

AN EMPIRICAL ANALYSIS OF GREEN BUSINESS AND RURAL ENTREPRENEURS IN INDIA WITH SPECIAL REFERENCE TO TAMILNADU

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Abstract: Green entrepreneurs have high risks in their carrier to implement their business and make them known to the society. There are many risks in the green entrepreneurship like environmental issues, societal issues etc. Green entrepreneurs should have the ability to overcome all the difficulties that comes from the society, as they have to take the decision which does not affect the environment. Green entrepreneurship gives more ideas to save the nature from the destruction. Green entrepreneurship is the business which does not affect the environment in the society. Many customers will come forward to support the green business as it does not affect the environment with this the green entrepreneurs can gain new customers to their organization. Green entrepreneurship is different from entrepreneurship. The customers need the awareness about the green products and services before they prefer to buy. Green entrepreneurs have to make the business sustain in the market for which they have to put much effort to make the business bloom in the market.

Key Words

Challenges, green entrepreneurship, green business, environmental factors, opportunities.

Introduction

A green industry business is one that uses sustainable materials to make its products. Green industry businesses aim to use as little water, energy and raw materials as possible while cutting carbon emissions, or it finds ways to utilize these materials in renewable and eco-friendly ways. The green business definition describes a company that does not make any negative impact on the environment, economy, or community. These types of businesses are forward-thinking when it comes to human rights, environmental concerns, and related issues. Green businesses use environmentally sustainable resources and uphold socially responsible policies. A green business functions in the best interests of the local and global environment, meaning it supports the community and economy dependent on a healthy planet. An environmentally aware business considers more than just profits — it considers its impact on society and the environment.

Going green means implementing certain lifestyle changes designed to help you live in a more eco-friendly way. It means becoming more environmentally aware and changing your behavior and lifestyle to reduce the amount of pollution and waste you generate. Green entrepreneurship refers to a special subset of entrepreneurship that aims at creating and

implementing solutions to environmental problems and to promote social change so that the environment is not harmed. Among the terms available to describe green entrepreneurship, the following are the most commonly used: eco- entrepreneurship, ecopreneurship, environmental entrepreneurship, sustainable entrepreneurship, ecological entrepreneurship, enviro-preneurship or sustain opreneurship.

Nature of Green Entrepreneurship in India

Green entrepreneurship refers to a special subset of entrepreneurship that aims at creating and implementing solutions to environmental problems and to promote social change so that the environment is not harmed. Green entrepreneurs are problem solvers and are very resourceful. They are proactive and demonstrate considerable initiative and don't generally accept or believe in limitations. They tend to be the ones who find a way when everyone else thinks they have reached a dead end. Green businesses, also called sustainable businesses, seek to balance profit with the health of the planet and its various populations. There is a vast array of services and products offered by businesses in this category.

Review of Literature

The papers explore the notion of green entrepreneurship using secondary tools including scholarly papers, articles, and interviews on the internet. (Gupta & Nagpal, 2020) has calculated an economy-sensitive productivity index adjusting the economy-sensitive productivity index for emissions downward. This is change beyond traditional 'orthodox' economic growth and into a 'sustainable' or 'green' economy. More in-depth research of the topic is required. (Kaswan & Rathi, 2020; Nguyen et al., 2019) measured competitiveness and work in the green economy by incorporating and evaluating theory and practice. They are tackling the claim on decreasing productivity in a post-growth economy and describe the productivity trap that results from a systematic pursuit of labor productivity. (Thanki, S.J., Thakkar, J., 2018) suggest that the green revolution will prove to be a significant step to be able to feed the entire planet. (Manish Dadhich et al., 2019; Rao, 2017) discusses how political economy and the green movement both go hand in hand. Green Revolution symbolizes the drive towards rising agricultural productivity in Third World countries. An increase in rice production can be achieved by replacing conventional rice varieties with high yielding varieties and using modern farming technology

Statement of the Problem

The study focuses on green entrepreneurship in India and Initiatives taken by green entrepreneurs in making and promoting green products. Entrepreneurs are focused on green

products and sustainable development with the effort to minimize the level of pollution. This also encourages emerging young entrepreneurs to make their venture eco friendly by promoting green products India where level of pollution is increasing day by day.

Objectives of The Study

The major objectives of the study are:

1. To analyse the schemes available to develop innovation and entrepreneurship in India.
2. To study the different forms of green entrepreneurship opportunities exist in India.
3. To identify the problems in the green entrepreneurship.

Initiatives to Develop Innovation and Entrepreneurship in India

Mudra bank

Indian government set up a program called Micro Units Production Refinance Agency (MUDRA) Bank to support small business enterprises. For the growth of small and medium enterprises, the ministry of New and Renewable Energy (MNRE) has released a provision of approximately Rs. 20,000 crores for the MUDRA bank for granting credit to banks, NBFCs, and MFIs (MUDRA Loan).

Ministry of Skill Development and Entrepreneurship

The Ministry of Skill Development and Entrepreneurship was established in November 2014 that holds responsibility for the coordination of all the efforts regarding skill development, training, development, and CS Roshni Sharma: Analysis of Green Entrepreneurship Practices in India 303 promotion of entrepreneurship athwart India. The Ministry also works for the introduction of policies to remove the existing disconnect between demand and supply of human resources or skilled manpower, building the framework for Vocational and Technical training, skill up- gradation, and promotion of new skills, and developing innovative thinking.

National skill development mission

Launched on the World Youth Skills Day, 15th July 2015, the National Skill Development Mission aims to generate convergence among various sectors of the economy and states as a whole in terms of skill development and training activities to materialize the 'Skilled India' Vision.

National Policy on Skill Development and Entrepreneurship, 2015

The crux of this policy is to link skill development to higher productivity and employability by providing an umbrella framework to various skill development activities

that are being carried out within India and to even them up as per common standards(Manish Dadhich, 2017). The policy aims at linking skill development and entrepreneurship with demand centers.

Entrepreneurship Development Scheme

The Entrepreneurship Development scheme is presently being developed by the Ministry of Skill Development and Entrepreneurship. Massive Open Online Courses opened the door of a new-age system to be skilled, 50 nodal E-Hubs, and incorporation of entrepreneurship education into the curriculum of more than 3000 colleges will uphold a spirit of innovation and entrepreneurship in India. The vital objective is to promote women entrepreneurs by fostering social entrepreneurship and encouraging universities and academic organizations to commence online courses based on social entrepreneurship and laying momentum on grassroots innovation by collaborating with National Innovation Foundation and other institutions will be the propel areas of this scheme.

Make in India

The 'Make in India' initiative was launched by the Government of India on 25th September 2014 to promote skill development and job creation in 25 sectors of the Indian economy by motivating domestic as well as multinational companies to manufacture their products in India.

Startup India, stand up India

The 'Startup India, stand up India' initiative of the Government of India was launched on 16th January 2016 to foster a strong startup ecosystem by nurturing innovations and entrepreneurship in India. This flagship initiative has set forth an Action Plan to accelerate the Startup movement. The Action Plan is segmented across the following areas namely Funding support and incentives, Simplification and handholding and Industry-academia partnership and incubation

Entrepreneurship and Its Thematic Areas



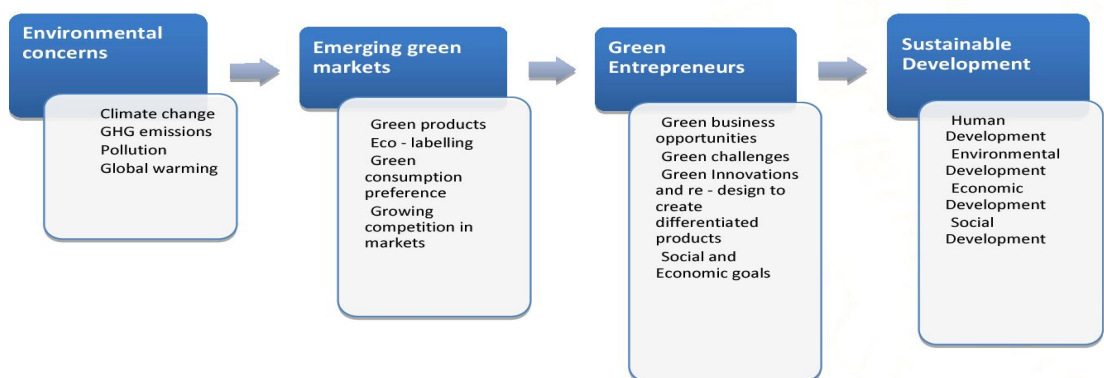
Green Entrepreneurship and Its Resultant Factors



Conceptual Model

Green entrepreneurship as a source of Competitive Advantage for the firms and Sustainable development for the economy The continuous and growing depletion of natural reserves, increase in global temperature, increase in Green House gas emissions, environment pollution and ecosystem and rapidly endangering of biodiversity has lead policy makers and institutions of both global and national stature to enact laws to penalize enterprises that are causing major harm to the environment and incentivize firms that are

engaged in green innovation, use of green technology and production of green products. Growing awareness among consumers about environmental preservation has created green markets that demand products produced using green technologies, redesigning of supply chain in tandem with green agenda, creating new opportunities for green entrepreneurship. The enterprises that are focusing on green management practices therefore have an edge that these can swiftly build into competitive advantage thus paving way for other firms that would make other firms to follow the green practices ultimately leading to sustainable development. Figure:1 Nexus between Environmental, Consumer and Institutional, Green Opportunities and Sustainable Development



Green Entrepreneurs in India

According to the Confederation of Indian Industry (CII), about 40 per cent of India's workforce are employed by the country's 42.5 million Small and Medium Enterprises (SMEs). Together they contribute around 30 per cent of the country's GDP. In recognition of this and the vast commercial potential for start-ups, India is often described as 'the poster child of emerging markets'. The innovation and entrepreneurial capabilities mushrooming from this ecosystem are driving impact and contributing to the achievement of Sustainable Development Goals (SDGs) in India. 'Startup India' and several state government initiatives, also highlight the increased political will to support this culture of entrepreneurship. Importantly, non-complex policies and adequate funding are two crucial factors for start-ups to grow and sustain. Entrepreneurs seeking capital to grow initiatives in the field of sustainable development would endorse this wholeheartedly.

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Advantages of Green Entrepreneurship

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 (Amoako et al., 2020). 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 (Shahab, 2019). 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 (Asian Development Bank, 2017).

New trade opportunities.

Companies can differentiate products and then gain access to new markets (Asian Development Bank, 2017). 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.

Theories of Green Entrepreneurship

Transaction cost theory The TCT explains that relationships are developed in order to reduce transaction costs (Besson, 2018). Moreover, TCT posits that the optimum organizational structure is one that achieves economic efficiency by minimizing the costs of exchange with the other actor in a relationship (Williamson, 1979). The challenges of green entrepreneurs therefore can be classified under the transaction costs theory when they aim to influence the costs of exchange within the relationship between the entrepreneur and the other actor in the network.

Resource dependence theory The RDT is a theoretical perspective that characterizes the organization as an open system, dependent on contingencies in the external environment (Pfeffer & Salancik, 1978). RDT recognizes the influence of external factors on organizational behavior and, although constrained by their context, managers can act in order to reduce environmental uncertainty and the dependence of resources (Hillman et al., 2009). Every challenge that would involve the need and dependence of resources from the other side of the relationship in a network can be classified under the RDT perspective. Strategic management literature The SML examines the entrepreneurial environment and looks inside the firm, developing ideas and methodological advances that follow and try to predict management practice transformation in order to create competitive advantage (Herrmann, 2005). The challenges in the SML are concerned with complexity arising out of ambiguous and non-routine situations with organization-wide rather than operation-specific implications (Johnson et al., 2008).

Social network theory SNT tells us who is connected to whom in the network and by what relationship (Krause et al., 2007). Companies have adopted social networking to maintain and improve their competitive position (Stanko & Sena, 2017). The use of SNT has motivated companies to rethink their business strategies and is therefore considered a key component while forming a network. Examples of network characteristics from a SNT perspective that have an impact on the effectiveness of the network are the positioning of the focal organization in the network and the strength of the relationship with other actors within

the network (Koka & Prescott, 2008; Srba & Bielikova, 2010). Entrepreneurial challenges concerning the network positioning, or the strength of the relationship between two actors in a network, can be classified under the SNT.

Conclusion

The green entrepreneurs stated that the government stimulates green entrepreneurs by policy making and providing resources. It is also easy to obtain funding through green accelerators and grants, and there are a lot of green or sustainability networks where it is easy to find partners due to the shared values. On top of that, green entrepreneurs have a more sustainable future outlook in comparison to non-green companies, because the law, regulations, trends and consumer mindset is moving towards a greener world. Finally, companies are more willing to help green entrepreneurs because they serve another purpose aside from making profits and green entrepreneurship is a trend, so more companies make the transition towards being greener. Bottom line is that the biggest opportunity of green entrepreneurs is to lower the environmental impact of businesses as a whole. In order to really have an impact on the environment, more and more green entrepreneurs are needed, and the occurrence of the challenges should be minimized. On top of that, the opportunities should be leveraged in order to make the green entrepreneurs flourish even more. Policymakers but also researchers need to incentivize this further in order to reduce the carbon footprint that companies leave on the planet and only then we can work towards a better tomorrow.