

IO3: IN-SERVICE TRAINING FOR VET TUTORS

LEARNING UNIT 1
ANNEX 6
GREEN ENTREPRENEURSHIP
AND BUSINESS



Green-4-Future

Greening the EntreComp Framework to Reconcile Economic
Development and Environmental Security

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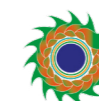
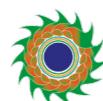
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1. ABSTRACT

Advocacy for pro-environmental behaviour in the business arena is on the increase. Yet, many businesses have continued to indulge in “business-as-usual” practices, which are preoccupied with profit maximisation objectives at the expense of all other social benefits. Such anti-environment practices have little or no regard for flora and fauna wellbeing. Hence, the main objective of this study is to review, explore and synthesize current views in the field in view of clarifying relevant concepts in green entrepreneurship context. Also, to identify behavioural and performance standards required of green entrepreneurship growth and development.

To achieve the study objectives, we adopted an integrative review of literature methodology. Concerning the findings, this paper identifies new trends in green entrepreneurship and the need to clarify some relevant concepts, such as: industry life cycle, entrepreneurship knowledge sharing, institutional framework, entrepreneurship financing, green entrepreneurship decision-making process among others.

We also identify the need to properly delineate the process leading to the practice of green entrepreneurship as a departure from the old entrepreneurship philosophy. Therefore, we recommend that further studies should endeavour to focus on identifying the step-by-step processes involved in the green entrepreneurship practice for the possibility of wider accessibility and ease of understanding of prospective green entrepreneurs in the interest of green entrepreneurship growth and development. Finally, we identified the dearth of literature with change management scholars' view and contributions to the emancipation of green entrepreneurship from the cocoon of traditional entrepreneurship management practice hence, we threw it open for future research undertaking.



2. CONCEPTUAL FRAMEWORK

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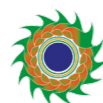
Defining green entrepreneurship is a difficult task. The concept itself is relatively recent and has been receiving growing attention since the 1990s. The interest in green entrepreneurship is not only reflected in the growing literature on the topic but also in the proliferation of terms used to identify the concept itself. Among the terms available to describe green entrepreneurship, the following are the most commonly used: ecoentrepreneurship, ecopreneurship, environmental entrepreneurship, sustainable entrepreneurship, ecological entrepreneurship, enviro-preneurship or sustainopreneurship. How can these concepts be operationalised? What activities could be included in the “green” part of entrepreneurship? What are the main characteristics of green entrepreneurs? The literature has not provided clear-cut answers to these questions. A green entrepreneur can be either making their business “green” or simply entering a “green business”. In other words, green entrepreneurship could be defined in terms of the technology used for production in any sector of the economy, or in terms of the sectors firms are active in, in which case our attention is restricted to parts of the economy producing specific types of output. The former is sometimes referred to as a process approach in defining green business, while the latter as an output approach. Authors tend to add complexity to those definitions by often incorporating ethical, social, or environmental motivations in definitions of green entrepreneurial activity.



The following illustrates the broad range of possible interpretations of the concept:

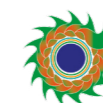
Isaak (2005)	An ecopreneur is a person who seeks to transform a sector of the economy towards sustainability by starting business in that sector with a green design, with green processes and with the life-long commitment to sustainability in everything that is said and done
Volery (2002)	There exist two types of ecopreneurs: 1) "environment-conscious entrepreneurs", are individuals who develop any kind of innovation (product, service, process) that either reduces resource use and impacts or improves cost efficiencies while moving towards a zero waste target. 2) "green entrepreneurs", are those who are both aware of environmental issues and whose business venture is in the environmental marketplace. Such entrepreneurs pursue environmental-centered opportunities which show good profit prospects
Anderson (1998)	Both Entrepreneurship and Environmentalism are based on a perception of value. The attitudes which inform environmental concern create areas of value that can be exploited entrepreneurially. "Environmental Entrepreneurs" not only recognize opportunity, but construct real organisations to capture and fix change in society

In this publication the definition of green entrepreneurship adopted is based on the type of output produced by firms. Put simply, the term "green entrepreneurship" will be interpreted as "entrepreneurship" in "green" sectors, where "green" refers to specific types of outputs, but it is fully recognised that this definition tells only part of the story on green entrepreneurship. The second task involves a clear delimitation of "green" (or "environmental") sectors, which would also be essential for studying any other green topic such as "green technology" or "green jobs".




The definition of "green" adopted in this publication is in line with previously expressed views on the meaning and dimensions of the term. In the context of the OECD Green Growth Strategy (OECD, 2010) for instance, a basic measurement framework is put forward which reflects the common double-faceted approach on "green". More specifically, a first set of indicators is proposed to inform about environmental efficiency in production, and a second set informing about economic activity in conjunction with environmental goods and services. The OECD/Eurostat (1999) proposed a definition of the environmental industry following an output approach on the basis of specific criteria: "The environmental goods and services industry consists of activities which produce goods and services to measure, prevent, limit, minimize or correct environmental damage to water, air and soil, as well as problems related to waste, noise and eco-systems. This includes cleaner technologies, products and services that reduce environmental risk and minimize pollution and resource use." In its one-time Survey of Environmental Products and Services (SEPS), the United States Census Bureau (Becker and Shadbegian, 2008) had already defined the environmental sector in the United States, in a very similar way to the OECD/Eurostat: "The manufacture of products, performance of services and the construction of projects used, or that potentially could be used, for measuring, preventing, limiting, or correcting environmental damage to air, water, and soil, as well as services related to the removal, transportation, storage, or abatement of waste, noise, and other contaminants."

The OECD proposed as early as in 1996 (see OECD, 1996) a framework for delimiting the environmental sector which includes a set of "core industries", that is, categories of activities which are entirely environmental (such as Recycling – ISIC 37, or Wholesale of waste and scrap – ISIC 51.49), and a "non-core" set containing both activities with and without environmental relevance (such as Construction – ISIC 45, where firms specialized in the construction of energy-efficient buildings are considered environmental, while firms engaged in the construction of roads are not). According to the OECD framework



“non-core does not mean, not important, but rather areas where identification, measurement and agreement problems still exist” (OECD, 1996). The share of “green” in “non-core” industries is typically identified by examination of the main activity of each firm in the industry. The distinction between a “primary” and “secondary” set of environmental activities is central in this framework. A firm belonging to one of the “core” sectors declares necessarily a primary activity which is environmentally relevant, while firms in “non-core” sectors could potentially declare such activities as primary, secondary, or not declare them at all. Most studies that measure the environmental sector report statistics broken down by “core” and “non-core” industries, as well as “primary” (otherwise “specialised”) and “secondary” activities.



3. WHAT IS GREEN ENTREPRENEURSHIP AND WHY IS IT IMPORTANT?

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The most important issues of today are protecting the environment and leaving a clean environment to future generations. It is important for the development of green entrepreneurship that the viewpoint of the society towards nature and green production is changing day by day and promoting it. This will naturally bring with it the importance and importance of vital issues such as conservation of energy and green, recycling gaining importance, promoting reusability and the development of the economy.

Entrepreneurial activity is a continuously growing field of business. Recent ecological problems have resulted in entrepreneurial activities being affected by ecological approaches.

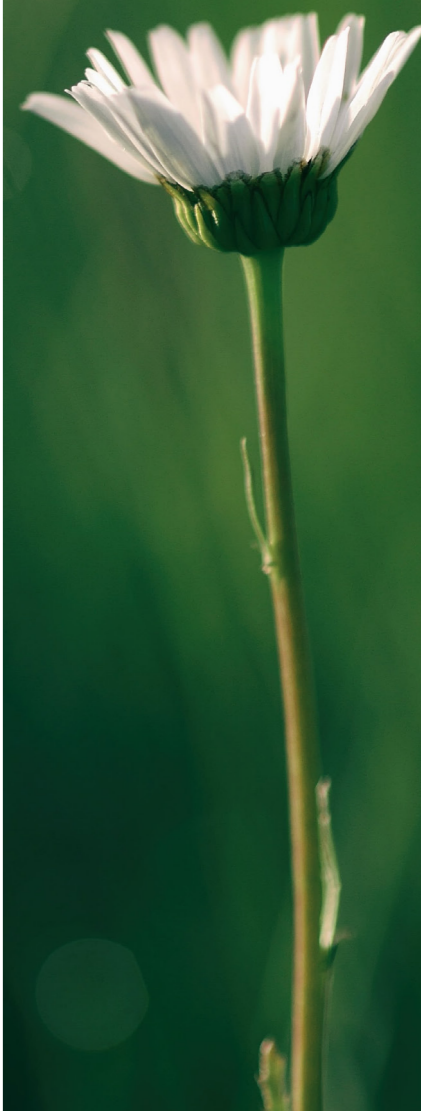
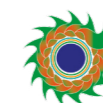
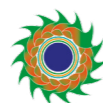
Increasing environmental awareness day by day increases the needs of societies for ecology friendly entrepreneurs. The limited natural resources, the increase in the world population and the decrease in biodiversity play an important role in the formation of concerns about ecology. While the tendency to consume more products creates environmental damage, many businesses try to raise awareness of the consumption of natural resources. The main purpose of all this is to ensure sustainable growth. Green entrepreneurs are entrepreneurs who have such a perspective. The main difference that distinguishes green entrepreneurs from traditional entrepreneurs is that green entrepreneurs want to create a business model that is economically profitable, environmentally conscious and creates social value.

Green entrepreneurs are important for economic development. Green entrepreneurs can make a significant contribution to eliminating unemployment, poverty, and environmental problems. Green entrepreneurs have a greater role in environmentally friendly practices and environmental tasks than other entrepreneurs. They can

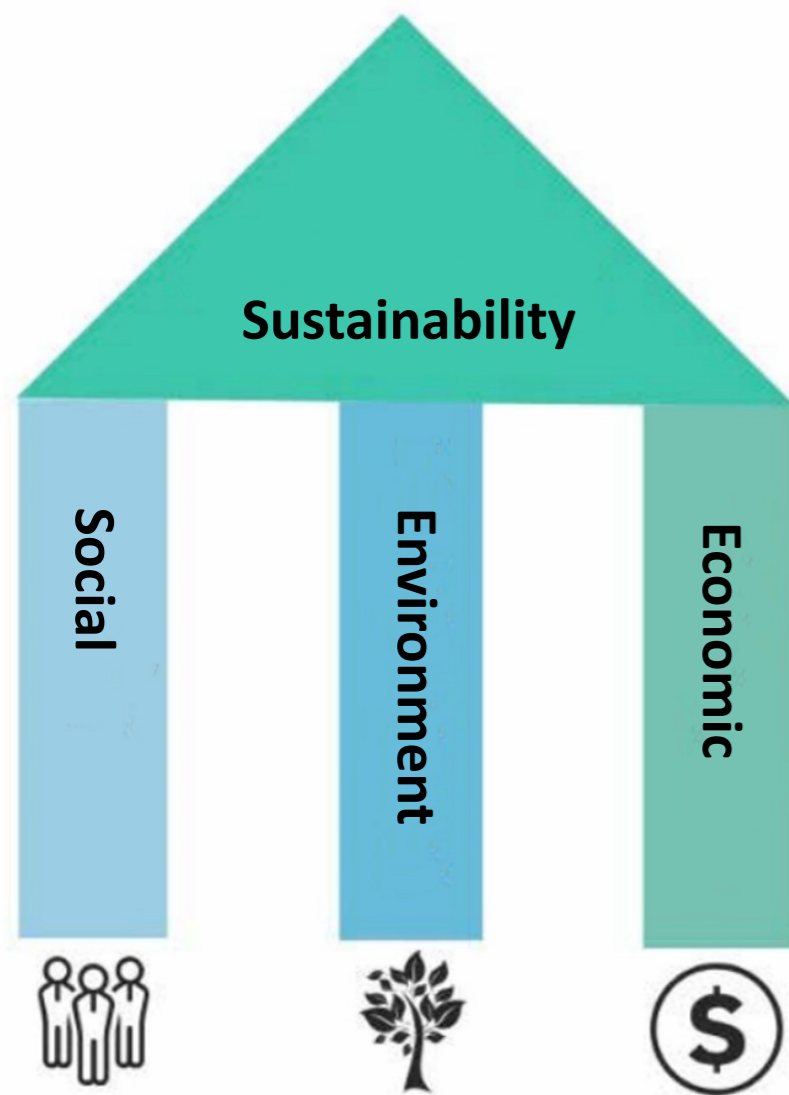
provide environmentally friendly products and services or clean technology assistance etc. they contribute to the green economy.

From a policy perspective, less attention has been paid to commercialisation of technology and to the need to subsidise the 'public good' component of green entrepreneurship. From an analytical perspective, a series of key questions still remain, namely: what are the traits of green entrepreneurs? In what kind of institutional environment do they best flourish? Are the drivers of green entrepreneurship common to both industrialised and developing countries?

Indeed, there is an essential difference between the ways of looking at green entrepreneurship in developed countries and developing countries. Developed countries and international organizations tend to put more emphasis on the term 'green' and on market opportunities, while developing countries tend to focus more on the term 'entrepreneurship' and on market needs. Chinese and Indian entrepreneurs, for example, are genuinely transforming the emerging economies by developing affordable products that meet the needs of the poor, but still need to become greener. Developed countries tend to spend large amounts of money on green innovation projects, but then face the missing link of entrepreneurs who move the product from a prototype to a commercially viable product.



A business is the activity of buying and selling goods and services to make a profit (i.e., having an income or revenue that is greater than costs). All businesses must be financially viable. Without this basic precondition they cannot sustain themselves, pay their staff, and continue



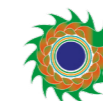
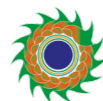
to produce products or offer services to the market. Some businesses ONLY care about this. Or they may only care about their staff's well-being or their environmental impact where it affects their production, reputation, and sales, and therefore, their profits. So where does sustainability fit in? Sustainable development (and sustainable business development) has been defined in many ways. A frequently quoted definition is: development that meets the needs of the present without compromising the ability

of future generations to meet their own needs.

In the past, development of businesses, and the economic growth they drive, have generally been unsustainable from an environmental perspective.

Fossil fuels, including oil, diesel, kerosene, and natural gas, which the current economic system depends on, are finite. Burning them for energy damages the environment and contributes to climate change.

Extractive industries, such as logging and mining, remove resources in minutes that took hundreds of millions of years to form. Almost everything we buy is packaged in plastics that do not decompose, but will stay in landfills, or worse, in oceans, long after the person who used them is gone. Businesses must be part of the solution to these problems. As shown in the image above, a sustainable business strives to balance the economic (financial), social (people), and environmental (biodiversity, ecosystems) benefits of the business as part of its core business objective. For a business to be sustainable, it must not exploit resources or people to improve profit margins. A sustainable business knows that if it depletes the resources that it is using faster than they can be generated, it cannot go on indefinitely. Similarly, viewing itself as part of the broader community, it ensures that its staff are paid fairly and have a good quality of life.



4. SO, WHAT IS A GREEN BUSINESS?

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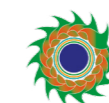
There is no single definition of a green business, but generally, it's a business whose core business model addresses an environmental or



social issue – this is, it improves energy or resource efficiency, reduces greenhouse gas emissions, decreases waste or pollution, protects or restores ecosystems, promotes local culture, or supports communities.

A green business will typically do any or all of the following:

- Incorporate principles of sustainability into its business decisions and actively monitor them.
- Pay staff a fair wage for the work they do and ensure that they are able to maintain a good work-life balance.
- Distribute benefits equitably across the value chain.
- Maximise the social benefits of the business (e.g., by employing marginalised groups). Some businesses set up foundations to assist with this – but a sustainable business doesn't confine its social activities just to charitable donations – it looks for every opportunity to increase the social benefits of the business in its day-to-day operations.
- Supply environmentally-friendly and/or local products and services that replace demand for non-green or imported products and services.
- Help its community become more sustainable (e.g., by reducing energy use or water use, or reducing waste or pollution).
- Make efforts to reduce resource use (energy, water, materials), and replenish, enhance, or substitute an environmental resource that is used by the business (e.g., replanting trees, enhancing soil fertility, using renewable energy).
- Make an enduring commitment to environmental principles in its business operations. These will often be detailed in a publicly available and regularly updated Sustainability or Environmental Policy.

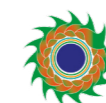


5. THE CONCEPT OF GREEN ENTREPRENEURSHIP

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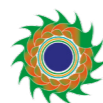
Despite the observed rapid growth in the general field of green study, green entrepreneurship, as a field of study is still at its infancy. There are some cross-road conceptual issues from the related fields such as Business Economics, Entrepreneurship, Finance, and Accounting, which are yet unresolved. O'Neill and Gibbs (2016) posit that entrepreneurs do experience dilemma in determining what undertakings constitute green entrepreneurship. To alleviate this dilemma, researchers at various occasions tried to define or describe green entrepreneurship for ease of understanding. Green Project (2012) for instance, defines green entrepreneurship as activities that are consciously addressing environmental, social problems/needs through implementation of entrepreneurial ideas amidst high risks and expectation of net positive impact on environment and financial sustainability. The authors go further to describe a green entrepreneur as one who starts and runs an entrepreneurial venture that is designed to be green in process and products. More so, they suggest that green entrepreneurship should be defined in terms of adopted technological line of production or firm's activities. Also, they describe green entrepreneurship as a story telling process through which an entrepreneur obtains supports from stakeholders to pursue his/her ambitions. Literature shows that due to the premature stage of green entrepreneurship, scholars have not been able to agree on a universally acceptable definition for it (Demirel et al., 2019). 60% of businesses today are measuring efficiency through green programmes out of which 78% of them achieve power efficiency, two-thirds indicate heating/cooling and paper savings while 60% are cutting costs on water consumptions. Hence, in the overall, about 69% of the respondents indicated that they are already exploring green



in their different endeavours, which represent an increase over the previous year's figures. In support of this, the only strategic solution to the problem of sustainability is for entrepreneurs to establish their businesses and rely on "go green" for prosperity and long term survival.

Furthermore, the level at which some businesses resort to the use of "green-washing" to lure unsuspected public into their brand through marketing gimmicks further reemphasize the potency of green practice to growing consumers base for certain brands. For instance, researchers have observed that true green enterprises are bound to enjoy high level of customer loyalty despite the growing interruption of green-washing. Thus, unscrupulous businesses pretending to be green or pro-environmental for undue market advantage can only have their way in the short-run. In other words, businesses firms that have come to the realisation of the necessity of greening are now being strategically positioned for sustainable market opportunities compared to those that are pretending to integrate greening into their management processes just when they are not. Although, the challenge being faced by the young green entrepreneurs in this regard cannot be underestimated. These challenges, which range from the lack of adequate government supports to the difficulty in assessing funds and markets among others, need to be addressed should green entrepreneurship be widely embraced. However, the resolve to be environmentally oriented and compassionate establishments gave green entrepreneurs the resilience to surmount these challenges. Hence this genuineness of purpose ended up given them good reputation of environmental-friendly firms with products and services, which customers would gladly patronise. Apparently, it is in our own interest to rally round in support of the new born green firms which stand for sustainability in all ramifications. In other words, it behoves on every stakeholder to see that young green born firms survive to fulfil their purposes.

6. THE CONCEPT OF CREATIVE GREEN ENTREPRENEUR



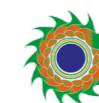
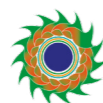
6. THE CONCEPT OF CREATIVE GREEN ENTREPRENEUR

There has been an increasing advocacy for conducive environments for biodiversity, which led to the emergence of green field of study courtesy of creative intelligence. For instance, green creative entrepreneurship is viewed as an entrepreneur's ability to obtain stakeholders' approval for his ideas, takes control of the value chains and gets rewarded for his ingenuity to solve environmental problems. The entrepreneurs' ability to attract investors for their creative ideas defines the level of success attained through innovative efforts. Green entrepreneurs' tendency to explore different scenarios due to flexibility and adaptability rooted out of creativity often results in superior solution to business and societal challenges. They are perceived as disruptive thinkers who are capable of salvaging the sociological landscape from environmental menaces. Thus, entrepreneurs' ability to begin at any level presents them with the advantages of green market opportunities towards sustainability. In addition, Malavisi (2018) posits that green entrepreneurs are those who are involved in modern green business practices through creative and innovative competencies. However, to mitigate global environmental challenges, Dale (2019) argues in favour



of green creativities, which he describe from green entrepreneurship perspective as a revolutionary solution to the current social, economic, and environmental challenges. Thus, creative entrepreneurship is a coordination of skills and other resources (human and material) towards solving socioeconomic problems through legitimate products/services that bring about financial rewards and sense of fulfilment to the owners.

In view of the above, business environment gripped with increased competition, such that customers now have quick access to market information, is leading to products getting obsolete faster. By implication, entrepreneurs are constantly under unnecessary pressure not only to come up with new innovation leading to state-of-the-art products but also, to achieving quick capital turnaround from market acceptability hence, the need to take decisions faster. According to Schumpeter (1934), innovation and entrepreneurship are veritable tools for the development of societies because innovation allows entrepreneurs to take advantage of bigger opportunities for originality which tends to enhance profitability. In other words, through innovative ideas of entrepreneurs, goods and services that are targeted at solving particular needs are developed with attendant socioeconomic benefits capable of improving the society. Thus, economic growth in an environmentally sustainability manner has been recognized as essential condition for human and societal wellbeing. Although, one may argue that having good life is hinged on many other factors such as peaceful co-existence, having adequate financial resources, having access to balance diet, adequate clothing, good housing, clean water but it is paramount that all these aforementioned factors are subordinate to the environment. Hence, individual and collective economic activities of the society have a direct impact on the environment with some consequences on the planet (earth). For example, firms' unsustainable business practices are causing excessive wastes far higher than what can be safely absorbed by the biosphere thereby overburdening the planet's bio capacity. Meanwhile, the problem of climate change does not know geographical boundaries and as such once it strikes, it affects anything within the rage of the nature at a particular point in time. In other words, humanity has transcended its allotted ecological resources as a result of incautious ecological footprints in the course of business activities. Therefore, entrepreneurs' role in proffering enduring solutions to ongoing environmental challenges occasioned by unsustainable business practices cannot be underestimated. Thus, a nation's living standard is proportional to its production capacities in relation to its adopted business models hence, only through the green business model can a nation develop green economy.



7. THE CONCEPT OF FIRM'S LIFE CYCLE IN GREEN ENTREPRENEURSHIP

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Firm's life cycle is the progression of a firm from the time it was launched in the business world to as long as it can survive within the environment. Thus, so many factors exist in the environment that constitute both opportunities and challenges to the firm during its life cycle. Ability of a firm to decipher those factors and use them to its advantage would define how far it would go in its business endeavour. Firm's ability to innovate and commercialise is largely dependent on the stage at the technological and industry lifecycle. In other words, which stage a firm is in its life cycle has an impact on its ability to embrace or adapt technologically. For instance, firm's life cycle and innovative performance underlie its level of success in its chosen sector while, and whatever the ability of young new born green firms to penetrate a market and irrespective of innovation or technology adaptability and stage it is on a life cycle scale, it tends to encounter certain difficulties. On the contrary however, Demire et al. (2019) observe that already-established large firms do enjoy economies of scale which, make adoption of certain innovation or technology a bit

easy for them to leverage upon in gaining competitive advantage as against the infant firms.

Although innovation process can be executed at different stages of a firm life cycle, new firms tend to incur high costs on research and development (R&D) as well as training of employees whereas, the old established firms tend to be efficient in this regard due to economies of scale



experience and gained reputation. However, literature reveals that green entrepreneurship is preponderance in terms of success compared to traditional firms in the long-run despite the initial challenge in technological life cycle at the point of market entry. However, to say that the issue of firm's life cycle is conditioned on the positive outcomes of green entrepreneurship in terms of innovation performance is an understatement because the firm has to fine-tune its existing processes and platform to accommodate new technologies or process. All these would involve consumption of resources which if supported and green entrepreneurship is able to migrate successfully, it would go a long way to safeguard the integrity of our earth planet which had already been over burden by poor environmental management of non-green business firms. Sincere integration and implementation does not only send strong signal to others in the business community in terms of getting them aware of need for greening their own business processes too but also leading to the creation of more green products and practices and enhancement of good living for flora and fauna.

8. THE CONCEPT OF INSTITUTIONAL STRUCTURE IN GREEN ENTREPRENEURSHIP

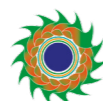
8. THE CONCEPT OF INSTITUTIONAL STRUCTURE IN GREEN ENTREPRENEURSHIP

Institutional structure can be described as a relatively stable pattern of behaviour of a group of people within a particular region or sector. The institutional structure is an important factor in any type of business landscape. Typical example of institutional framework is the oil sector with the related legal frameworks and norms within which the participants are expected to relate. Thus, upon the discovery of oil in many third world countries occasioned by soaring prices in the '70s accelerated industrialisation occurred, which of course came at the expense of human and natural environment. Against this backdrop, many people acclaimed to be friends of the earth rose against unsustainable business practices by holding various entrepreneurs to account environmentally. Dale (2015) posits



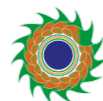
that efforts to minimize negative effects of business operations on the environment gave rise to the Stockholm declaration in 1972, Bucharest World Council of Churches conference in 1974, Rio de Janeiro Earth Summit in 1992, among others. During this struggle, the phrase “sustainable development” was coughed out as a slogan used in solidarity for environmental wellness which lately transformed into “green” or “greening” revolution. The entrepreneurs are the ones behind businesses understanding the benefits of green initiatives and embed environmental objectives into their business aspirations is key for green entrepreneurship development. Green entrepreneurship can exist in two ways namely; ‘already established’ firms that migrate into greening and new ‘born green’ firms that rooted in the funders’ concern for socioenvironmental wellness. In other words, green entrepreneurship could either be accidental or deliberate. Therefore, new born green firms are considered originally eco-oriented that tend to operate in an environmental friendly consistent manners towards the restoration of the lost socio-environmental sanity in our society. While the already established firms which, suddenly realised the need to become green tend to operate in environmentally inconsistent manners. This obvious difference in green entrepreneurship types might not be far from the issue of sincerity of purpose in the struggle for taking advantage of green consumerism in the market.

Moreover, Meyskens and Carsrud (2013) argue that born green firms’ primary focus is on proactive environmental management while, O’Neill and Gibbs (2016) assert that through holistic approach that transcends formal and informal divide is required in consideration of supportive policies and programmes for green entrepreneurship growth and development. Consequently, Dale (2018) observes that new born green firms usually start very small in form of micro, small



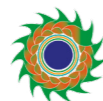
and medium enterprises (MSMEs) from just spin-offs and then go through rough and tough process before eventually finding their foot through green reputation and market acceptance. Thus, should new born green firms exist side by side with their already-established large counterparts, efforts should be made to cater for the vulnerability of the new born green firms through government's interventions to make green economy dream realisable. This is because green economy facilitates achievement of economic growth amidst less environmental pollution and natural disasters. The economy is the driving force of production and reproduction of social services in which it translates to growth and development greenly over time. Hence, this should be a major focus for every responsible entrepreneur. Specifically, government as a key institutional actor has an important role to play in making sure that it provides adequate supports for green entrepreneurship on the one hand and create an enabling environment for green economy to thrive in another hand. However, since the need to cater for diverse interests including entrepreneurs' own value reorientation and beliefs are what led to the legitimate passion for new green ventures, which sets out to taking advantage of emerging opportunities in the environment then, certain benefits should be open to the green entrepreneurs for such entrepreneurial undertakings. Not only that, but green economy also (eco-concerned capitalisms) promoters naturally find fulfilment in the realisation of their own personal dreams despite challenges that might come their way in the process of making green products and services available. This makes them appear energetic and unstoppable. Thus, it is apt to have stringent environmental policies that would set standard of behaviours for citizens in order to deter environmental-opportunist entrepreneurs from taking undue advantage of the green market.

9. THE CONCEPT OF GREENWASHING IN GREEN ENTREPRENEURSHIP

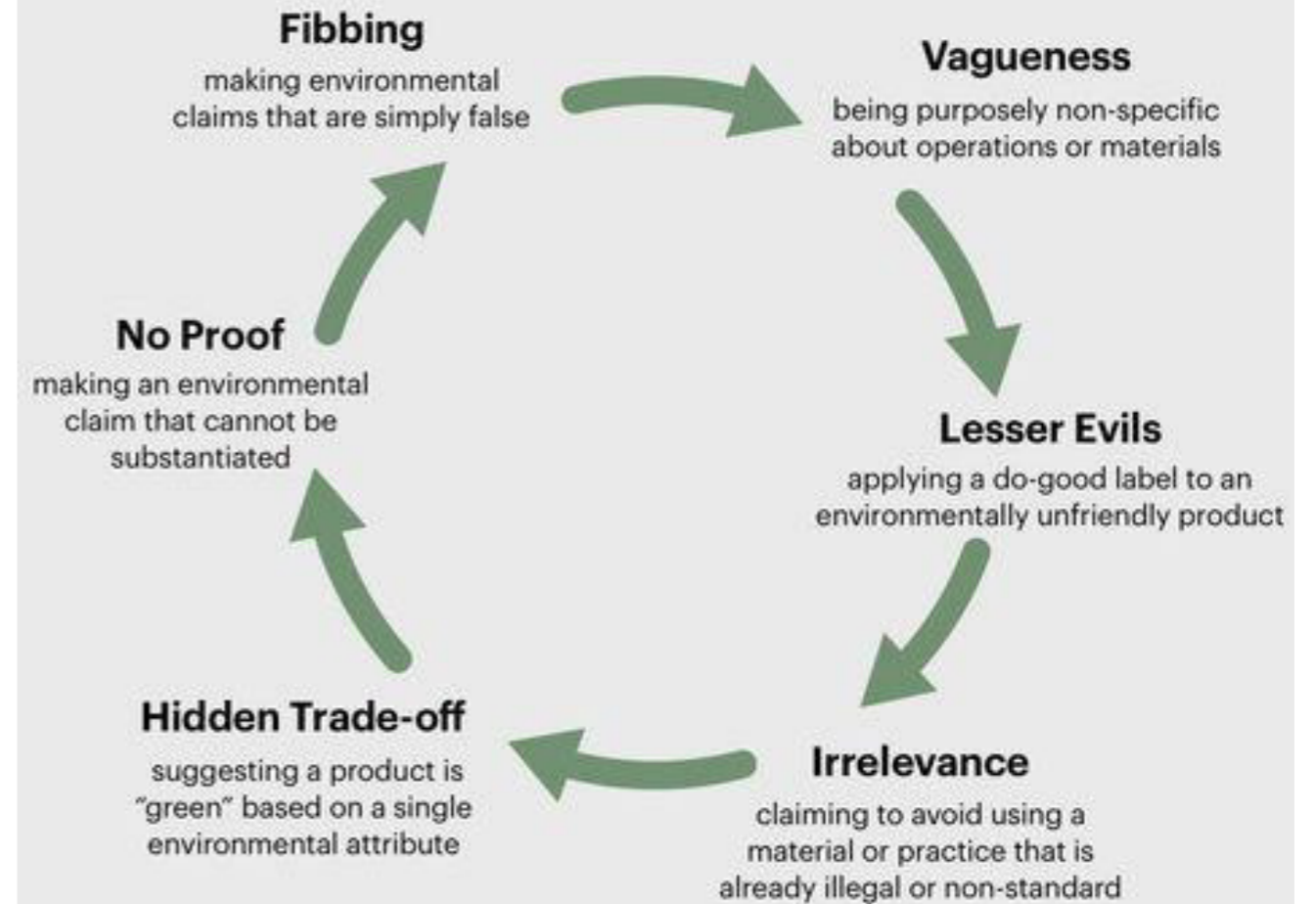


9. THE CONCEPT OF GREENWASHING IN GREEN ENTREPRENEURSHIP

Nature-friendly words such as “eco”, “bio”, and “organic” sustainability are being used rhetorically by some unscrupulous firms just to deceive unsuspecting consumers to believe that these firms are being conscious of the environment in their business operations. It has been observed that firms are deliberate in their choice of “greenwashing” habit which literally means to mislead the public through marketing campaigns. Thus, this widespread usage of deceptive green message for market acceptability indicates that firms are now aware that consumers have sympathy for the natural environment and biodiversity. Although, in the midst of these marketing gimmicks, consumers tend to still identify genuine pro-environmental brand(s) that they prefer to patronise at the end of the day. No wonder Dale (2019) argues that consumers are better informed about the negative impact of entrepreneurial activities on their socio-environmental wellbeing today than ever hence, they have started to consider pro-environmental behaviours of each firm and product before finally actualising their buying decisions. Unless entrepreneurs at all levels agree to be genuinely committed to greening, collective aspiration for just and sane society would continue to remain a surreal. Thus, firms that desired to enjoy customers’ loyalty should not only produce and market green products and services but must also be able to convince the customers that green is actually their watchword and adhere to green initiative jealously toward achieving environmental sustainability. Although, this cost would be inevitably worthwhile in the long-run when the firm eventually gained green reputation which tends to pay off for any initial cost incurred handsomely. It is economically counterproductive for a firm to interpret being pro-environmental as an unnecessary burden and then go ahead to indulge in greenwashing. The authors argue further that the cost incurred in the process of becoming environmentally responsible



The Six Sins of Greenwashing



SOURCE: TERRACHOICE

can only be higher in the short-run because green reputation would surely bring much higher benefits in the long run.

Furthermore, the act of ‘greenwashing’ may be regarded as ‘economic fraud’ because any firm which indulges in it technically would renounce its environmental responsibilities due to the false belief that the cost of being ecofriendly or responsible is unnecessary to bear. Green reputation represents one of the strong marketing tools of the modern age hence, more products are being packaged in such a way that people would believe they are truly eco-friendly or at least, better



than the competitors' own products that are known to be harmful to the environment. Although, while some of the supposedly green firms which indulged in greenwashing over-sell their environmental benefits through marketing gimmicks, the genuine pro-environmental brands would eventually be identified and patronized by the public. Hence, the former would eventually lose out of the market upon the availability of the facts behind the figures in the public domain while the eco-oriented business products take over the stage. Taking a cue from this popular saying: "he who kills by the sword shall die by the sword" makes it probable for green washers to be haunted by their hypocrite in due course. In any case, greenwashing is unethical marketing practice that will inevitably come back with time to expose whoever found solace in it. More so, the higher the investment in the deceptive green products marketing, the lower the commitment to sustainable environmental practice. Although, greenwashing may not be completely bad as a practice in some sense because it can help society to become conscious of environmental issues because if firms consistently lay claims (genuinely or not) on sustainability through products/services via marketing communication just to attract consumers, it may lead to gradual shift away from the status-quo (business-as-usual) in business operations. Be that as it may, greenwashing remains a deceptive marketing tool and unethical profit-making process in the firms' green marketing efforts.

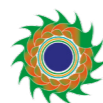


10. HOW CAN YOU TELL IF YOU ARE DEALING WITH GREENWASHING?

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1. Do you see an awesome green claim? Double check it. Go to their website. Is there a lot of information? Or do you see a lot of ambiguity? If it's really vague and unspecific – it's greenwashing.
2. Is the ad diverting you from the big picture? Sure BP helped clean up cuddly little ducks. It pulled on your heart strings. How adorable! But, if it weren't for gross negligence on their part, those little ducks wouldn't have been covered in oil in the first place. That's greenwashing.
3. Are the words misleading? Are they saying a whole bunch of nothing? Is there any substantial information? Are their sources for their claims like actual certifications or provable facts?
4. What about the graphics? Are the graphics all green? Do they depict beautiful nature scenes? Are they trying to make you feel like the product is natural when it might be anything but?
5. Does the claim feel too good to be true? Are they overstating intention? Do you really think the company can follow through with their claims?
6. What's your gut reaction? I'm pretty sure we all know not to take advertisements at face value. There's always an ulterior motive to get to your pocket book. Trust yourself.
7. When in doubt google it. The great thing about the internet is the history is all there.

11. THE BENEFITS OF DOING GREEN ENTREPRENEURSHIP



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Green entrepreneurship, as part of sustainable entrepreneurship, is a well-established company adopting environmental management practices or production processes that are cleaner, and new business start-ups based on natural resources and ecology (such as solar energy companies and ecotourism). Environmental entrepreneurship is defined as the process of discovering, evaluating, and exploiting the economic opportunities that exist in environmentally relevant market failures.

THE BENEFITS OF GREEN ENTREPRENEURSHIP INCLUDE THE FOLLOWING:

Green marketing awareness: Improve brand image and increase competitive advantage. A sustainable marketing strategy remains relevant for achieving community engagement and brand engagement because the product promotes brand trust among environmentally conscious customers. Green marketing significantly influences purchasing behaviour. Tailoring your brand to match sustainability ideals is a smart way to attract eco-conscious consumers. This new economy of “green” consumers creates endless opportunities for innovation and authenticity. Studies show that businesses that pay attention to the environment gain higher consumer attractiveness and lasting loyalty.

Easy implementation of environmental legislation. The EU’s Renewable Energy Directive to phase out the use of palm oil for biofuels by 2030 has put pressure on Indonesian and Malaysian palm oil producers. The EU is open to reconsidering the policy, but a strong

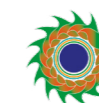
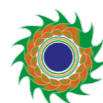
reduction in deforestation is the point. If the company has adopted a green business concept, it will increase readiness for future laws and fees.

Attainment of green investments and acquisition of loans with better terms. Instead of serving as a barrier to green business, as it was in the past, finance is now the main driver of green business, with green financing becoming more common. Progress in the government and financial sectors reflects progress on the global stage. For example, international treaties to protect and manage the common interests of the global environment can drive changes in national-level policies.

New trade opportunities. Companies can differentiate products and then gain access to new markets. Companies can integrate greenness into their business in different capacities and degrees. Some use greener inputs or sell greener products and services, while others change production and consumption patterns across the value chain.

Reduction of operational costs. Many companies have experienced greater operational efficiencies after implementing more sustainable business practices. It makes sense when you consider that better conservation and use of resources results in a more streamlined operation and decreased costs.

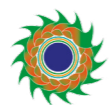
A healthier work environment has an impact on employee morale. Going green does not just generate positive feelings from customers. Employees feel safer working for an environmentally friendly business. Employees feel that their health is cared for and that they are not just a disposable commodity. Engaging workers in company-wide green initiatives will boost morale. It is also a good way to reduce employee turnover, as employees do not want to leave a place that makes them feel part of a caring work community.





There is no doubt that the main benefit of going green is that it will reduce its impact on the planet. Especially young entrepreneurs who pay more attention to the way their business affects the environment. Therefore, the business reputation will increase significantly which can mean a significant increase in sales. Consumers are becoming more aware and educated about the environment and the impact human activities have on it. Efforts to turn a business into a greener business will result in efficient green marketing that will increase profits. In addition, going green will not only have a positive impact on customers, but also employees. Employees will feel safer working for an environmentally friendly business because there will be a healthier work environment. It will also make them feel part of a caring community which will increase employee loyalty to the business.

12. TIPS FOR GREEN ENTREPRENEURS



12. TIPS FOR GREEN ENTREPRENEURS

Be ready to change your initial idea!

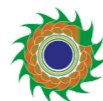
Entrepreneurs normally start the entrepreneurship journey with an idea and try to develop it as soon as possible. However, we recommend you pause, and ask yourself: Why do you want to set up that business? What are the drivers behind it? Is there a different way to achieve your goals? During this questioning process, you may come up with other ideas different from the initial one. Be open-minded and think of these other ideas. Don't stick too much to your initial idea!

Know yourself... and your limits!

Prior to embarking on the ambitious project of a business creation, you must know yourselves well: skills possessed and needed, abilities, desired work-life balance, the way we work, our relationships with others, etc. Those elements are extremely important when elaborating any business project, since they will help us anticipate the risks, failure or difficulties. According to that diagnosis, we may find relevant to partner with complementary people.

Can I launch and run my business alone?

Depending on your aspirations, you may prefer to run the business on your own. Although this may be advantageous for some activities (hand craft, consultant ...), other more complex ones will require more resources, including human talent. In any case, it is always advisable to be surrounded by people that can take an objective look at the project. Also, working in teams and distributing work according to capacities, allows members to focus on their specialties, dramatically improving results as a consequence.



Be a Green Entrepreneur

Whatever our deepest motivations for being a green entrepreneur are (create your own job, address a social issue, generate a new community dynamics ...), your primary goal is to create economic value by addressing an environmental issue.

Think big!

Setting ambitious goals for ourselves can push us to reach for greater heights and do better. All of course, while enjoying each small step towards success.

Set up a good team

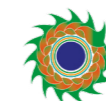
Don't try to manage all the business alone. Concentrate on your speciality, in the domain you shine, and let others do what you cannot do (or do poorly). Similarly, no matter how innovative the idea may be, it is worthless if you do not sell it. And you need a good team for that, one that can deal with the core business and manage the fundamental tasks... Look around you and identify who will help you in this task and engage them! Source the best resource you need and built up partnerships.

Identify the stakeholders

Amongst the stakeholders, you may find easier to identify your customers first. Customers, as well as other stakeholders, will have a critical role for building your value proposition, and define the structure of your business model. Do as you can to involve at early phase the stakeholders and keep in mind that some of them may be discovered later.

Involve customers and stakeholders

Whereas involving your customers in a co-creation process is a prerequisite for the rapid success of your project, it may be tricky to get your other stakeholders into the same level of engagement. On the basis of your interviews with your stakeholders, think carefully about whom you can expect a full implication from, and rank the level of engagement, from the weakest (for example via regular feedback on the project) to the highest (co-creation).



Co-create!

We must carefully consider the needs and behaviours of the stakeholders. Also, we can find innovative solutions by involving them in the co-creation of our solution. Building up partnerships to complement our team and outsourcing less critical tasks outside the company (private companies, public research centres, clients, suppliers, universities...), are smart strategies in pursuit of effectiveness.

Look at international market opportunities!

When identifying potential customers, don't forget to look at international market opportunities! Although marketing products internationally may require adaptations and be costly, it is an option we should consider at a very early stage of our green business project. The potential is great in some sectors such as ecotourism!

'Think economic sustainability!'

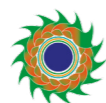
We have to bear in mind that a green business is a business, meaning that, besides the green aspects we want to highlight, we must not forget that our client may consider other criteria to justify his/her purchasing decision, including design, cost, technical specifications, convenience, health, etc.

Have a unique value proposition!

This is the essential point of our business project. The value proposition should bring customers something new that will prompt them to turn aside from competitors.

Partner with your supply chain

You can also try to promote sustainability through your supply chain, pushing your suppliers to be more aware about eco-design and asking them to incorporate eco-design strategies. You can involve them in co-creation processes to align eco-design strategies towards a common purpose.



Communicate wisely

If you are interested in certifying your product you can learn more about available eco-labels, their technical and legal requirements and their costs. However, we recommend you start easily with a self-declaration environmental claim. It is a faster and cheaper way to communicate the environmental benefits of your product or service!
Alleviating start-up capital

You do not necessarily need high investments to launch a product/service. Development cost can be alleviated in different ways, as you will see later. Moreover, don't think you need to develop every part of your project: finding the right partner to outsource your activities can help you save a lot of time and money.

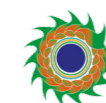
Be aware of new business models!

Over the last decades, a trend for a more well-reasoned consumption pattern has been regularly growing buying local, choosing a better quality at the expense of a higher price, fostering short-circuit consumption... We are observing new patterns of consumption, that are led by environmental and health concerns. More particularly, the circular and collaborative economy tend to bring communities and actors together, around common objectives that aim at limiting the impact of and re-use resources in a more efficient way. New business models can emerge from the new paradigm of the sharing economy.

This consists of moving from an economy of ownership to one of service functionality. You may be paid in proportion to the real water savings you are able to achieve thanks to your services (instead of selling water-saving devices).

Don't be frightened of failure!

Failure is a necessary step to success, so learning and improving from it is an integral part of the entrepreneurial process.



Must I be rich to set up a green business?

We do not necessarily need high investments to launch a product/service. Development cost can be alleviated in different ways.

Moreover, we do not have to develop every part of the project by ourselves: finding the right partner to outsource activities can save a lot of time and money.

Try hard to convince financing institutions!

Because green markets and green business models are not stabilized yet, the finance sector may be reluctant to finance emerging green ventures. It's up to you to convince them about the economic relevancy of our project.

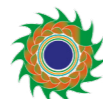
Whoever the financier or investor you approach may be, the meeting has to be thoroughly prepared. In 5 minutes, you should be able to explain clearly what the value proposition offered is, the clients, how the business will be profitable, and why you are the right team to do the job. If you meet potential investors, know that most often they will base their decision on personality and motivation first, on the credibility of the management team, and lastly the performance of the product/service.

Ideally, you may start mobilizing 'love money' first (from family or friends) for building up start-up capital. That would ease the way towards financial institutions.

Stay connected!

The uncertain environment of our green business activity demands for constant access to up-to-date information about legal and political frameworks, competitive solutions, customers' needs, costs, etc. Web-based solutions, but also direct contact with experts or clients, will help alleviate risks and formulate effective strategies. You can always do better towards continuous improvement.

13. CONCLUSION AND RECOMMENDATIONS

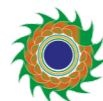


13. CONCLUSION AND RECOMMENDATIONS

We conclude that benefits of green entrepreneurship are enormous. Some of these benefits may include efficiency to own firm, creation of community goodwill (the basis for amity relationship with the host communities, employees, and other stakeholders), consistent open feedback loop (to receive and disseminate useful information from/to the general public) as some of many opportunities open to organizations with genuine green programs. Furthermore, we note that there are still some unresolved issues in the field of green entrepreneurship. Also, we highlighted a need for green entrepreneurship to maintain a cluster-like arrangement and knowledge database for effective dissemination of contemporary green information and clarification of entrepreneurship conceptual definitions. The study equally underscores some knotty issues at the inter-disciplinary crossroads, need for green entrepreneurship policy inclusiveness, reason for and danger in greenwashing. Specifically, the paper provides a new lens at viewing green entrepreneurship in order to understand the role of entrepreneurship as a bridge to building a sustainable green economy in support of Demirel et al. (2019) call in a fascinating study on the behaviour of born green firms and already established firms. More so, the paper identifies the influence of globalization and modernization in business processes vis-à-vis unprecedented pressure being mounted on the business firms to embrace greening in order to realise sustainable development as some of the reasons businesses have to review their operating plans, policies, procedures, and programmes.

Yet, we indicate that greening of the business happened at various levels of business operations. Specifically, the paper simplifies the concept of green entrepreneurship, described emergent, growth process and benefits of green entrepreneurship. Also, we elucidate related green entrepreneurship concepts and strategies for nurturing green entrepreneurship as well as differentiated between the new

born green firms and old already-established firms. In addition, we conclude that new born green firms stand a chance to benefit more from external green strategies in terms of products/services and customers' accessibility and loyalty compared to their conventional entrepreneurs counterparts. More so, we argue that leveraging on internal green strategies like pro-environmental behaviours of employees and green reputation are formidable assets for competitive advantage. We therefore shed light on the link between green technology and firms. Particularly, the paper identify that very little is known concerning the role of change management in the green entrepreneurship literature. Since greening is a form of innovation that requires behavioural changes and habit modification, it is necessary to understand how these change process unfolds hence, need for change management experts contribution to the field of greening. Therefore, we recommend that future research focus on addressing this research concern. Lastly, we acknowledge the limitations in the study which include inability of the authors to collect and analyse data and test research hypotheses.



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