

Ecopreneurship- Exploring the Kerala Model

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ABSTRACT

The anxiety for the environment and the conservation of natural resources have increased of late and it is suggested that the businesses should orient their activities towards providing value across three dimensions: economic, social, and environmental. With the growing concerns for environmental protection, business groups across the globe are looking for opportunities to orient themselves to becoming environment friendly. Being green is part of sustainability and thus ecopreneurship is one of the components of sustainable development.

Kerala is blessed with fertile land, heavy rainfall, rivers, lakes and above all an educated population. Proper utilization of these natural resources for sustainable development is the need of the hour.

This objective of the study is to find out the role of the business ecosystem in God's own Country aka the State of Kerala in bringing an overlap between entrepreneurship and sustainability, which we have named the Kerala Model for Ecopreneurship. Through this exploratory study we have attempted to understand the ecopreneurship journeys of ecopreneurs from the perspectives of product idea generation, resource identification and mobilization, and stakeholder participation at various junctures and markets for the products.

The methodology adopted is in - depth interview with ecopreneurs from a. labour intensive sector and b. technology intensive sector where the product is offered as a service. The ecopreneurs were from non-business backgrounds and below 35 years of age.

One of the findings was that these ecopreneurs are dependent on grants by various agencies and do not have funds announced in the various schemes.

Keywords: ecopreneurship, environment, sustainability

I. INTRODUCTION

"Ecopreneurship, also known as environmental entrepreneurship and eco-capitalism, is becoming more widespread as a new market-based approach to identifying opportunities for improving environmental quality and capitalizing upon them in the private sector for profit."

The importance of concepts like ecopreneurship has to be understood against the context of the environmental problems that we face today. As the world grapples with challenges such as climatic change, floods, tectonic plate shifts, it is found that most of these acute problems in the environment are created either directly or indirectly

by human activity and something which to a large part consists of economic activity. These grave environmental problems warrant a shift towards a more environmentally sustainable economy, a transition in which ecopreneurship may be helpful.

According to Schumpeter (1942), given that the present resolutions to our environmental difficulties are insufficient for sustainability and hence an entrepreneurial action is required to initiate something novel, be it a production method, technological expansion, or even a new structural form (Lennox and York, 2011, p.9; Tillery and Young, 2009). Moreover, it is very important that ecopreneurship has to look for substitutes like recycling as new sources of energy. (Arber and speech, 1992; Barnes, 1994)

Ecopreneurship is a new topic of emergence Santini (2017). Going through the existing literature on ecopreneurship, it's found that there are multiple contributions from multidisciplinary areas and has helped ecopreneurship progress way far.

II. LITERATURE REVIEW

A portmanteau word, the term *ecopreneurship* is a combination of the word *eco* (as in ecological) and *entrepreneurship*. Moreover, ecology being a domain in science teaches us how the functioning of our home happens in the midst of our environment and surroundings. People's concentration in taking care of and conserving biological resources has amplified in response to a model of construction that consumes natural resources more quickly than they can recover. Under such a model, resources are exhausted more quickly than they are refilled.

Libecap (2009) suggests that ecopreneurship is "the practice of starting new business in response to an identified opportunity to earn a profit and provide (minimize) a positive (negative) environmental externality."

Joseph Schumpeter (1934) referred to such entrepreneurial activities as 'creative destruction'. Ecopreneurs destroy existing conventional production methods, products, market structures and consumption patterns and replace them with superior environmental products and services.

Linnanen(2002)suggested that the usage of clean technologies for production and less resources, with more focus on sustainability shows the acceptance of more ecological entrepreneurship behavior. These behaviors are directly related to the sustainability of the enterprise and moreover they will produce welfare in economic, ecological and social dimensions. Linnanen describes four different types of ecopreneurs which are non-profit businesses, opportunists, self-employers and successful idealists. These four types have been formed on two dimensions- to change the world and to make money. Walley and Taylor (2002), on the other hand, consider each involvement that diverse sustainable entrepreneurs make as equally commendable of analysis. They discriminate between four different types: innovative opportunists, ethical mavericks, visionary champions, and ad hoc envirophone

The definition of ecopreneurship by (Pinchot 1988) takes intrapreneurs as a significant subsection of ecopreneurs, into account, as intrapreneurs characterize actors inside an organization who considerably change and shape the ecological and business development of an existing company.

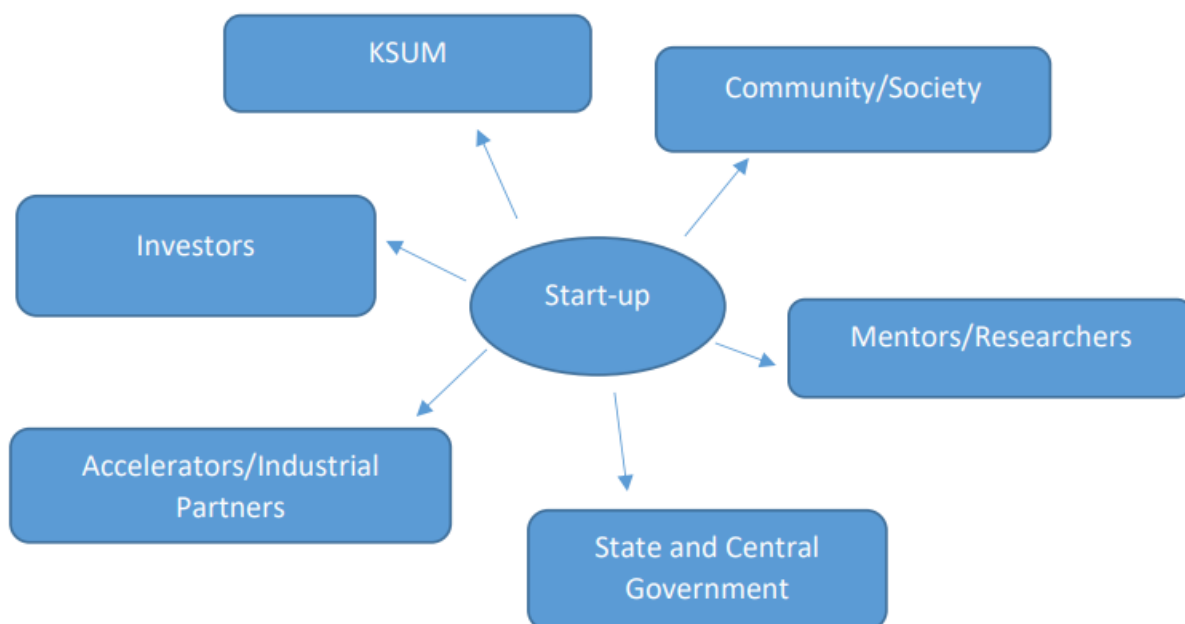
Galkina and Hultman (2016) assess ecopreneurship through social movements. The three-domain areas that were used to assess ecopreneurship included mobilization, differentiation, and legitimacy building.

III. ROLE OF VARIOUS STAKEHOLDERS IN THE STATE OF KERALA

Higher rural internet penetration, superior literacy rate among women and 56% higher per capita income as compared to the national average. Kerala is leading on the fronts and other states in India are lagging behind. This is a clear indication of efficient & effective governance and policymaking to enhance the socio-economic development of the state. Kerala has long been known as one of India's most literate and skilled states. Moreover, state's excellent opportunities for innovation, investment, and entrepreneurship.

The years from 2010-2021 have been declared as the "Decade of Innovation" by India. Kerala towards the end of this decade is witnessing a wave of innovative and entrepreneurial efforts from discrete sectors. The startup ecosystem is well equipped to mark the next quantum leap. Every block an entrepreneurial ecosystem needs is in place. Kerala possesses a unique model of connecting Academics, Industries, R&D institutions and Startups, unlike other Startup Ecosystems in the country. KSUM initiates, incubates and supports many startups in this angle of "green", "ecofriendly", sustainability etc and many have found their position in the list of the startups to look out for from the State of Kerala.

Both the central and state governments are now focusing on supporting the startup ecosystem through initiatives such as incubation, business grants, and investments. Meanwhile, the Kerala government has taken a step further in ensuring that these companies grow organically with the help of the state's various startup-friendly initiatives. KSUM acts as the bridge between the ecosystem enablers and the entrepreneurs.



Fig(i):Startup ecosystem in Kerala

Source:Authors

The current need which the world want is development of entrepreneurs, green business, good governance, vigorous monitoring of the performance of the business from physical and financial angle, nonstop assessment of personnel and formation of an empowering environment to advance with competent business ideas with the support of the Government, be it Central or State. The State of Kerala, with focus on "Green and Clean Kerala"

has been trying to bring practices which are sustainable and ecofriendly at all walks of life , be it waste management technology, sensible use of water and forest resources, by following severe quality and environment norms for the manufacturing sector to sustain in the long run. Such enterprises are indispensable in terms of job creation, technological upgradation, upholding the entrepreneurial spirit and innovation and also crucial in fostering competitiveness at local and international levels.

Another main agent UNDP is committed to the achievement of Sustainable Development Goals and actively works with Governments at the national, state, and local level to build capacities in policy development, programme implementation and management. UNDP's Green Innovation Fund under its India High Range Mountain Landscape (IHRML) project, through funding from Global Environment Facility in partnership with the government of India has supported many ecopreneurs with grants, providing technical and financial support to young entrepreneurs to leave a positive impact upon the environment.

Though the current situations pose a lot of challenges in terms of derailing the environment and human prospects it also provides a linger of hope for entrepreneurs and startups to work with organizations and Governments in helping and guiding them to respond to this crisis and change by innovating and building new solutions that is going to make a sustainable impact.

As per the Kerala State Biodiversity Board, biodiversity management committees(BMC)were formed in the Local Bodies under the Biological Diversity Act. But A survey conducted by a Delhi-based agency has found that BMCs formed in the local bodies in Kerala are not actively functioning in the majority of the panchayats.

IV. RESEARCH DESIGN

Sampling:

To ensure comparability, the ecopreneurs selected were less than 35 years old, with some prior work experience and first generation entrepreneurs. The only variable that varied in the study was the nature of the industry selected.

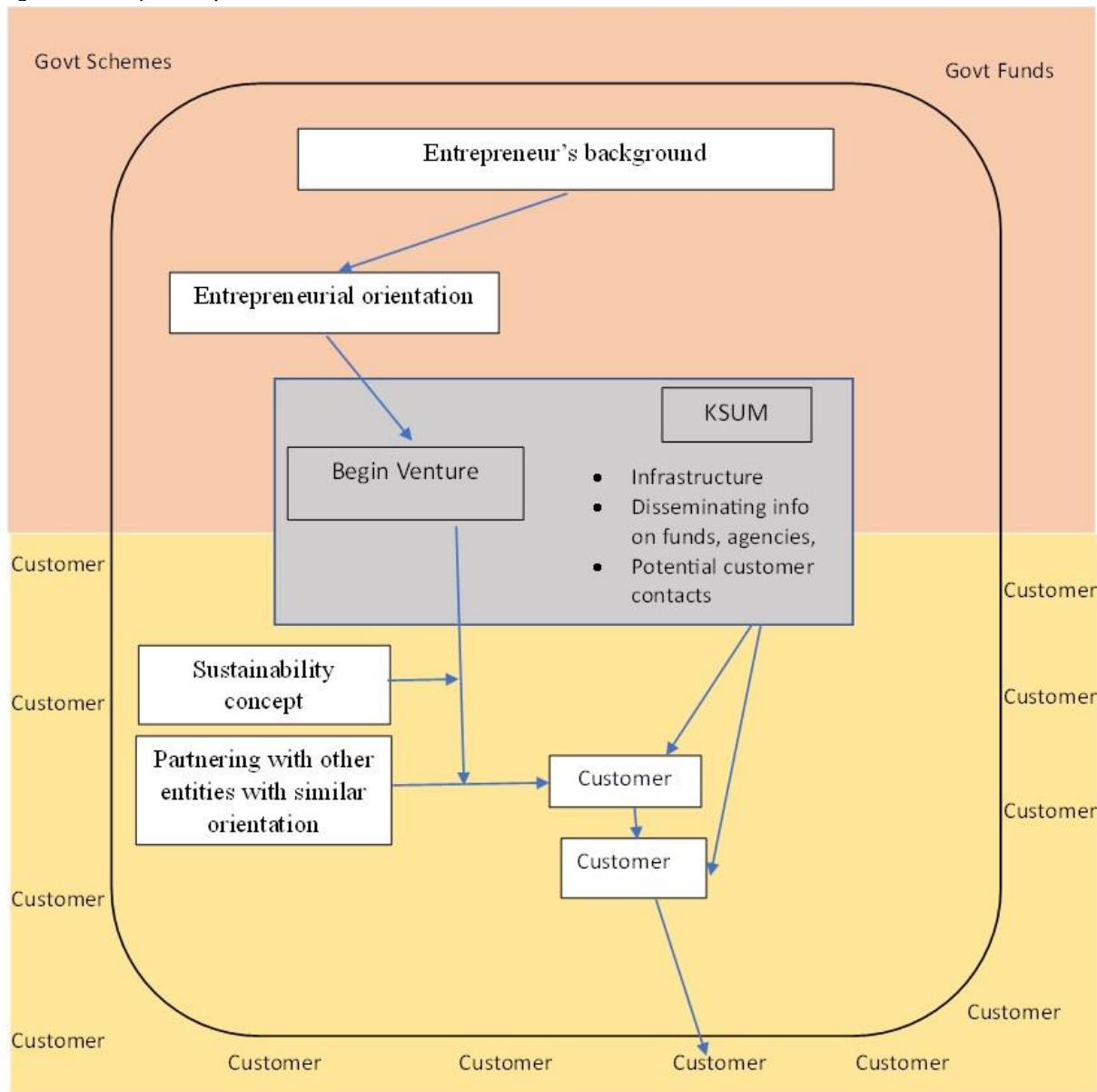
Methodology:

The study being exploratory in nature, the methodology adopted was in - depth interviews with the entrepreneurs. The ecopreneurs were informed about the purpose of the study and were requested to give permission to record the conversations using a portable recorder. The questions were sequenced based on the responses.

Analysis:

The content of the interviews were analyzed and then classified into various categories based on the responses to the questions classified as sub - themes. The sub themes were then combined to form themes and then have been presented here below.

An ecopreneurial journey model



Fig(ii) Entrepreneurial Journey Model

Source: Authors

V. DISCUSSIONS

Pastakia (2002) has identified the external drivers of ecopreneurship in India as Power of regulatory agencies, Power of judicial activism and civil society, Power of enabling policies, Power of the discerning consumer, Power of the discerning investor and internal drivers as Value dissonance and the assertion of sustainability values and Competitive advantage of green products.

The model represented in figure (ii) represents the Ecopreneurial journey in 3 colour codes. The orange zone represents the external zone where there are Government schemes and funds which are not known to the ecopreneur, however the individual’s background and entrepreneurial orientation within them converge in the transformation of an employee to an ecopreneur. The grey colour code represents the physical existence of the entity, all of whom are located in the KSUM. The yellow zone represents the evolution of the business in terms

of incorporating the concept of sustainability into the business model and growing the business through word of mouth, though the penetration of these businesses into the actual market seems to be quite slow.

The detailed discussion of the various elements in comparison with prior literature is given below:

a. Background:

Entrepreneurial orientation

Unlike what was found by Wagner and Kuckertz, (2009) and Vuorio et al. (2018), we did not find individual sustainability orientation explaining the entrepreneurial orientation. The sustainability orientation has evolved as the entrepreneurs handled clients with such orientation and began adopting these concepts as a part of their own business.

Sustainability orientation

According to Schaltegger (2002), the ecopreneurial mindset can influence business goals with personal motives and beliefs, and most ecopreneurs have a clear commitment to environmental progress and economic sustainability. Unlike what has been found in literature, the ecopreneurs did not commence their business because of their sustainability orientation. Instead, we found that these organizations began orienting themselves towards sustainability in the first few years of their existence.

b. Ecosystem dependencies

KSUM: The entrepreneurs attributed the role of Kerala Startup Mission as an enabling agency on 3 fronts - 1. Access to its own infrastructure both for office premises as also for manufacturing purposes. 2. Access to information about funding agencies. Though the Government has announced various schemes, none of these entities have availed of these funds.

c. Market

Market readiness / acceptance

Shrivastava (1995), states that firms considering environmental differentiation – and the concomitantly higher prices likely to be necessary – need only to be convinced that: any innovation must be defensible; credible information about products and services is provided; and customers will pay more for environmental quality. The ecopreneurs of our study revealed that customers were willing to pay the additional cost for the product given the eco - friendly nature of the product or because the product / service addressed the issue of sustainability.

Findings

This study was an attempt at exploring the emerging entrepreneurial landscape in Kerala through the lens of an ecopreneurial journey model aimed at identifying the existing enablers and desired enablers in the ecosystem around an ecopreneur.

Suggestions

The study revealed that ecopreneurs, though passionate about their business, were not aware of the Government schemes for their projects and were dependent on the KSUM for this information. Even the banks were reluctant to disburse loans and hence they had to utilize their personal funds to launch their business. The entrepreneurial climate in the country and state, though encouraging, is far from the same for ecopreneurs.

VI. LIMITATIONS

The study being exploratory in nature, the methodology adopted was an in - depth interview with 4 entrepreneurs who embarked on the journey earlier on in their career. A detailed study with a more diverse group would likely reveal more dimensions to this journey.

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