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THE GREEN ENTREPRENEUR: HOW IMPORTANT ARE THEY TO THE GROWTH OF THE EU

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ABSTRACT

This paper looks at the role of the entrepreneur in the European Union which has now expanded to include 25 nation states with a population of \$450 million citizens. How important is the evolution of the Green Entrepreneur to the EU as they make every effort to promote the concept of Entrepreneurship across the various markets. The evidence would suggest that the emphasis by the EU is primarily focused on the development of the entrepreneurial mindset and skills rather than any specific effort to develop the Green or Responsible entrepreneur of the future. A number of green entrepreneurial companies from the UK are introduced.

I. INTRODUCTION

Since the EU enlargement moved eastwards in May 2004, the EU's internal market now comprises of approx. 450 million inhabitants living in 25 different nation states. This landscape embraces a multitude of different cultures and languages, and to some extent currencies. In particular inspiring entrepreneurs and SMEs experience great difficulties in entering this new EU market because they often have little knowledge about markets other than their local ones.

It is well recognized within the EU how important the role of the entrepreneur is to the job environment. There are approx. 23 million small and medium-sized enterprises (SMEs) in Europe providing 67% of total private employment, which corresponds to 75 million jobs. Yet, there is plenty of data that shows Europe does not exploit its entrepreneurial potential. According to a 2002 Eurobarometer survey (European Commission, Nov 2002), American entrepreneurs were involved in three times more new entrepreneurial ventures than Europeans. European firms grow at a slower pace and, in the 1990s, only one in twenty SMEs could be qualified as 'racing ahead' compared to one in five in the US.

The EU has constantly been trying to develop the spirit of entrepreneurship across the free market ever since its first conception in 1972. The EU Commission launched a debate on entrepreneurship policy resulting in the publication of a Green Paper, entitled "*Entrepreneurship in Europe*", published in 2003. The primary aim of the Green Paper was to stimulate debate amongst about how to develop the best entrepreneurship policy for the future. The Green Paper proposed adopting a co-ordinated approach to entrepreneurship policy, involving all the relevant policy-makers, in providing a coherent and comprehensive set of responses to the needs of entrepreneurs (European Commission,).

The Green Paper raised the topic to the widest possible range of stakeholders under the main premise of: '*how to have more entrepreneurs*' and '*how to get more firms to grow*'. The Paper posed ten questions that were to be circulated for comment under three pillars for action:

- Bringing down barriers to business development and growth
- Balancing the risks and rewards of entrepreneurship
- A society that values entrepreneurship

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"*The Action Plan: The European Agenda for Entrepreneurship*" was adopted in February 2004 in the light of the results of the public consultation launched by the Green Paper on Entrepreneurship. This plan suggested that, to further the entrepreneurship agenda, the Commission would act in a number of strategic policy areas including education. Specifically it identified the promotion of entrepreneurship education and training in national education systems (European Commission, 2006). Among other suggestions, starting from an early age, school education should stimulate young people's awareness of entrepreneurship as options for their future. The emphasis was clearly aimed to help students to become more creative and to be self-confident in whatever they undertake. At a later stage, it was suggested,

universities and technical institutes should integrate entrepreneurship as an important part of the curriculum.

II. ENVIRONMENT AND THE ENTREPRENEUR

Yet none of these ten questions from the Green Paper referred directly to environmental or green issues! One would have thought that this aspect of developing entrepreneurs would be paramount for the EU as they face developing new legislation to curb the growth of global warming emissions amongst other issues. Recent research has identified that actually a fifth of British carbon emissions come from small businesses. The study, conducted by the Carbon Trust, provided evidence that many small businesses underestimate how much pollution they really produce (Small Businesses Account for Fifth of Carbon Emissions, 2007). More than a third (38%) of small businesses believe they are responsible for under 10% of total UK emissions. So there is scope for entrepreneurs and small businesses to make a big impact in issues related to carbon production.

And yet nearly three-quarters of small and medium-sized businesses believe good green practice is important, according to NetRegs, the UK government site providing guidance on environmental regulations for small businesses. Awareness on green issues is also increasing among small firms, the research found. Just under 80% said they knew more about environmental issues now than they did five years ago. *“This research shows that small businesses are taking their environmental responsibilities seriously and what's more they expect the businesses they work with to do the same,”* said Richard Martin, program manager at NetRegs (Green Issues High on Small Business Agenda,2007).

Under what guise should the environment and the entrepreneur be labeled? Isaak introduces the expression ‘*ecopreneur*’ to mean individuals who sets up a green-green businesses. By this he means that ecopreneurs pursue social and ecological goals by means of profit orientated businesses (Isaak 1998). In the context of the need to move towards a truly sustainable society, Isaak’s view is that ecopreneurs are increasingly being seen, and are needed, as crucial change agents in pushing the sustainability transformation process further along.

Another term used could be the Responsible Entrepreneurship, i.e. meaning how to run a business in a way that enhances its positive contribution to society whilst minimizing negative impacts on people and the environment (Enterprise and industry - responsible entrepreneurship for SME, 2006.). Responsible Entrepreneurship acknowledges the importance of both the business and society in creating the company and is a concept endorsed by the EU as contributing towards sustainable development.

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The influences that effect change for the Green Entrepreneur are also important to comprehend. Taylor and Walley (2003) created a view of the external and internal influences and referred to them as ‘hard’ structural influences – such as regulation, economic and incentives, to the ‘softer’ socio-cultural influences - such as personal networks, education, family and friends and past experiences, see Figure 1 below. The figure looks at the broad range of influences in the external environment facing the green entrepreneur. Taylor and Walley include some ‘*question marks*’ because they were not clear at this stage, what specific influences individual entrepreneurs might identify. The black inner circle illustrates the perspective that the influence of the external environment is mediated by the individual characteristics of the entrepreneur – such as his/her personality and competence. It is suggested that these will all impact on the nature of the green business that emerges alongside the shape the business will adopt in the coming years as circumstances evolve.

Fig. 1 INFLUENCERS ON THE GREEN ENTREPRENEUR (Taylor & Walley, 2003) III. EXAMPLES OF TODAY’S GREEN ENTREPRENEUR

A small number of Green Entrepreneurs are discussed below in trying to relate to the mission of such innovative efforts. While some of them may seem simply innovative in the simplest sense in relation to their business model, they all identify by making a positive contribution to society whilst minimizing negative impacts on people and the environment.

Billingley Christmas Trees

Billingley Christmas Trees, near Barnsley, UK, has solved the annual problem of what to do with unwanted trees after the 6th January of each year– by starting a recycling service for all

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customers who order their trees online (Real Christmas trees from the Christmas tree farm, 2008.). The farm's owners, the Stenton family, set up a company in 2006 as a subsidiary to Billingley Christmas Trees, offering an online delivery service anywhere in the UK for Christmas trees. The website was built with support from Business Link South Yorkshire and the Rural Business Growth program, funded by the EU and DEFRA. The Stentons were overwhelmed by the success of the website and in 2006 started extending that facility by sending out a white recycling bag with the tree, which is then picked up by courier at the end of the festive season. Previous generations of green entrepreneurs had a "save the world mentality", says Mr. Parker. "This is not necessarily a bad thing, but they tended not to bring entrepreneurial rigor or discipline or the return on investment ethos." Today, investors are having to demand similar returns on green investments in order to defend the market positions they take.

Natural Discovery

This company focuses on the tourist trade and offers trips around the Surrey countryside on an electric bike. Surry is a county in the South East of England and is sits on the doorstep to London. The company offers tourists the opportunity to take an electric powered bike on a country ride along the quiet lanes and trails of the Surrey Hills. As they promote in their marketing literature, "Twist the throttle and your electric motor will help power you up and over the dramatic hills of this beautiful landscape" (Electric Biking Experience, 2007.). They promote the idea of taking an electric bike for a day out and enjoy all the benefits of riding without having to be a super fit cyclist. And using an electric bike is literally a carbon free form of transport as electric bicycles have a small motor that delivers an extra boost of electric power when needed by the cyclist who can choose when to use the electric assistance and when to use only pedal power. Natural Discovery include a rain cape with all rentals so there is little need to worry about the weather!

Solarcentury

Jeremy Leggett, CEO, London based solar energy company Solarcentury (Who we are / home – Solarcentury, 2008.), was awarded the Ernst & Young London region Environmental Entrepreneur Of The Year Award for 2007. Leggett has an impressive entrepreneurial background and was an award winning scientist, oil industry consultant and Greenpeace campaigner before setting up Solarcentury in 1998. The company is the UKs leading solar energy company, specializing in building integrated photovoltaic solar technology into commercial, residential and public buildings. The company is the biggest supplier and installers of solar panels and have helped more homes and business go solar than anyone else in the UK.

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