

# A Study on Inclusive Green Growth through Green Business

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**Abstract:-** Now – a – days world continues to face twin challenges , in one side exploiting economic opportunities by expanding the business in context of growing global population and on the other side addressing environmental pressures like global warming, alarming , replenish of ozone layer and non renewable resources . in this context we highly needed a system which can transmit the current economy to sustainable economy by effectively using of natural resources, minimising pollution and emission of green house gas , waste maintaining , bio diversity . Green growth is the process to meet these challenges to foster the economic growth and development while ensuring that natural assets continue to provide the resources. Green growth provide practical and flexible approach for developing economical pillars , while social and environmental consequences are kept into account . This study will focus on how business organizations through their green business can bring inclusive growth. This research is completely based on secondary data collected from different publications, articles of researcher’s books , newspaper and different green growth organizer’s website.

**Keywords:-** Green Growth, Green Business , Bio Diversity, Natural Assets, Sustainable Economy.

## I. INTRODUCTION

Recently global warming is the major threat of all over the world. Day by day increase of co2 emission , release of CFC still continues, natural resources are deteriorating by 30%-40% in developing countries.. In that context Governments, consumer awareness groups and companies attempt in integrated way to solve issues that have been created. Different books ,articles and other scientific publication and communities are there to increase the awareness among the people about that environmental problems. Different Conferences have also been organized on challenges of environmental sustainability so all those attempt together resonated business recently are called as “ green business.”.

At the end of the 20th century the “green business” concept emerged with the growing problem of environmental issues like environmental quality, accelerating rate of depletion of natural resources made the organization concern about sustainability of economic development. Green business originated with the modern “green movements” in the middle of the 1960s, and by the middle of 80’s . Business started adopting the green trends to adapted the “greening” trends and adopted them into its

practice. Business which is influenced by modern green trends are called as “green business” but still , green business practices are far way from universally approved and applied by business entities..

## II. GREEN BUSINESS

According to Brown and Ratledge green business is a process that produces green output whereas , Makower and Pyke, declared that green business is nothing but a complete commitment to profitability, and sustainability. Green business is a business function which has zero negative impact on the local and global environment, the economy and on community .It’s forward-thinking policy which affects the human rights and shows concern towards environment .According to G. Croston Green Businesses is much better than its competitors as they not only benefiting natural systems and help people live in green environment well today and tomorrow but also while makes money and contribute to the economy. K. Slovik amalgamated environmental sustainability with that of social responsibility using renewable resources. (Slovik, 2013).76 .narrowing the concept different authors mentioned in (green times2013) that green business as are concerned and supportive towards environmentalism ,they are tend to preserve environmental quality to make an enduring commitment to preserve environmental resources while operating their business. Business enteritis required to make a plan to take an action either to reduce its environmental impact or its activities don’t have a negative impact on environment.

❖ *Outcomes of Green Business:*

➤ *Green Economy:*

Green Economy is defined as an economy which helps to improve human well-being without exposing future generations to significant environmental risks and ecological scarcities. Green economy is the concept of low carbon, resource efficient and socially inclusive. which will reduce inequalities Hence green economy focuses more on environment and people’ s present well being and sustainable future . Without green economy establishment of a green business, green business model innovation were impossible.

➤ *Eco-Innovation :*

Green economy and green growth enhance eco – innovation , which restore the negative impact on the environment .Eco-innovations promote green growth and encourage green economy. Eco-innovation is nothing but the technologies, product services that reduces

environmental risk by minimizing and correcting environmental damage to air, soil, water, waste related problems, noise and ecosystem. It measure, prevent and limit the damage in environment.

Eco-innovation having two phases –Technological alterations/Incremental innovation and non-technological alterations/ Radical innovation. Radical innovations focuses on making complete decoupling and at the time developing green business model it focuses on significant economic, and environmental benefits. whereas incremental innovation focuses on green product and services development, reducing hazardous emission of waste and gas.

#### ➤ *Sustainability*

Another outcome of green business is sustainability. This is the development to meet the present needs without depriving the future generation's need of sustainability. It directly relates to Green growth, eco innovation and green economy. A firm who really wants to be sustainable ideally they should focus on It also focuses on natural, social, as well as economical capital. They also need complex interconnections, and also important criteria to meet by them.

#### ➤ *Green Growth*

One more result of green business is green growth. Promotion of green growth generate idea of green economy. Green growth is nothing but the process to maximize economic growth in a sustainable manner when natural resources are taken care of. When companies are eager to grow, develop and gain competitive advantage Green growth help them to attain the goal and consequently lead them towards more sustainable outcome.

According to Henriksen et al. (2012:B) green growth is technique to maximize economic growth and development. Simultaneously avoiding unsustainable pressure on quality and quantity of natural resources. It controls the growth potential which is transited from green economy.

### III. GREEN BUSINESS MANAGEMENT PRACTICES

#### ➤ *3R – Recycle, Reuse and Reduce*

3R Process consists of (Recycle-Reduce –Reuse). Recycling process is to convert waste material into new product, to produce potentially useful material and prevent waste be thrown away. Reduce means to avoid unnecessary wastage of raw materials in terms of 4M's (money, material, man, machine hour) whereas Re –use help to prepare new product from the useful scrap.

#### ➤ *Digital Storage and E-mail Management*

Business organization usually use emails for their internal and external communication, generally send

statement to motivate people for paperless work. Organization organized their filing system in digitized manner by sharing the contents in computer or storing valuable and important data in external storage hard disk. Thus organizations can reduce the usage of printing papers by 20% each month. In this manner transferring, searching and retrieving the information has become much more convenient, economical, less time consuming to the organizations.

#### ➤ *Green Poster Display as Reminder*

Displaying different green posters, banners, art works help employees to remind about their environmental concern responsibility. These posters are displayed at all important place in the business organizations like at the door of meeting rooms, waiting rooms, halls, pantry, and cafeterias, etc. Employees are insisted individually to report anything wrong going on in campus and also they have right to protest, replace and repair immediately.

#### ➤ *Saving Energy Appliances*

Business organizations have replaced customary bulbs with LED type and can save atleast 70% energy, emit 65% less heat and long lased energy smart LED bulb. The management should encourages for minimum use of lights and fans and whenever not required they should switch of whenever its not required. company should use solar power street lamps for their office campus. By replacing the old type air conditioners with inverter technology, they can reduce 10-15% of electricity consumption. By Push taps water (e.g.; water stopped running after approximately 15 seconds) installation in each sink company may save water and reduce water bill by 5% each month.

#### ➤ *Plantation of Trees*

The surrounding of organization's administration, main and factory buildings generally are covered by well maintained garden and other kind of modern plantation. Companies not only plant trees in their office campus they also focus on plantation of trees in their local Not only in their office campus many organization focus on the plantation of trees in their local areas and donate money for local park. Trees absorb CO<sub>2</sub> from the environment by removing and storing carbon while releasing the O<sub>2</sub> into the air, absorb odours and pollutant gases, An acre mature trees can provide fresh oxygen for 20 -people, and and cut air conditioning needs by up to 30% as they reduce temperature.

#### ➤ *Green Supply Chain*

Different manufacturing organization have executed Green Supply Chain programs since May, 2007. by processes like Process innovation, Product innovation, Clean production, Reverse logistics, Closed-loop manufacturing,

❖ OTHER GREEN PRACTICES :

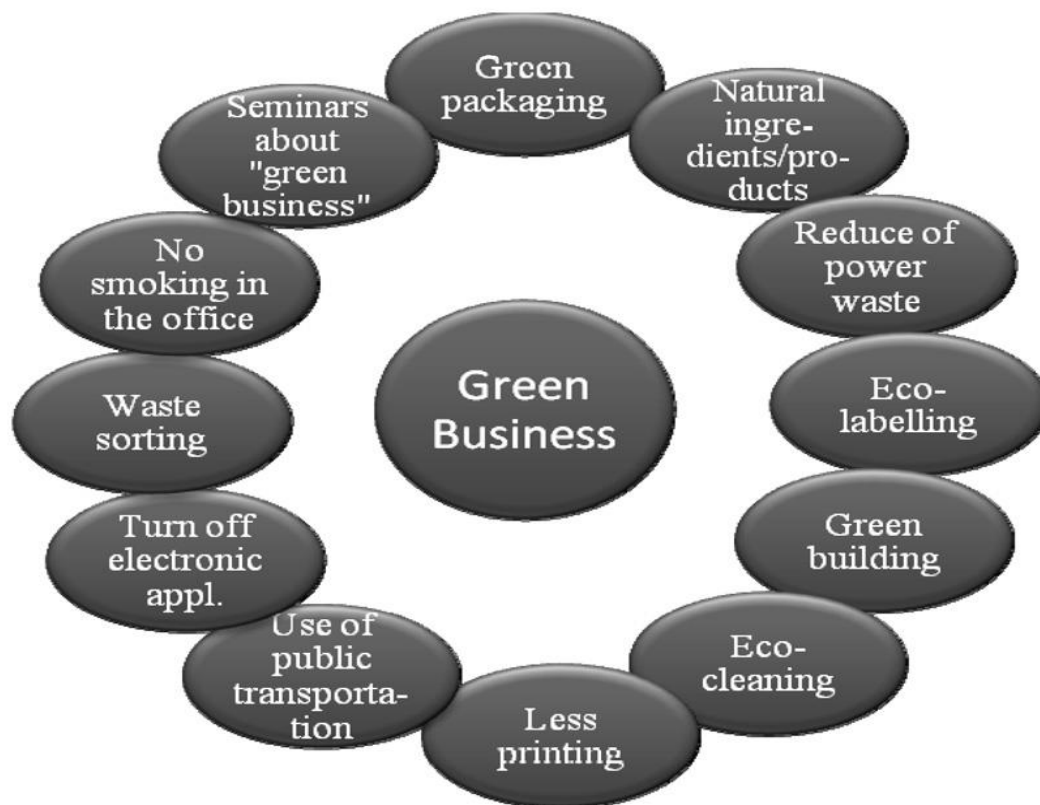


Fig 1

❖ Traditional business vs Green business approach:

TRADITIONAL APPROACH	GREEN BUSINESS APPROACH
Traditional business is Profit oriented	But green business is entirely natural environment oriented
They exploit nature. Nature is a free source for production	They uses renewable source of nature thus conserve and protect it
The companies who are opearating their business with traditional approach they are having less pressure on them to adopt green supply chain management.	Green business always have High pressure on firms from stakeholders, government , competitors to be green.
Traditional business achieve Short-term profit maximization.	Green business achieve long term sustainability.
Traditional Firms' focuses on operations which are profitable.	Green Firms' operations are compliant with Environment profit making is secondary for them.
Cost decreasing is a vital business activity Environmental issues are not priority for firms	Environmental issues must be integrated into business processes
Humankind is superior to the nature	Humankind is a part of the nature
Mechanistic view	Feministic view
Traditional business depends on high consumption of resources(energy, raw materials, etc.)	Depends the low consumption of resources (less energy, less raw materials, etc.)
Nature is a competitor to be struggling to survive	Nature is a friend to be in harmony to survive

Table 1

Companies follow green business :

➤ McDonald'- The world's largest food stores though introducing junk food virus incorporates the negative effect in human health but they are showing their concern to environment by using energy-efficient appliances They reduced their overall energy consumption. and cut energy wastage by 25% during their business activities. ., McDonald's set up green parking for hybrid vehicles with the capability of recharging the vehicles use limited animal product to reduce the impact on destroying animal habitats.

➤ Dell: The leading manufacturer of computer equipment –dell to reduce the environmental impact introduce green packaging by using straw mushroom and hey. They also has promoted the safe disposal of their products by allowing customer to exchange any old equipment with new one to encourage safe disposal and reduces the overall e-waste count.

Google World's most energy efficient data centres has been constructed by Google. Google campaigns for the need for energy conservation, the use of renewable energy sources and clean energy products. Google has supported and funded green energy projects by buying and installing numerous windmills and solar panels.

➤ Bank of America: The bank of America within five years was able to cut its paper requirements by 30%-32%. They arranged an internal recycling program and it has recycled about 30,000 tons of paper every year which is same to conserve about 200,000 trees. The company always encourage their employees by providing 3000 dollars cash-back reward for buying hybrid cars.

➤ Wal-Mart:Wal-Mart has made significant mark in positioning itself as a green concern retail chain by implementing strict policy to cut off suppliers whose manufacturing, processing and distribution methods contributed to vast carbon emissions. The transportation systems maintained on fuel-efficiency and uses 100% renewable energy sources .

➤ Honda: Being an auto company Honda has taken initiative for environmental protection. The company has invested a lot of resources in producing fuel efficient vehicle and to develop a hydrogen fuel cell powered vehicle. The company took initiative to cut down its carbon dioxide emissions. and undergone research to run all vehicles by hydrogen fuel or bio gas instead of gasoline.

➤ Coca-Cola: Coca-cola the leading beverages company has made giant strides to contribute for sustainability through energy and climate protection, water preservation , sustainable packaging. Coca –Cola is leads the community recycling programs through less energy consumption in production and supplies, and

green designing for packaging by using recyclable and less hazardous material for human in packaging.

➤ Starbucks: Starbucks is one of the pioneer company to take green initiative. They made number of investments into new energy efficient lighting and HVAC system their stores. They are into water conservation installing mechanical dishwasher reduces the water usage in less than one gallon in a cycle.They also took initiative for green building including low flow valves, improving lighting efficiency, utilizing recycled flooring tiles , using low VOC paints in stores. They started Ethos water funds whose contribution is coming from the portion of income they get by selling of Ethos water bottle to customers. Starbucks work ng with local communities do recycling of milk jugs and cardboard. they hosted a cup summit to bring together all plastic and paper cup value chain for recycling. They uses (CAFE) practices which mean coffee and farmer equity guidelines to help starbucks farmer to grow coffee in environmental sustainable method.

➤ Toyota:Toyota, has also come up with innovative cars that reduce the overall carbon footprint. They are having environmental policy to reduce green house gas emission. They took initiative to reduce global average carbon\_di\_oxide emission from new electrified vehicles by 90% from Toyota 's 2010 global level Their second challenge to meet is to eliminate completely all carbon\_di\_oxide emission from entire vehicle life cycle. Thus they uses different measures to reduce 25% or more co2 over the entire vehicle lifecycle. They uses comprehensive energy saving measure by implementing innovative technologies (reduce co2 by high efficiency heat exchanger) and kaizen , introducing reusable energy and utilizing hydrogen at plants. Toyota minimizes water consumption by purifying water for drinking, rain water harvesting and using different water saving technologies , water discharge management depending the local facilities . They widely contribute to bio diversity project by connecting communities – TOYOTA GREEN WAVE PROJECT, TOYOTA TODAY FOR TOMORROW PROJECT, TOYOTA ESD PROJECT.

❖ Indian companies adopted green business:

- 1.Haier: Eco branding is a part of Haier's new green initiative and they have launched the Eco Life Series. They have semi automatic and automatic refrigerators and washing machines, split and window air conditioners and a lot more.
- 2.Tata Consultancy Services: TCS has a globally recognized Sustainability practice and has already topped the Newsweek's top World's Greenest Company title. It also has a global green score of 80.4% and this has mainly happened due their initiative of creating technology for agricultural and community benefits.
- 3.IndusInd Bank According to phill harding economic stability and social cohesion is not possible to achieve



without environmental sustainability. so Indusland bank also has taken some green initiatives like water stewardship, afforestation, waste management, renewable energy. They had engaged themselves On watershed development programme collaborated with WOTR .The moto of this development programme to conserve , regenerate and use of human and natural resources judiciously within the watershed area.(around the natural drainage system).They involve themselves in” urban afforestation programme project to refill and spread biodiversity in urban areas by planting indigenous tree species.

4.Wipro: Wipro not only invented different technologies that helps in saving energy and preventing wastes, but its corporate headquarters is the most eco friendly building in this sector all over India.Their enrgy efficiency initiative save 15 million units of electricity along with 1200 tones GHG reduction whatever

Amount of water is consumed in campus out of it 32% is recycled. 83% of their operational waste is recycled and reprocessed inside and outside of their boundaries . They created biodiversity zone , all their building follow LEED principle. Apart of it they concentrate on “Eco chapters project”,”Eco eye project”,”earthian team for greener work” and so on.

#### ❖ *Green Business Model Innovation:*

Green Business Model Innovation (GBMI) is an emerging innovative concept in the business world, which help in reducing business inefficiencies through green business . This concept is a scientific measure for sustainable way of business and has been described by Danish Enterprise and Construction Authority’s Division for Research and Analysis (FORA) According to them green business model innovation is a non-technological green innovation in , outside and between different contemporary companies which help to change[s] the core business of a firm from selling a product to selling a service and retaining ownership of the product and functioning of responsibility .

GBMI defines an approach that invites an organization to renovate its existing business model by considering its total lifecycle cost for products and services through reducing waste, optimizing the usage of material and other resources, minimizing energy usage. It’s a move that requires alteration of existing traditional business model to form a new, updated, eco –focus economically viable and sustainable business model.

There are some challenges regarding the development of GBMs like neither distributed widely among organization all over the globe nor they extensively used, huge knowledge gap and also lots of confusion in transferring traditional business model into green business model, policies are non co-ordinated. finally both public and private institution and should become more open towards the development of new solutions and partnerships between one another.

## IV. GREEN GROWTH

Economic growth has pulled out 590 million people from poverty and raised into good income level . It has only been possible at the cost of environment . Despite that growth 2.8 billion people have no access to sanitation and 13 million people don’t have proper access to electricity- which indicates that growth is unsustainable in long run because the growth is not at all inclusive and environmentally sustainable.

Economic & social sustainability, and social & environmental sustainability, are found not only compatible but also complementary.. Most of the environmental policies enhance productivity and poverty alleviation for meeting basic needs and expanding opportunities for growth, but they should not meet their needs at the cost of unsustainable environmental degradation. Moreover environmental performance won’t improve automatically with income, so policy action is needed anyway. Developing countries have the tendency to utilises the available resources in a optimized way and clean up later. but environmental damages like the loss of biodiversity are irreversible.

Well-designed inclusive green policies should benefit this and future generation in terms of growth and employment which is ,concerned with potential trade-offs and costs., . Green growth is the way for more sustainable development which represents a change in managing the economy..Natural capital like water, land, air, ecosystems should give importance like physical and human capital and require investment , proper maintenance and good management which is productive and fully contributive for greening growth. To measure the progress towards greener growth comprehensive wealth accounting and valuation of eco system should be implemented. There is no such green growth model. Green growth strategies will be dependable upon the local preferences and context so it varies in different countries. every country will get opportunities to make their growth greener and more inclusive without slowing it.

#### ➤ *Inclusive Green Growth:*

Inclusive green growth is possible by prevailing over ingrained social behaviours ,all political deadlocks , developing financing market , policies , overuse of natural assets. Greening growth consists of policies good for economical and financial as well as environmental growth like reforming energy subsidies or trade barriers that protect pollution-intensive sectors. It also necessary to change politically difficult reforms in the patterns of pricing, regulation, and public investment, and also calls for complex changes of those complicated social norms and reforms. Importantly, green growth should know the time when for being politically expedient rather than the economically optimal.

The Pathway of the sustainable inclusive growth , outlines a three-legged strategy:

- LEG1: Any national inclusive green growth strategy should emphasized on local immediate benefit and avoid tapper off. Optimal solutions will vary across countries with varying degrees of capacity , transparency , accountability of different institutions.:
- LEG 2 – this strategy will help to Promote sustainable and efficient decision-making by policymakers, consumers, and the private sector. The use of pollution charges and other market-based instruments are important to stimulate efficiency and trigger innovation. To nudge individuals towards better behaviours and to emancipate power of private sector a lined up compatible approaches are required.. We should lift ourselves towards exact valuation of ecosystem services as natural assets should be systematically incorporated into national accounts.

Environmental and Economic Accounting system is adopted as international standard by UN STATISTICAL COMMISSION . Neglecting natural capital is equally bad for growth and economies like neglecting human and financial capital.

- LEG 3 – Meet up-front capital needs with innovative financing tools. Given the scarcity of fiscal resources, governments and multilateral financial institutions must work urgently to increase the role of the private sector in green investment. Private-public partnerships are crucial, as is increasing access to financing for small and medium enterprises.

Strategies for greener growth need to be tailored to fit specific country circumstances. green growth strategy need to exploit the synergies with green growth and poverty reduction .They will need to carefully consider how to manage any potential trade-offs and best exploit the synergies.. The poverty reduction can be done by introducing efficient infrastructure in terms of renewable and non-renewable sources , tackling poor health which is going to give impact due to environmental degradation and promoting efficient technologies that can reduce costs and increase productivity, while easing environmental pressure.

Green growth policies can reduce accountability to environmental risks and increase the livelihood security of the poor. by giving importance to natural assets. economic progress as highly focused on GDP ,they overlooks the contribution of natural assets to wealth, health and wellbeing.

The OECD Green growth strategy launched In May 2011, provides concrete recommendation and measurement tools to support countries efforts to achieve economic growth and development . The strategy processes a flexible policy framework that can be tailored to different country circumstances and stages of development objective :

- To find out strategies taken by different organisations in greening their business.
- To find out how green business help in inclusive growth of country .

## V. RESEARCH METHODOLOGY

The study is based on secondary data collected from various reports, websites, other journals published and unpublished, newspaper, books etc.. This study is qualitative and descriptive kind of study based on previous deduction of researchers .

## VI. FINDINGS AND SUGGESTION

Green growth policies are an integral part of structural reforms to foster more sustainable and inclusive growth. the growth technique are as follows:

- Reducing uncertainty due to resource bottleneck.
- To prod individuals in the organization , business organizations should offer the incentives and rewards for greater efficiency, for optimal use of resources, proper and decisive use of natural resources , utilising opportunities , reducing energy consumption and material waste to enhance productivity.
- New market for green goods , services and technologies should be open up. to stimulate demand..

## VII. CONCLUSION

There is no free size or sample size formats applicable to foster greener growth. Greening the growth part of the economy depends on institutional setting , industrial policy, social structure ,resource endowment, and environmental pressure point and institutional policy. emerging and developing countries like India face different challenges and opportunities . National plan may differ but in all cases green growth strategies need to go hand in hand with the main pillars of action to promote social equity.

Care must be taken in infrastructure , They should ensure such a design , managed and regulated wisely so that usage of natural resources are optimized. Sustainable Development makes the case that greening growth is necessary for inclusive growth.. The growth will be unsuccessful without ensuring equity will be bypass efforts to reduce poverty and improve access to health, education, and infrastructure services. Countries must make strategic investments that acknowledge natural resource constraints and enable the world's poorest and most vulnerable to benefit from efficient, clean, and resilient growth. natural capital unlike other assets are limited and accountable investment, and maintenance in order to be properly controlled and deployed. it's affordable for us if we maximize co-benefits and avoid lock-in, and promote smarter decisions in industry and society, develop innovative financing tools for green investment.

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