

Green Entrepreneurial Intention : A Cornerstone for Building a Green Economy

¹Sapna Devani, ²Dr. Neelima Ruparel

¹Research Scholar, Gujarat University & Assistant Professor, Atmiya University, Rajkot

²Professor, B.K. School of Professional and Management Studies, Gujarat University, Ahmedabad
Gujarat, India

¹devanisapna4@gmail.com, ²nhr.ruparel@gmail.com

Abstract—Conscious efforts are needed to strengthen the economy by taking the Sustainable Development Goals (SDGs) into account, as these goals support the growth of a green economy. Green entrepreneurship plays a key role in promoting these goals. Since the youth of today are the entrepreneurs of tomorrow, encouraging their interest in green business ideas will help the nation move toward sustainable growth and will play a major role in shaping a green economy. The idea of green entrepreneurship is becoming increasingly important in promoting ecological balance and protecting the environment, as it connects the social, economic and environmental aspects of sustainability. Referring to existing studies, this research aims to create a framework for understanding green entrepreneurial intentions, which can guide future researchers in studying specific groups of people. This paper focuses on different elements such as green entrepreneurial intention, educational support and identifying green opportunities. It does so by looking at three main areas: individual, behavioral and institutional aspects, based on the review of earlier research. The goal of this study is to offer a working base that can be used to make useful comparisons across different parts of the country, keeping in mind regional and social differences. It also aims to guide decision-makers, policy creators and educators in encouraging a culture of green entrepreneurship. This research can support further studies that look into the mindset, actions and goals related to green entrepreneurial intentions.

Index Terms—Sustainability, green economy, green entrepreneurship, green entrepreneurial intention, planned behaviour

I. INTRODUCTION

In today's globalized world, achieving sustainable development is challenging due to the current systems of production and consumption. Shifts in both business practices and environmental concerns have pushed the global community to introduce new approaches focused on the green economy. Countries around the world, including India, are increasingly moving toward embracing the green economy. These actions help ensure the ecological stability of a nation.

Considering the present situation, it is clear that governments, policymakers, academics and researchers are now paying greater attention to green entrepreneurship. However, there is still a shortage of studies on this topic, especially in developing nations. The urgency to focus more on green entrepreneurship has become clear. The need arises for two main reasons: to address the current demands of society and to ensure long-term environmental sustainability.

If we want to understand green entrepreneurial behaviour among the younger generation, we first need to look at their intention behind choosing green entrepreneurship. The decision to become a green entrepreneur often depends on a person's willingness to take the risk of starting a new venture in the green business field. Therefore, Green Entrepreneurial Intention (GEI) acts as a key indicator of future green entrepreneurial behaviour. To deeply understand entrepreneurial mindset, intentions and actions, it is essential to refer to the Theory of Planned Behaviour, as it offers a solid and well-supported explanation.

To encourage green entrepreneurship, educational institutions have a major role to play. They are also responsible for creating awareness and offering support to ensure that green business ideas can be put into practice smoothly and successfully (I Wayan Santika, 2022).

Entrepreneurial education includes sharing knowledge, developing skills, helping students identify opportunities and creating networks. These efforts will motivate aspiring young entrepreneurs to choose entrepreneurship as a career and to define the right path and area for their ventures.

In entrepreneurial research, psychological and environmental factors are considered key elements in understanding why individuals choose to start businesses. This paper focuses on exploring entrepreneurial intention specifically within the green business sector, highlighting its importance in shaping a green economy.

It examines how personal motivation and external influences work together to form the intention to become a green entrepreneur. By taking a dimensional approach, the study aims to offer insights that can support future research and guide efforts to strengthen green entrepreneurship.

II. LITERATURE REVIEW

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Mathur S. & Tandon N. (2016) in their study on Indian millennials and green entrepreneurship, found that this generation shows a strong sense of environmental awareness. The potential for green entrepreneurship in India is steadily rising and the sector is showing signs of becoming a leading source of both income and job creation. However, challenges such as high startup costs and limited financial support to handle risks are major hurdles for those entering the green business space.

Ramayah T., Rahman S., & Taghizadeh S., (2019) have highlighted entrepreneurial event theory and cultural value theory.

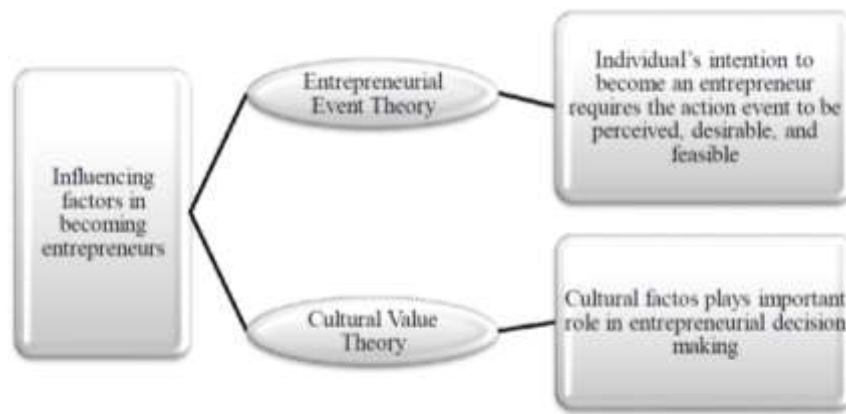


Fig. 1 : Influencing factors in becoming entrepreneurs

(Source : Modeling green entrepreneurial intention among university students using the entrepreneurial event and cultural values theory, - T. R., Rahman, S. A., & Taghizadeh, S. K., 2019)

The study concludes that green entrepreneurial intention cannot be driven by perceived desirability and feasibility alone. It also requires the inclusion of values like the willingness to seek new opportunities and take responsibility, as explained in the theory of cultural values.

Chee W. & Nordin N. (2020) have revealed that perceived behavioural control has a positive influence, showing that certain factors play an important role in shaping green entrepreneurial intention. The impact of subjective norms largely depends on the cultural and social background of the MBA students in Malaysia. However, due to limited awareness and low levels of concern about green business, the intention to pursue green entrepreneurship is not showing strong positive outcomes.

Tien N., Hong T., Duc N., Hiep P. & Dai N. (2020) they emphasize that, compared to commercial entrepreneurship, green entrepreneurship skills are harder to develop. Universities play a crucial role in equipping individuals with the knowledge, skills and mindset needed to succeed in green business. Their research also explores that, while there is no strict division, green entrepreneurship is often viewed as a subcategory of social entrepreneurship.

Amankwah J. & Sesen H. (2021) concluded that university education plays a significant role in fostering green entrepreneurial intention, especially when combined with the influence of green consumption commitment. Through empirical analysis, the study showed a strong connection between entrepreneurial intention and green entrepreneurship behaviour. It was also highlighted that a robust university support system has a more profound impact. As a result, there is a clear and strong link between Green Entrepreneurship Intention (GEI) and Green Entrepreneurship Behaviour (GEB), with one predicting the other most effectively.

Hussain, et al., (2021) examined the role of social networking sites and self-efficacy in green entrepreneurship. The respondents agreed that, due to recent environmental and climate changes, green entrepreneurial ventures are seen as safer, more enjoyable and impactful.

Nayak & Sahoo (2021) proposed a conceptual model that connects social, environmental and institutional factors with green entrepreneurship. Their study highlights the importance of raising awareness among potential entrepreneurs about the growing opportunities in green sectors and the adoption of sustainable business models.

Additionally, the research emphasizes the need for stronger institutional support, particularly in terms of technology and financial resources, to help green entrepreneurs succeed. This support would not only boost the green economy but also ensure long-term environmental benefits.

III. GAP ANALYSIS AND SIGNIFICANCE OF THE STUDY

This decade is that crucial phase where the entire world is experiencing the significant impact of globalization, industrialization, technology driven exercises by considering sustainability at a central point. Many researches have been done on entrepreneurial intention, but very few researches have been done on green entrepreneurial intention (GEI). To take the economy at a sustainable growth level, nations have to think more on green businesses; for that purpose the prime need is to have and/or to build intention in entrepreneurs to think on those green sectors. This study fulfills that gap of research from entrepreneurial intention to green entrepreneurial intention.

IV. CONCEPTUAL FRAMEWORK

Entrepreneurship

Entrepreneurship is a process of generating something new with the value by devoting necessary time, money and efforts; assuming the complementary financial, psychic and social risk and receiving the rewards in the form of monetary as well as personal satisfaction along with independence.

In the words of **W. N. Loucks**, "Entrepreneurship is a mixture of willingness to take risk, a desire for income and prestige, the urge for self expression, creativeness and independence with a dash of the gambling spirit and possibly additional suitable psychic components."

Green Entrepreneurship

Every corner of the planet is facing some degree of environmental problems. Witnessing such situations gives indication that some corrective steps need to be taken to revert back to normal and to cope up with the ongoing environmental problems. Taking

steps by joining the hands of people with the government will be the necessary contribution to bring sustainable solutions to the challenges which our environment is facing.

Businesses are the interlinked factor in this respect to contribute for the same; as the businesses have the competence to both produce and pollute. Business possesses the capital and capability to invest in the betterment of the environment. This thought gives birth to the concept of Green Entrepreneurship; whereby green entrepreneurs implement the significant activities which are ecologically and economically viable by offering such products, services or processes.

In spite of having some differences, often Green Entrepreneurship is interchangeably termed 'Eco-Entrepreneurship', 'Ecopreneurship', 'Sustainable Entrepreneurship' etc.



Fig. 2 : Components of Green Entrepreneurship

(Source : Green Entrepreneurship in theory and practice : Insights from the Indian Market – Haldar S., 2019)

Difference between Conventional Entrepreneurship and Green Entrepreneurship

The enhanced version of entrepreneurship brings forth the concept of green entrepreneurship. The primary difference between conventional entrepreneurship and green entrepreneurship lies in the value creation process. Conventional entrepreneurship contributes to economic growth and regional development, while green entrepreneurship contributes to both economic and ecological aspects of sustainability. Conventional entrepreneurship focuses on creating economic value, while green entrepreneurship seeks to achieve broader values at social and environmental levels.

Green Entrepreneur

Green	Measures which provides significant benefits to an environment and reduces negative environmental effect
+	
Entrepreneur	One who designs, launches and sets up a new business, taking on full responsibilities financial risk in the hope of profit
=	
Green Entrepreneur	One who starts a business to offer product or service which brings solution to existing problem to environmental situation

Fig. 3 : Meaning of Green Entrepreneur

(Source : Compiled by the authors)

Characteristics of Green Entrepreneurs

Green entrepreneurs exactly like other entrepreneurs take the risk and set up a business but the most important thing stays there is - they take up the risk by establishing the business which is significantly beneficial for the environment. Their intrinsic values and motivation help them to think on viable businesses. They are also titled as the 'social change agents' because they are the drivers to take business strategy on the environmental problem solving track.

Green entrepreneurs truly follow the Principles of sustainability. They think on the track of opportunity driven sector and green niche market. They possess a certain degree of expectation of earning profit; this is the reason they are staying in the market; else they would have served in the non-profit organizations.

Entrepreneurial Intention

Global Entrepreneurship Monitor conducted the Adult Population Survey (APS) which covers the characteristics, motivations and ambitions of an individual for going for an entrepreneurial activity along with the social attitude towards entrepreneurship.

The following chart covers the intention of Indians towards entrepreneurial activities till the year 2020. The survey was administered to cover a minimum 2000 adults and to collect detailed information on the entrepreneurial activity, attitudes and aspirations of respondents.

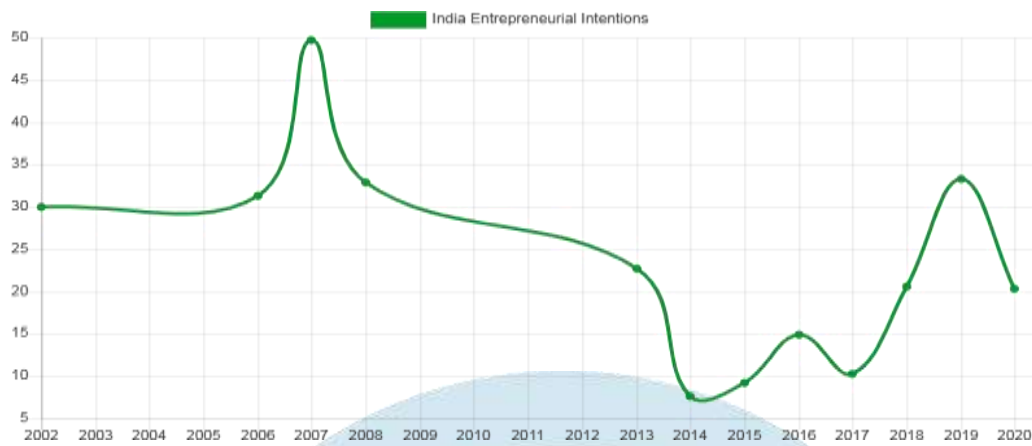


Fig. 4 : Indian Entrepreneurial Intentions

(Source : Global Entrepreneurship Monitor – GEM – Shukla S., Bharti P., Dwivedi A.)

Moreover, the level of intention keeps on changing. The recent GEM report (2020-2021) states that entrepreneurial intention had been 33.33% in 2019-2020, which fell to 20.31% in 2020-2021. This negative change of perception may be due to the lockdown and the impact of pandemic. But when the matter comes to uplift the economy after the COVID-19 pandemic, it becomes necessary to think now on sustainable businesses. It has raised the need of thinking again on green businesses as a road to recovery.

V. ALIGNMENT OF THEORIES AND MODELS WITH GREEN ENTREPRENEURIAL INTENTION

To justify the entrepreneurial intention research work, in this paper conceptual alignment has been done of three main theories.

- Theory of planned behaviour
- Model of entrepreneurial event
- Theory of reasoned action
- **Theory of Planned Behaviour:**

The theory of planned behaviour (TPB) was developed by **Icek Ajzen**. It refers to predicting and understanding the behaviour. There are three main components highlighted under the theory of planned behaviour. They are : (i) Attitude (ii) Subjective Norms (iii) Perceived behavioural control.

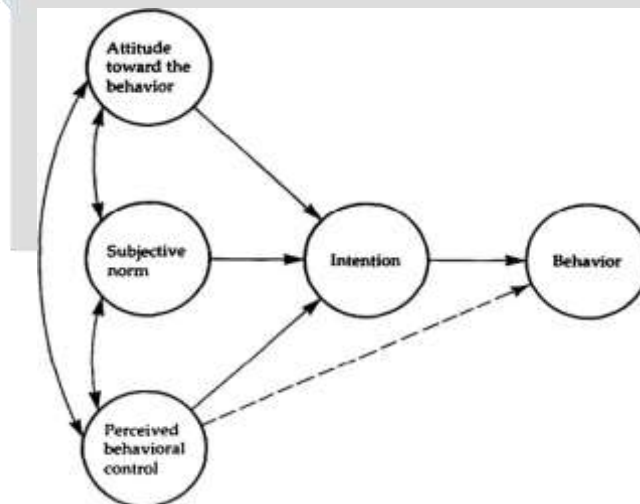


Fig. 5 : Diagrammatic representation of theory of planned behaviour

(Source : The theory of planned behavior - Ajzen, 1991)

As per the content of this theory, the intention of engaging in entrepreneurial activities can be justified on the basis of expectancy measurement of all three components of TPB. Attitude – it refers to the degree of favourable and unfavourable assessment of entrepreneurs' interest of behaviour. Subjective Norms – it refers to an individual's perception about the reference of family, friends etc. who influences the behaviour and decision of becoming an entrepreneur. And the third component is – Perceived Behavioural Control – it refers to the extent to which an individual feels himself/ herself capable enough to perform that specified behaviour.

- **The Model of the Entrepreneurial Event:**

For the determination of entrepreneurial intention, the entrepreneurial event model was developed by Shapero and Sokol (1982). As per this theory, three elements are highlighted for the formation of intention. They are: propensity to act, perceived desirability and perceived feasibility. Propensity to act – it refers to the degree of propensity in terms of high and low with respect to an individual's attitude towards entrepreneurship in terms of favourableness and unfavourableness. Perceived desirability – it

refers to the perception which is generally shaped through the attitudes and beliefs of an individual for establishing a business. Perceived feasibility – it refers to having a capability and skills to establish a new business.

- **Theory of Reasoned Action:**

The theory of reasoned action (TRA) refers to understanding individuals' voluntary behaviour to explain the relationship between attitude and behaviour within human action. This theory of TRA was developed by Martin Fishbein and Icek Ajzen in 1967. This theory suggests the intentions to lead to increased efforts to perform specific behaviour. Initially this theory was developed in the health sector. Later this theory has been used to define the intention of entrepreneurs for establishing business in certain sectors.

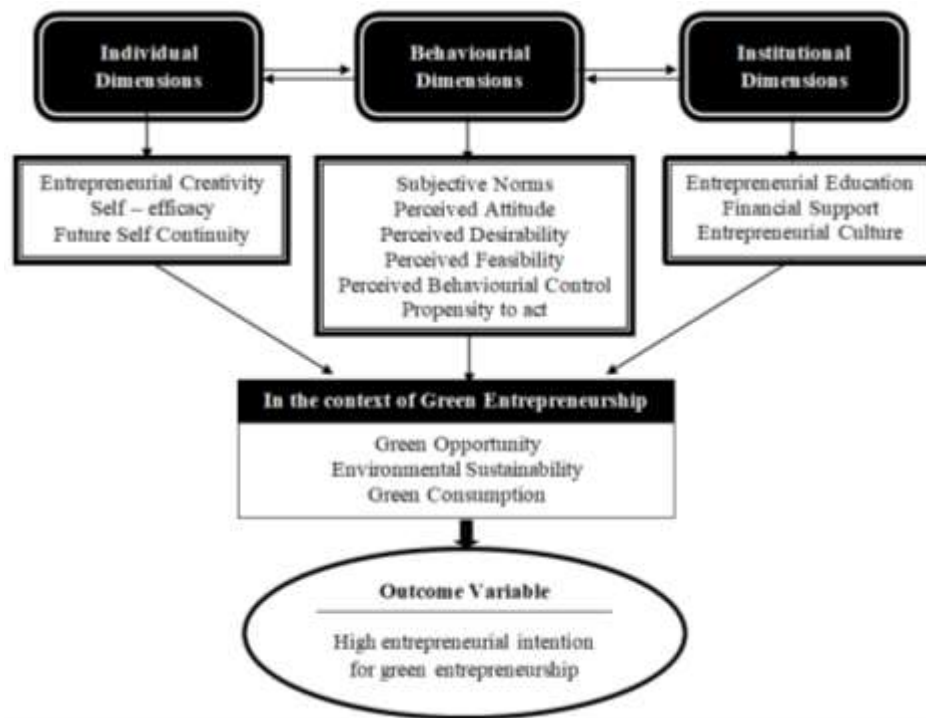


Fig. 6 : Nexus between Individual, Behavioural & Institutional dimensions for Green Entrepreneurial Intention
(Source : Compiled and developed by the authors)

As per the above mentioned conceptual framework, following are three main dimensions; which are vital parts to establish the link between intentions towards entrepreneurship – Individual dimensions, Behavioural dimensions and Institutional dimensions.

- Individual Dimensions refers to the state of an individual towards creativity, confidence and continuity for future.
- Behavioural Dimensions refers to how subjective norms, attitude, desirability, feasibility, behavioural control and propensity to act reflects the intention of entrepreneurial activities.
- Institutional Dimensions refers to motivational support received in terms of educational, financial and cultural support which encourages the degree of intention for entrepreneurship.
- Above three dimensions will act as a trajectory for Green Entrepreneurial Intention (GEI). Variables for the same are : Green Opportunity, Environmental Sustainability, Green Consumption. These are the variables which can be observed in this time because of awareness about sustainability.
- Nexus of all these factors come up with the measurement level of establishing the Green Entrepreneurial Intention.

VI. FUTURE DIRECTIONS

Future research of this study can be extended by receiving data of respondents through primary data collection method. Moreover, demographic elements can be added to measure the depth of the relevance of the topic. After studying the theoretical and conceptual aspects from this paper, researchers can also go for studying the green entrepreneurial intention in general X, generation Y and generation Z. In fact, the comparative analysis can also be conducted among the generations as per the demographic specifications. In the future we can collect the data for in-depth analysis of specific phenomena concerning green entrepreneurial intention in different generations because green entrepreneurship is a contemporary observable fact in business as well as in academic field.

VII. CONCLUSION

This data gives the light of hope to the nation to think on a richer aspect of sustainability by considering green entrepreneurship as an important decision for upcoming generations. The theoretical parameters presented in this paper can help university educators to plan courses accordingly to build the green and cognitive ability among the students.

For the concluding remarks it can be said that, to measure the intention for entrepreneurial activities, only the study of individual dimensions is not enough. Behavioural as well as institutional dimensions are also needed to be studied. And specifically, the decision of going green comes, then one must consider the prevailing environmental and entrepreneurial cultural factors.

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