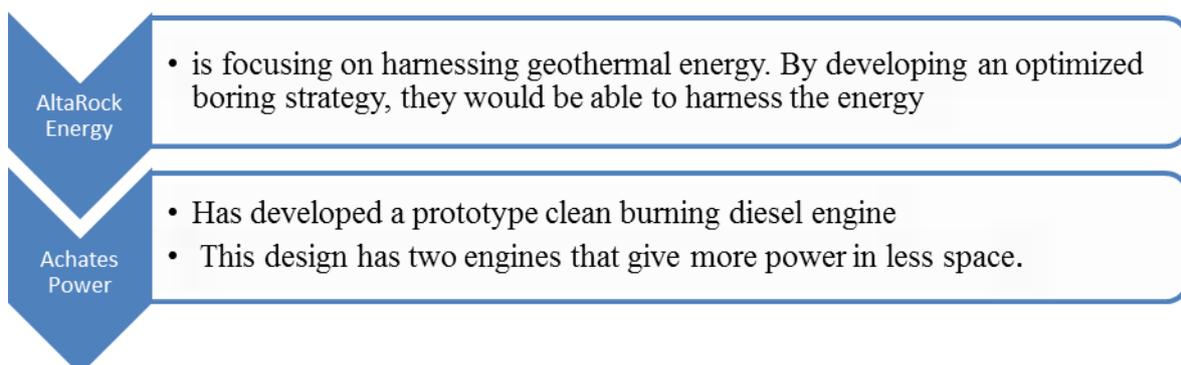
Transformative: These Ecopreneurs embrace transformation from the bottom-up. (Upayasv: 2014) They operate with the goal of a future that has incorporated structural changes and these businesses focus the most on sustainability. Three of the prominent transformative Ecopreneurship are:



Resourceful: These Ecopreneurs identify niche markets and use the opportunity to launch ecofriendly businesses for financial gains.

Virtuous: Influenced by friends, and family rather than starting out with a vision to change the world, the virtuous ecopreneur is not motivated by ambitions to change the world at the outset but has a tendency to set-up alternative businesses

Financial: These ecopreneurs are motivated by financial gain and they are not value-driven. They are ad-hoc ecopreneurs. The fact that their business happens to be eco-friendly is just accidental. Two of the prominent financial ecopreneurship are:



Significance of Ecopreneurship in Present Scenario

Environmental business management has focused its attention on why and how the existing firms can become greener. However, the field of green management has begun to broaden its arena, and recently there has been a growing recognition of the importance of linking sustainability and innovation, the role of small and medium enterprises, the importance of sustainability in strategic business development, and green practices in industries. The adoption of environmentally responsible business practices will open up an additional range of opportunities for entrepreneurs. The move to a sustainable business framework provides numerous niches which enterprising individuals can identify. This includes the development of new products and services, improving the efficiency of existing firms, new methods of marketing, re-configuring existing business models and practices.

Eco friendly products are suitable for environment. Fortunately, there are far more eco product now than in past. There are many companies who apply technology and application for a greener world. So it is up to our choice to take right decisions and make this world environmentally clean, safe and friendly.

Government, businessmen, manufactures and consumers have to consider the effects of manufacturing on the environment. We must consider a variety of measures to save our environment products while designing or manufacturing products. Many companies in the world today have products in their lines that are produced using sustainable ingredients with eco design, eco energy in manufacturing eco-friendly products that are safe and reliable to use. Ecopreneurship is also important because eco-innovations will be the future competitive advantage of companies and countries. They argued that if companies and countries want to be successful in the international market, they cannot rely on having low cost as their competitive advantage, but rather on new and innovative environmental technologies, services and processes which will be the more important sources of competitive advantage. The long-term sustainability of our economic system does not depend only on quantitative growth, but also on the ecological aspects of the growth and sustainable development.

The green entrepreneur's activities have an overall positive impact on the natural environment and they move towards a more sustainable future. All their business is structured and operated in such a way that every component has a neutral or positive impact on the environment. Environmental and social entrepreneurs, or ecopreneurs, lead socially committed, break-through ventures that are driven by environmental, social and economic goals

Ecopreneurship as a Solution to Environmental Problems

Given the present environmental problems facing the world, it is clear that past strategies used to address these challenges have failed to prevent environmental degradation. It is therefore time to pay attention to the role that entrepreneurs can play in solving our environmental problems. Scholars agree that entrepreneurs can help preserve our ecosystems, counteract climate change, improve fresh water supply, maintain biodiversity, and reduce environmental degradation and deforestation.

There are some practical business reasons that justify the need for ecopreneurship to solve our environmental problems. First, our finite resources, for example fish, minerals or gas are limited in their supply. Once consumed, many of them cannot be recreated and we will be left with diminishing or no natural resources, if we do not sustain them. Also, because of economic activity and consumption, most of our resources become waste. As a result, we have the problem of pollution, which seriously affects humans and the ecosystem and could lead to greenhouse gas accumulation and potential climate change.

To sustain them, ecopreneurship is important to constantly look for alternatives, e.g. recycling or new sources of energy, such as wind, water, and solar. Ecopreneurship is therefore important to find the new technologies to protect the environment, and to ensure that there are enough resources to fill the needs of both the current population and future generations.

Role of Ecopreneurship in Sustainable Development

The terms ecopreneurship and environmental entrepreneurship are used interchangeably to denote innovative behaviour by individuals and organizations that operate in the private sector and Sustainability. Experts view environmental focus as the main pillar of the business model and sustainable competitive advantage. According to Kirwook and Walton, ecopreneurship consists of creating new business ideas by stressing sustainability as a basic principle. By showing the economic benefits of being more ecological and environmentally-friendly, ecopreneurs act as a pull factor that encourages other businesses to be ecologically proactive. This role contrasts with push factors such as government regulations and pressure by stakeholders and organizations such as NGOs. Ecopreneurship has also been

identified as a new way of participating in the commercialization of ideas, products, and services where the outcome of the exchange between the provider of services and the consumer is positive for both parties as well as for the environment. Ecopreneurship is related to the economic concept of the common good, which refers to fostering and imparting the human values of dignity, solidarity, sustainability, social justice, democracy, and transparency. The economy of the common good has a broad scope and covers principles that concern not only people but also the environment. The goal is for the firm to conduct its business activities without negatively affecting people and the environment. According to stakeholder theory, companies must strive to meet all stakeholders' aims and, thereby, foster social and institutional sustainability. For firms, the application of this model means an increase in economic profitability and even provides the opportunity to gain a competitive advantage by offering consumers a differentiated product. One important group of firms' stakeholders consists of governments and political leaders, who, in recent times, have implemented restrictive, demanding policies to encourage care for the environment. Organizations such as NGOs are playing an increasingly prominent role in a changing world made highly fragile by intensive consumption of natural resources that is exhausting biological reserves. The opposite stance is the neoliberalism expounded by Milton Friedman. Under this approach, the maximization of economic profit should be the primary objective of all organizations. Accordingly, corporate social responsibility (CSR) would be thought to have a negative impact on financial profitability. Milton Friedman's approach relates to a neoliberal system and a conventional method of production, which is characterized by the pursuit of profit and competition. However, Gamble et al. have argued that the effect of the negative externalities of firms on stakeholders must be reduced. Accordingly, it is essential to find a new economic and production model that responds to the economic, social, and environmental needs of the 21st century from an integral, holistic perspective.

IV. CONCLUSION

Ecopreneurship plays a major role in sustainable development. All the products relating to ecopreneurship are eco-friendly or environment friendly. Ecopreneurship became quite popular in recent times as people and organizations became more concerned about environmental degradation caused by the activities of large companies who are only concerned about economic success. An ecopreneur is a business person or entity concerned about the whole humanity and the world we live in, and whose primary motive is not only to make profits, but to serve the humanity and to ensure that the world's resources are available for the new generations. Large companies are also becoming more and more concerned with the concept of ecopreneurship as they find long term benefits in this model. This study attempts to investigate the influence of ecopreneurship in society and also about its influence on pollution. Ecopreneurship provides a feasible business opportunity to young entrepreneur and indirectly their activities make a positive difference in environment.

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