

***GREEN BUSINESS***

**By Dr. Hiral Sheth**

**Abstract**

Using environment 'Nature' has got into the agenda in recent times while evolving green businesses. The power of nature is grossly underutilized (developments around renewable energy are still tapping a small fraction of the potential available). Business, green or otherwise, exists and grows in the overall ecosystem determined by the social, economic and political dynamics of the society. It is particularly relevant in the current times, where the country has just voted for a new trajectory on promises of a vibrant India. Further, this study has concentrated on the concept of green business and Opportunities and Challenges in India.

**Keywords:** Green Business, Sustainable, Economic Growth.

## **Introduction**

The new economic regime has positioned "inclusive growth" as the fulcrum of its political and economic doctrine. It has also promised "minimum government", seeking the maximum participation of industry and business in nation building. It is common to come across passionate debates where development is positioned against environment. The basic assumption is that vikas (growth) leads to vinash (environmental destruction). We are made to believe that we need to choose either. Businesses can't be clean is an assumption. However, corporate leaders have proved beyond doubt that they can deliver without compromising on values. Businesses are finding solutions of sustainable economic development without environment damages.

## **Objectives of the Research Paper**

1. To understand the concept of green business.
2. To study the link between sustainable economic growth and Green business.
3. To analyze the opportunities and challenges to green business.

## **Research Methodology**

The study is based on secondary data collected through reference books, journals and websites.

## **Significance of the Study**

Enormous economic and population growth all around the world in the second half of the 20<sup>th</sup> century has given rise to many negative factors which adversely affect our environment- ozone depletion, depletion of non-renewable natural resources, climatic change, global warming, extinction of endangered species of plants and animals, loss of rich biodiversity etc. This has resulted in an increased level of environmental awareness at the individual level, corporate level and government level. It ensures sustained long term growth along with profitability. Though the initial cost is more, it saves money in the long run. It also helps companies to market their

products and services keeping the environmental advantage in mind, thus accessing new markets obtaining a competitive edge. Ban of plastic bags, introduction of CNG in Delhi etc. are certain measures adopted at the governmental level to put pressure on the public to go green. The many possibilities for adopting green practices in business have put pressure on the corporate sector by consumers, employees and government regulators.

### **What's a Green Business?**

Green businesses adopt principles, policies and practices that improve the quality of life for their customers, employees, communities, and the planet. Green Business is an enterprise to be that has minimal negative impact on the global or local environment, community, society or economy-a business that strives to meet the '**triple bottom line**' which is a phrase that was coined by John Elkington in 1994. It involves consideration of vibrant communities (people), a healthy environment (planet) and strong profitability (profits).

#### **1. Green businesses care for their workers-**

Green businesses ensure they don't use sweatshop or child labour. Everyone who works directly for them or their suppliers earns a living wage and works in healthy conditions. They create jobs that empower workers and honour their humanity. They also serve as models for the role businesses can play in the transformation of our society to one that is socially just and environmentally sustainable.

#### **2. Green businesses protect their customers and clients-**

Green businesses ensure that they use the safest ingredients, to keep their customers and clients and their families healthy. They also provide green living alternatives to improve quality of life, with products and services that help in areas like affordable housing, sustainable agriculture, education, clean energy and efficiency, fair trade, healthy air, clean water, and more. and they also reduce, reuse and recycle, setting a good example.

### **3. Green businesses improve their communities-**

Along with ensuring their facilities aren't polluting their local communities, many green businesses take steps to make the places that they call home better. Green businesses often spring up in marginalized communities—inner cities, rural and indigenous communities. Many are even started by the people in these communities who, in turn, bring respect and dignity to their employees and the wider neighborhood.

#### **Sustainable Economic Growth and Green Industry**

Targeting GDP growth to move towards 9 -10 per cent rate, the share of the manufacturing sector is bound to increase in the coming years. While inclusiveness of growth (across all social and economic strata) is being explicitly mentioned, the stated pursuit of harmony and balance between growth and environment has the implicit traction towards "green business". If we are seeking a sustained growth (from social as well as environment point of view) as our key driver, then frankly, business has only one choice of colour...green. While we may give this spin in the current political context of India, the global dynamics (finite natural resources, indiscriminate usage/ wastage, social unrest, global warming) is driving businesses around the world into a socially and environmentally responsible conduct. Both the regulatory overdrive as well as simple economics is changing the way businesses will run.

Going green is becoming increasingly attractive as a business strategy. As scientists and politicians debate the truth of global warming and dwindling natural resources, green industry practices not only enjoy favorable public sentiment and the psychic income of a lower carbon footprint, but increased cost savings, supportive government policies, and ever-increasing profitability as well. Trends in consumption, government policy, and costs all point towards even more green industry business opportunities in the years ahead.

**Major Green and Sustainable Business Opportunities**

Landscaping professionals can now focus on reducing pesticides and chemical fertilizer while returning valuable organic material to the soil through composting and mulching.	Energy Auditing can help home and business owners reduce monthly bills and lower reliance on the traditional energy grid. Increasingly in demand, efficiency experts help modernize and green existing structures.
Cleaning Services provide traditional services with eco-friendly products and processes. Opportunities exist for pet cleaners, maids, car washes and more.	Solar Installations are growing as panels are becoming smaller and more efficient. From rooftop installs to small data transmitters to decorative displays, solar energy use is one the rise.
Restaurants using fresh organic produce are serving up nutritious meals in environmentally efficient settings to attract health conscious consumers.	Home Improvement can be a combination of several services such as increased energy efficiency or the use of environmentally-friendly building materials.
Organic Food Production can take place on large and small scales. Franchisees focus on installation and cultivation within homes, schools and businesses.	Printer Ink Recycling franchisees provide a valuable service to their community while significantly reducing environmental waste.

**Key Challenges affecting Growth of Green Business**

Most enterprises have limited understanding/ownership of the green journey. They genuinely believe that the most expected from them is to be compliant (with respect to the applicable pollution norms). They do not recognize that they are missing out on opportunities of using green as a vehicle for competitive advantages. Quite often, green initiatives are perceived as "costly" and not remunerative. That is the flaw. There is still a great focus in business leaders on short term and quick returns across sectors. Most green tech concepts have payback period where

significant benefit flow over the life of the project. Many businesses struggle with the concept of life cycle cost. They look at down payment and not at payback period. A classic illustration is of using energy efficient light sources (CFL and now LED). A housewife can be excused about looking at the initial cost, but not a business leader who is forever making investment with future inflows. Yet another mind set which inhibits wider application of green business is the belief amongst many in industry that only large organizations have the readiness and relevance for green initiatives. The reality is that green is for everybody, suitably tailored. Frankly, large organizations like Tata Motors and Cummins can never claim to be truly green if their key vendors are not conforming. At the national level, the extent of growth of green energy (the major ingredients for green business) is still a challenge. While we have made a start, it is so minute as compared to the scales in countries like China and Germany.

### **Conclusion**

Sustainable business practices acknowledge the finite resources available and reduce costs through renewable and reusable inputs; they attract niche customers early and have enormous potential to grow into the mainstream. For both the CEO of a going concern and for an up-and-coming entrepreneur, the green industry makes sense now, and likely forever. Green technology has an inevitable role to play in global progress to meet the triple bottom line.

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