



## **From Profit to Planet: The Rise of Green Entrepreneurship as a Catalyst for Environmental Sustainability**

**Prachi Kishan Varu**

*MBA, JAIN (Deemed-to-be) University*

*DOI: doi.org/10.34293/3108-1436.vimarsha.v1i2.008*

### **Abstract**

*The rising levels of climate change, biodiversity, and unsustainable production practices have increased the need for business models that combine environmental stewardship and economic development. Green entrepreneurship has emerged as a key response strategy to these issues by integrating environmental considerations into innovation, production, and value-creation activities.*

*This paper investigates the significance of green entrepreneurship in ensuring environmental sustainability in the Indian context. Based on primary data gathered from 327 entrepreneurs in 13 Indian states, the paper investigates the ecological, economic, and social impacts of sustainability-oriented ventures. The results indicate a reduction in carbon emissions, resource efficiency, and community engagement for green ventures. Despite the challenges of financial and administrative constraints, green entrepreneurship has immense potential as a transformative tool for sustainable development.*

*The paper concludes that green entrepreneurship is not only an alternative business model but also a natural progression of enterprise in the current environmental age.*

**Keywords:** *Green Entrepreneurship, Environmental Sustainability, Circular Economy, Sustainable Business Models, Eco-Innovation, Climate Change Mitigation, Impact Investment, Resource Efficiency, Social Sustainability.*

### **Introduction**

#### ***Background of the Study***

The rising global industrialization has further accelerated environmental degradation, leading to climate instability, depletion of resources, and ecological imbalances. India, being one of the rapidly growing economies, faces increasing environmental pressures alongside development challenges. In this backdrop, entrepreneurship plays a pivotal

role in managing sustainable development transitions.

Green entrepreneurship integrates environmental considerations into core business activities, shifting from extractive to regenerative systems. Unlike traditional businesses that treat sustainability as a regulatory requirement, green businesses integrate environmental conservation into their business offerings.



### **Problem Statement**

However, a significant gap persists between the sustainability policy frameworks and their implementation at the enterprise level despite growing environmental awareness. Many micro, small, and medium-scale enterprises are still functioning in resource-consuming patterns due to cost constraints, a lack of awareness, and the absence of supportive policy frameworks. The key question is whether green entrepreneurship can close this gap and achieve environmental results while maintaining economic viability.

### **Research Objectives**

- To explore the ecological, economic, and social roles of green entrepreneurship.
- To examine the measurable environmental effect of green businesses.
- To determine the regional differences in the sustainability practices of Indian states.
- To evaluate the difficulties and opportunities for development of green ventures.

### **Research Questions**

- How does green entrepreneurship impact environmental sustainability?
- What specific environmental results are achieved by green businesses?
- What are the factors that limit the development of green entrepreneurship?
- How does regionalization impact sustainability strategies?

### **Significance of the Study**

This paper makes a contribution to the literature on sustainability because it provides primary empirical research findings from green entrepreneurs in India. It combines theoretical frameworks with practical implementation and provides recommendations that can help improve the green business ecosystem.

### **Scope and Limitations**

#### **Scope:**

- Focuses on green entrepreneurs in India
- Covers ecological, economic, and social aspects
- Includes start-ups and micro, small, and medium-scale enterprises (MSMEs)

#### **Limitations**

- Self-reported data on environmental effects
- Study is limited to fourteen states
- Cross-sectional study (not longitudinal)

### **Structure of the Paper**

- Section 1: Defines the scope and intent of the study.
- Section 2: Describes the conceptual framework and the various roles.
- Section 3: Examines the literature, the gaps, and the methodological approach.
- Section 4: Reports the findings and discusses the applications of cases.
- Section 5: Draws conclusions and makes recommendations.



### **Conceptual Framework**

Green entrepreneurship is a crucial factor in environmental sustainability because it transforms production structures and changes consumer behavior by incorporating environmental responsibility into economic activities. The role of green entrepreneurship can be understood in terms of ecological, economic, and social perspectives.

### **Ecological Value Creation**

Singh and Mehta (2023) analyzed 850 green startups scattered in Western India and concluded that startups that combined renewable energy with circular production networks resulted in an average reduction of 31% in material waste and a 26% reduction in carbon emissions in the first three years of business. The study also highlighted that the application of eco-design and life-cycle assessment tools significantly improved environmental efficiency.

Rao et al. (2024) analyzed 420 green startups that focused on manufacturing and concluded that startups that adopted waste-to-resource models diverted about 5.8 tons of industrial waste per year per startup. The study also highlighted that circular economy approaches improved environmental performance and cost optimization.

Similarly, Iyer and Thomas (2022) concluded that sustainable agricultural startups in Maharashtra resulted in a 37% reduction in groundwater consumption through the application of precision irrigation technology, demonstrating the environmental significance of green entrepreneurship.

Taken together, the above studies demonstrate that green entrepreneurship makes a significant contribution to mitigating ecological degradation and promoting regenerative production systems.

### **Economic Sustainability**

Kumar and Desai (2024) carried out a longitudinal study on 600 green enterprises in India and concluded that sustainability-integrated business models showed 18% higher revenue resilience than traditional MSMEs during market uncertainties. The authors argue that consumer trust in eco-certified products helped such businesses achieve financial resilience in the long run.

Patel and Nair (2023) concluded that 54% of green businesses acquired impact-oriented funding two years after incorporation, compared to 29% of traditional startups. The authors attributed this difference to the rising trend of ESG investment and the widespread practice of sustainability reporting.

Moreover, Verma (2024) found that clean-tech startups in Karnataka showed employment growth in new skill areas at a rate 2.3 times higher than non-green technology startups, highlighting the economic multiplier effect of sustainability-driven entrepreneurship.

### **Social Embeddedness**

Shah and Kulkarni (2023) carried out a survey of 500 green enterprises that are community-linked and found that 63% of them emphasized local procurement, leading to a 21% rise in rural income generation. This highlights the importance of decentralized



sustainability ventures in promoting local economic systems.

Banerjee (2022) found that sustainable consumer brands with transparent carbon disclosure showed a 47% rise in repeat purchase rates, indicating that green entrepreneurship has a positive impact on consumer awareness and behavior.

Moreover, Fernandes and Rao (2024) found that eco-tourism businesses in Kerala increased community participation by 38% through profit-sharing and environmental education initiatives, directly associating entrepreneurship with social empowerment.

#### **Gaps Identified in Existing Literature**

The current literature primarily focuses on sustainability reporting in large corporations, whereas green entrepreneurship based on micro, small, and medium enterprises (MSMEs) has not been adequately investigated. There is a lack of empirical research related to the quantifiable environmental performance at the startup level. Further, there is a need for regional comparative studies in the Indian context. The current research paper proposes to fill this gap using primary data from surveys.

#### **Methodology**

##### **Research Design**

The research uses a descriptive and analytical research design to examine the patterns and relationships in green enterprises.

#### **Research Approach**

The study adopts a mixed-methods research design, combining the analysis of survey data with narrative analysis.

#### **Data Sources**

The primary data sources include the responses gathered from a structured questionnaire among 327 entrepreneurs. Secondary sources include journals, sustainability reports, and government policy statements.

#### **Sampling Technique**

Purposive sampling was used to target sustainability-focused entrepreneurs in 14 Indian states.

#### **Data Collection Tools & Analysis Techniques**

The data gathering tools included an online survey questionnaire, semi-structured interviews, and email follow-ups.

The analysis used descriptive statistics (percentage analysis) and thematic coding to develop qualitative findings.

#### **Reliability and Validity**

A pilot study evaluated the questionnaire's clarity and facilitated regional comparisons. Consistency checks were done on the responses, and triangulation of survey and interview data was used to enhance validity.

#### **Ethical Considerations**

Ethical considerations included seeking informed consent and ensuring confidentiality,



with the data being used only for academic purposes.

**Findings**

**Entrepreneurial Motivation**

Motivation Factor	Percentage of Respondents
Environmental concern	81%
Social impact	69%
Market opportunity	57%
Technological innovation	43%
Regulatory incentives	28%

**Sustainability Integration**

- 64% use **renewable or low-carbon** energy sources
- 46% apply **circular production** systems
- 38% conduct **lifecycle impact** assessments
- 34% implement **zero-waste packaging**
- 22% partner with **local environmental NGOs**

Notably, 72% of growth-stage ventures reported measurable environmental impact tracking systems.

**Economic Performance**

Contrary to the assumption that sustainability reduces margins:

- **61% reported revenue growth** above 15% annually

- **48% achieved profitability** within two years
- **36% secured green-focused funding**

Enterprises combining environmental innovation with digital platforms showed the highest scalability.

**Environmental Impact (Self-Reported Averages)**

- **CO<sub>2</sub> Reduction:** 14.7 tons annually per enterprise
- **Water Saved:** 42,000 liters annually
- **Waste Diverted:** 6.2 tons annually
- **Jobs Created:** 9 full-time equivalents

These figures highlight tangible ecological contributions beyond symbolic sustainability branding.

**Regional Entrepreneurial Perspectives Across Indian States**

The research has found specific sustainability priorities that are affected by regional economic cultures, resource endowments, and local environmental issues.

**Gujarat (Ahmedabad, Surat, Rajkot)**

The entrepreneurs from Gujarat emphasized scalability and efficiency. A large number of them focused on renewable energy manufacturing, solar rooftop power, and sustainable packaging solutions.

One of the founders from Ahmedabad said:

"Sustainability should create economic value. If it helps cut costs and waste, then market penetration will happen faster."



The Gujarat group showed a strong preference for the circular economy approach and green products that can be exported.

**Maharashtra (Mumbai, Pune, Nagpur)**

Entrepreneurs of Maharashtra origin spoke about the challenges of waste management in cities and sustainable consumer practices. Startups in Mumbai focused on zero-waste living brands and carbon consulting.

An agri-tech entrepreneur in Pune said:

“Consumers in cities are willing to pay for sustainability, but they need transparency.”

Entrepreneurs of Maharashtra origin showed more concern for impact assessment and ESG reporting.

**Karnataka (Bengaluru)**

The respondents from Bengaluru had a strong integration of technology in sustainability-focused startups. The region was known for its focus on clean-tech startups, electric vehicle mobility solutions, and carbon tracking apps.

As one of the founders said:

“Technology is our leverage point. Data-driven sustainability solutions give us credibility.”

**Key Observation**

Though concern for the environment was widespread across states, there was variation in the regional strategies for sustainability:

- Western states (Gujarat, Maharashtra) focused on market scalability
- Southern states (Karnataka, Tamil Nadu, Kerala) focused on technology and community integration
- Northern states faced more significant policy and infrastructure-related challenges

The presence of regional differences suggests that green entrepreneurship in India is not a standardized phenomenon but rather one that responds to local environmental requirements, cultural norms, and economic systems.

**Challenges Identified**

<b>Barrier</b>	<b>% Reporting</b>
Access to capital	74%
Consumer awareness gaps	62%
Supply chain limitations	39%
Policy uncertainty	33%
Greenwashing competition	21%

**Discussions**

Three key findings are:

**Values Precede Venture**

Values related to the environment often precede business ventures.

**Sustainability as Competitive Advantage**

Green branding builds trust and loyalty.

**Ecosystem Support Determines Scale**

Incubators, impact investors, and supportive regulatory frameworks accelerate growth.



Green entrepreneurship represents a paradigm shift towards a regenerative economy.

#### **Policy Implications**

- Green credit guarantee schemes should be established.
- Integrate sustainability metrics in business study programs.
- Offer tax breaks that are clearly linked with specific environmental outcomes.
- Enhancing eco-innovation by fostering collaboration between the public and private sectors

#### **Conclusion**

Green entrepreneurship is totally redefining what it means for someone to be a business at a moment of urgent environmental need. The data in our hands shows that ventures fueled by sustainability are not fragile experiments; they are doable, scalable, and can really make an impact.

As the climate pressures mount across the globe, green entrepreneurs are going to help design the economy of tomorrow. Their results will determine whether sustainability remains an aspirational ideal or becomes a daily practice.