

GREEN ENTREPRENEURSHIP AND SUSTAINABLE DEVELOPMENT

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ABSTRACT: *This paper presents a synthesis of the role that green entrepreneurship has in the international context of sustainable development. Starting from a presentation of the evolution of this concept in various forms, I moved on to the classification of this form of entrepreneurship, after which I synthesized the connection between green entrepreneurship and sustainable development as presented in Romanian and foreign specialized literature. At the end of the paper, I showed which are the evolution trends of this type of entrepreneurship.*

KEY WORDS: *sustainable development, green entrepreneurship, business opportunities*

JEL CLASSIFICATIONS: *D-21, L-26.*

1. INTRODUCTION

An important engine of a country's entrepreneurial capacity is the way in which the population perceives entrepreneurship. Initiatives to encourage entrepreneurship and the creation and development of SMEs can be found in economic development strategies in both developed and developing countries. Strategies for the development of small firms and the stimulation of entrepreneurship represent a "magic bullet" for trying to promote economic development and dynamism in a competitive global economy (www.fonduri-structurale.ro/2021-2027).

In this context, it is necessary for entrepreneurial policies to be included in public policies and strategies and to be based on a holistic approach with a growth effect on entrepreneurial capacity.

Given that the largest source of income for the state budget comes from private companies, such an approach is necessary, and the tools used must be diversified and complex, starting from financial and entrepreneurial education to stimulating companies through facilities fiscal. So, there is no standard model for the state to use to stimulate

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entrepreneurship, but only diversified policy instruments that can be used to promote entrepreneurship and economic development.

Economies stimulated towards innovation and entrepreneurship require different types of policies for the development of entrepreneurship. Currently, the United Nations' Sustainable Development Goals (SDGs) target entrepreneurship education in a sustainable manner by achieving which will end poverty, protect the planet and ensure prosperity for all by 2030.

Objectives (SDGs) 4 and 8 aim at a sustainable development through quality entrepreneurial learning and development (L&D) and through sustained work, economic growth and the promotion of development-oriented policies, the development of entrepreneurship and increasingly the development of green entrepreneurship is supported.

Entrepreneurial activity is what allows individuals to keep up with the constant changes in society. The reality proves that economies that stimulate entrepreneurial activity oriented towards adapting to the conditions in society, register a high level of performance and prosperity.

Entrepreneurship manifests itself in society in many forms and is correlated with technological progress, job creation and the reduction of social inequities and increasingly with environmental protection.

2. PRESENTATION OF THE CONCEPT AND FEATURES

The last decades have intensified the concerns of specialists in studying a new form of entrepreneurship that intensifies environmental protection, namely environmental entrepreneurship, green entrepreneurship, ecopreneurship or ecological entrepreneurship. Environmentalist, entrepreneur, journalist and author Paul Hawken has stated that "entrepreneurship is the only mechanism on the planet powerful enough to produce the changes necessary to reverse social and environmental degradation."

Green entrepreneurship is not a new concept, but it has only recently started to become more popular. The notion of green entrepreneurship appeared in the 90s, in the book *The Green Entrepreneur: Business Opportunities That Can Save the Earth and Make You Money* by Gustav Berle in which he presented that "green entrepreneurship takes responsibility for creating the world we dream of" starting from the entrepreneurs' beliefs, attitudes and life principles related to environmental protection.

Their motivation is not only limited to the conservation of nature, but also combines ecological, ethical and social reasons and which can be constituted as a step towards a new lifestyle. Berle states that "eco-entrepreneurs are agents of change who disrupt conventional production methods, products, market structures and consumption patterns and replace them with new, superior and green products and services".

Generally speaking, environmental entrepreneurship - enviropreneurship - represents companies for which environmental protection is important. Thus, this type of entrepreneurship allows the creation of a nature-friendly environment through products and services that do not have negative effects on the environment.

The term ecopreneurship – ecopreneurship or ecological entrepreneurship describes a business related to the environment, capable of achieving the best results with existing means.

The entrepreneur who implements a business in the field of environmental protection, is a person who initiates a business and runs a firm that is developed to be environmentally friendly through products and processes. Similar to the concept of entrepreneurship, Isaak coined the term "green business" (Isaak, 1998) to make it easier to distinguish between entrepreneurship and green or ecological entrepreneurship.

Thus, we can say that green entrepreneurship is a business that develops in a green space and is an economic activity that transforms the processes and technologies used in business into something green or sustainable. Most specialists have described ecological entrepreneurship as:

- An activity that consciously addresses an environmental problem and that through the implementation of entrepreneurial ideas has a positive effect on nature and/or the environment;
- An enterprise designed to have a positive impact at all levels of sustainable development;
- A type of entrepreneurship that deals with ecological issues, ecotourism, natural heritage etc.

In conclusion, regardless of the chosen form, most definitions find this type of entrepreneurship to be an ecological activity or business where goods and services are sold for profit.

From the perspective of entrepreneurs developing green businesses, several characteristics can be identified that differentiate them from other entrepreneurs:

- have a strong motivation related to environmental protection;
- seek to solve environmental problems that are at the center of their business activity;
- the activities carried out have a positive impact on the environment and are financially sustainable;
- pursue the achievement of sustainable strategic objectives through which they contribute both to the creation of social and environmental values;
- act in decision-making and according to the more complex institutional norms by which they comply with sustainable policies and strategies.

Green entrepreneurship makes significant contributions to job creation and is seen as part of the solution to reducing unemployment, and future employment growth is likely to come from increased entrepreneurial activity of this type.

In conclusion, the term green entrepreneurship is interpreted as entrepreneurship in fields where technology and specific jobs have positive effects on the environment.

3. GREEN ENTREPRENEURSHIP AND SUSTAINABLE DEVELOPMENT

The concept of sustainable development crystallized over time, over several decades, and acquired precise political values in the context of regionalization and globalization. The European Commission attaches great importance to the

implementation of sustainable development instruments. The Sustainable Development Goals (SDGs) are an important component of the policy guidelines of this institution.

The full implementation of the 2030 Agenda of the United Nations is essential to strengthen resilience and prepare the world to face future shocks, amid the move to the dual transition (green and digital), and the 17 goals, shown in the following figure, are grouped into six directions, namely: European Green Deal, Economy that works for people, Europa fit for the digital age, European way of life, stronger Europe in the world, European Democracy.



Source: https://ec.europa.eu/regional_policy/ro/newsroom/news/2020/01/14-01-2020-financing-the-green-transition-the-european-green-deal-investment-plan-and-just-transition-mechanism

Figure 1. Sustainable development objectives of the European Union

The best-known definition of sustainable development is certainly that given by the World Commission on Environment and Development (WCED) in the report "Our Common Future", also known as the Brundtland Report: "sustainable development is development that seeks to meet the needs of the present, without to compromise the

ability of future generations to meet their own needs” (https://eur-lex.europa.eu/summary/glossary/sustainable_development.html?locale=ro).

Sustainable development pursues and tries to find a stable theoretical framework for decision-making in any situation where there is a human-environment relationship, whether it is the environment or the economic or social environment.

Although initially sustainable development was intended to be a solution to the ecological crisis determined by the intensive industrial exploitation of resources and the continuous degradation of the environment and aimed at preserving the quality of the surrounding environment, nowadays the concept has expanded to the quality of life in its complexity, and from an economic and social aspect and one of its objectives is to promote ecological and sustainable production and consumption models (www.mmediu.ro/beta/domenii/dezvoltare-durabila/).

In this context, in order for green entrepreneurship to be sustainable, it must be correlated, on the one hand, with economic development in order to recover costs and, on the other hand, with social development to create jobs so as to reach the indicators of sustainability. The existing literature has focused on how and why incumbent firms have become more environmentally sustainable and responsible, and has paid considerable attention to firms that develop green entrepreneurship components over time.

Green entrepreneurship is gaining more and more visibility in the face of social awareness of corporate environmental responsibility although there is much uncertainty about its implementation strategies and which are placed around five main themes in which the published works place their contribution:

- the life cycle of products, companies and industries;
- the role of institutional structures, including the government;
- companies' access to funding sources,
- creation of geographical clusters;
- regional factors that stimulate ecological enterprises.

From a long-term perspective, green entrepreneurship has the following advantages:

- It has effects on environmental protection;
- Offers the possibility of job creation;
- It implements marketing strategies with positive effects on the education of citizens.

The disadvantages of green entrepreneurship in the long term, could be:

- lack of information about ecological entrepreneurship;
- people's reluctance to change;
- the lack of financial sources.

Sustainable entrepreneurship as a sustainable holistic system has three dimensions - economy, environment and society.

Green entrepreneurs are change agents who disrupt existing conventional production methods, products, market structures and consumption patterns and replace them with superior green products and services created through innovation and advanced technology that create the premises for business sustainability (figure 2).

Although the dominant part of traditional economic development is business growth at any cost, many businesses have adopted a different perspective, preferring that their businesses have positive effects on the environment and have sustainability.

Thus, many green business owners do not want to grow their business internationally but prefer their business to remain embedded in local or regional markets and be sustainable in the long term. They provide the source for starting and sustaining a green economy by making green products and services using appropriate technological equipment, and generating green jobs.

In fact, we can consider that the main components of green entrepreneurship are: economic development, environmental quality, social welfare, innovation, sustainability, technological advancement (figure 2).

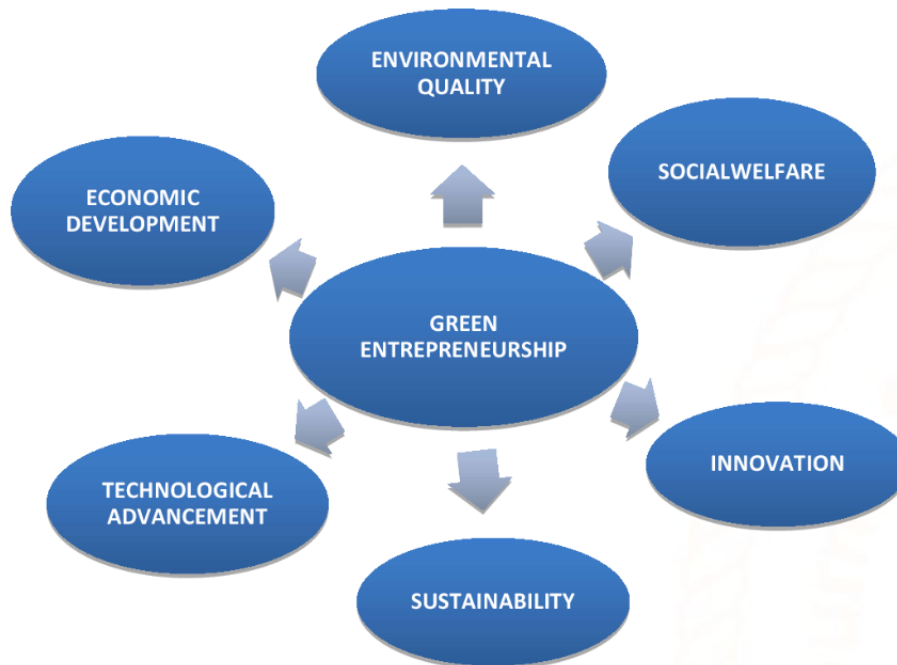


Figure 2. Components of green entrepreneurship

The development of these businesses leads to the development of the "green" market, a market that offers great opportunities for development in all areas, such as green design, green supply chains, green product production and more.

An important role in their development and mediating belongs to ecological marketing which is a relatively new concept, where several synonymous terms are used such as: "green" marketing, eco-marketing, sustainable marketing".

By this form of marketing is meant the highlighting of products that are related to the environment and where food production techniques, packaging methods, etc. are respected.

Mutations behind the concept of green marketing are slowly but steadily taking place in the market, being considered an opportunity for entrepreneurs who rely on green redesign and green product innovation for entrepreneurs who want to be a part of this emerging green market.

4. CONCLUSION

In conclusion, the trends in the development of ecological or green businesses are diverse and dynamic, the main ones referring to:

- the significant increase in the number of young entrepreneurs who want to combine entrepreneurship with environmental protection;
- the concern of companies from any field to increase business sustainability;
- orienting entrepreneurs towards sustainable development from the first stages of business development.

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