In this paper the author contrasts ‘green businesses’ with ‘green-green businesses’. The ideal type of ‘ecopreneur’ is defined as one who creates green-green businesses in order to radically transform the economic sector in which he or she operates. Similarly, ecopreneurship is seen as an existential form of business behaviour committed to sustainability. Some ‘ideal-type’ illustrations of ecopreneurship are given, including recent examples, having in common an accidental evolution into ecopreneurship that then becomes transformative for self, society and economic sector. The author provides some practical suggestions for businesspeople who want to try an ecopreneurial strategy in the private sector, including: green brainstorming; cost reduction; the stimulation of innovation through green design and networking; and the attraction of interest of overwhelmed consumers in an emerging ‘attention economy’ through green marketing and through green start-ups (‘green-green businesses’). He suggests that, to promote ecopreneurship, governments and public officials can: run competitions for the most imaginative green business plans; change tax regimes to promote resource conservation; build ecopreneurship into standards for public-sector managers to meet; and target the creation of high-technology development centres to build serial ecopreneurship and to attract ‘blended value’ venture capital.
The making of the ecopreneur

‘Green-green business’ as an ideal type

Environmentally responsible businesses come in two basic varieties: ‘green businesses’ and ‘green-green businesses’. A typical ‘green business’ did not start out that way but, once it was established, managers discovered the cost and innovation and marketing advantages, if not the ethical arguments, for ‘greening’ their existing enterprise. The efforts of the 3M company is but one example: since its Pollution Prevention Pays (or 3P) programme was launched in 1975 the company has saved over US$750 million as a result of reformulating products and processes and recycling.

In contrast, a ‘green-green business’ is one that is designed to be green in its processes and products from scratch, as a start-up, and, furthermore, is intended to transform socially the industrial sector in which it is located towards a model of sustainable development (Isaak 1998). Since this kind of business is what sociologist Max Weber (1968) called ‘an ideal type’, there is no perfect example in reality, but Ben & Jerry’s (founded by Ben Cohen and Jerry Greenfield) and The Body Shop (founded by Anita Roddick) come close. Both of these companies were started by counter-culture entrepreneurs who wanted their businesses to be environmentally responsible and to make a social statement, not just to make money. The success of their marketing efforts and growth was as much a result of savvy social consciousness in business design, production and marketing as it was preoccupation with the bottom line. Ultimately, these ecopreneurs realised that business is a people-to-people exchange of goods and services and that there was a growing niche for products that symbolised loyalty to the principle of sustaining the Earth, its resources and its biodiversity for future generations. Often, they came to this realisation by accident.

Of course, Ben Cohen, Jerry Greenfield and Anita Roddick were not perfect ecopreneurs without flaws. Once again, ecopreneurship is a Weberian ideal type that refers to a person who seeks to transform a sector of the economy towards sustainability by starting up a business in that sector with a green design, with green processes and with a life-long commitment to sustainability in everything that is said and done. To become an ecopreneur is an existentialist commitment in which the entrepreneur knows he or she will never reach the ideal; but that very ideal of sustainability gives meaning to everything the ecopreneur does on the Earth (Isaak 1998: 113). Knowing very well that most entrepreneurs spend seven days a week in the early years to found a company that can survive, the ecopreneur decides that he or she will be better motivated and sleep well at night if whatever is done in business is not only a money-making concern but also a mission of social consciousness and political transformation in order to make the Earth a more sustainable place. The ecopreneur knows what to live for and that everywhere on Earth is ‘home’.

In my book Green Logic: Ecopreneurship, Theory and Ethics (Isaak 1998) I show how this kind of thinking and commitment differ from globalisation where, for example, no place on Earth is considered ‘home’ since one is always moving on to some other place, chasing ‘future freedom’ and global market share. Mobility is all, and roots are left behind, if not cut off. Often, the globalised manager leaves a mess—environmental waste, a corporate headquarters in organisational chaos and a disintegrated family where he or she is rarely to be seen. Their freedom is a ‘freedom from’!

In contrast, the ecopreneur accepts the same free-rider motivations that stimulate any entrepreneur and transforms them into a ‘freedom to’—the freedom to create a new, environmentally responsible community, however small that community may be. That is, all entrepreneurs live off risking other people’s money and resources, aiming to get
things as cheaply as possible in order to enable their businesses to survive a bit longer (i.e. they have a free-rider motivation). However, often through accidental experimentation, the ecopreneur saves money in an environmentally responsible way and gets ‘free advertising’ from the media by being identified with a worthy social cause. At one point, for example, Ben and Jerry promoted Peace Pops in order to promote their idea that 1% of the US military budget should go to ‘peace’. There is a more subtle form of free-rider motive involved here: by using their social imaginations to further their view of community responsibility in a free-flowing, hedonistic atmosphere, Ben and Jerry used ‘the business system’ to have a good time. Jerry’s motto was; ‘If it’s not fun, why do it?’ Meanwhile, Ben’s philanthropic logo of motivation was ‘business has a responsibility to give back to the community from which it draws its support’. By the time they sold their business to someone else, Ben and Jerry had been so successful with their socially laced advertising that their original ice-cream factory, made from a transformed gas station, became the number one tourist site in Vermont (Lager 1994).

Of course, if anything, Anita Roddick was an even greater expert at social or political marketing. From travelling the world as a hippie she had learned that there were at least 12 ingredients that women in developing countries such as Fiji used to keep their skin ‘as smooth as silk’. Back in England, she became upset that she could not buy cosmetics by weight or bulk like other groceries and that she had to pay so much just for the packaging. In her book Body and Soul (1991: 9) she opens with a statement that shows why she was determined to transform the sector of the industry in which she would set up shop: ‘I hate the beauty business. It is a monster industry selling unattainable dreams. It lies. It cheats. It exploits women. Its major product lines are packaging and garbage’. So, using the name of a mechanics garage she had seen in California on her travels, The Body Shop, she started a business ‘on the cheap’ where women could bring their own containers to fill up with the natural cosmetics they wanted.

A local funeral parlour nearby objected, fearing a loss of customers if a ‘body shop’ was located so close. In addition, Roddick’s counter-culture husband had just left to fulfil a life-long dream of riding a horse from Buenos Aires to New York. Anita Roddick called the local newspaper anonymously and said that there was this poor woman trying to feed her two children by starting a local business whose husband had just left to ride from Buenos Aires to New York on a horse and that mafia undertakers were threatening to close her down. She got a full-page spread on the front page of the paper (Roddick 1991: 77) and her brilliant marketing campaign for The Body Shop was on its way. Soon, she was arguing for ‘trade not aid’, paying Indians in the rainforests of Brazil to process and sell her the oil from nuts rather than chopping down trees—oil that she used in her creams and advertised as such. She was astute at political marketing. Her ‘green business’ was an existential odyssey that took her all over the world combining her financial needs, her political and social needs, her desire for foreign adventure and, ultimately, her effort to move the cosmetics industry towards sustainability.

The fact that both The Body Shop and Ben & Jerry’s became more preoccupied with corporate structure, compensation and legal issues than with the environment once their companies became established beyond a certain size does not distract from their ecopreneurial beginnings. It merely suggests that ecopreneurs may be well advised to go to start up other green-green companies rather than hanging on to one that enters an older, established ‘maintenance’ phase and that demands a trustee manager role more than an entrepreneurial influence. For sustainable development, the world needs ‘serial ecopreneurs’ just as Silicon Valley needed serial new-economy entrepreneurs in order to flourish.

Ecopreneurs from developed countries are not the only ones involved in this existential odyssey of sustainability. In 1993 Professor Anil Gupta of the Indian Institute of Management set up a non-profit non-governmental organisation (NGO) called the
Society for Research and Initiatives for Sustainable Technologies and Institutions (SRISTI) to ‘strengthen the capacity of grass-roots inventors, innovators and ecopreneurs engaged in conserving biodiversity and developing eco-friendly solutions to local problems’. The key instrument of this NGO is the Honey Bee Network (Gupta 1997: 36-40), a newsletter in six languages dealing with examples of local ecopreneurship and ways to preserve the intellectual property rights of local inventors in developing countries from being exploited by multinational corporations (MNCs) based in wealthy countries. Recently, the focus has been on women’s indigenous knowledge, given its traditional neglect in India (cf. Honey Bee 2001).

The Honey Bee philosophy is aimed at remedying one of the negative free-rider effects of entrepreneurial capitalism: the temptation of large corporations from developed economies to take or buy out the innovative technologies of indigenous people in developing counties without giving them sufficient credit for their intellectual discoveries or payment for their ideas and inventions. Such protection and support is critical in order to motivate ecopreneurship in the first place: why bother to innovate and create a green business if the inevitable consequence is to have everything extracted and exploited? The metaphor of the honey bee indicates the cross-fertilisation of ideas and initiatives that aim to stimulate, reward and protect the creativity of grass-roots ecopreneurs. Stemming from this rich Indian tradition, Astad Pastakia (1998: 158) distinguishes between two kinds of ecopreneurs—commercial ecopreneurs and social ecopreneurs. These are discussed below.

**Commercial compared with social ecopreneurs**

Pastakia (1998) surveyed ecopreneurs in the agricultural sector in order to describe their role as agents for change to a sustainable society at the grass-roots level. He defines ‘commercial ecopreneurs’ (or ecopreneurial corporations) as those who seek to maximise personal (or organisational) gains by identifying green business opportunities (i.e. eco-friendly products and processes) and transforming them into viable business ventures. In contrast, ‘social ecopreneurs’ (or social ecopreneurial organisations) are those who seek to promote eco-friendly ideas, products or technologies either through market routes or through non-market routes. Given the deep spirituality in many areas of India, the idealist notion of social ecopreneurship is of particular importance as it defines an existential choice that is not dependent on material rewards but that leads to spiritual fulfilment and, surprisingly often, to worldly success in the long term. One of Pastakia’s examples of social ecopreneurship is Dr G.L. Atara, who applied the ancient science of Ayurveda to plants (e.g. Vrukshayurveda)—a process that dramatically increased the productivity of crops while eliminating the use of chemicals, thus sharply reducing costs. Rejecting offers from private industrialists who wanted to purchase this technology from him, Atara tapped the energies of the Swadhyay spiritual movement and supplied the technology to these volunteers on a no-profit, no-loss basis. He was determined to make his liquid fertiliser available to local farmers on a non-exploitative basis, and he succeeded.

Far away in the Austrian Alps, organic farmer Sepp Holzer revealed in a CNN report that he uses similar strategies of avoiding industrial farming, which he claims to be hugely destructive in the developing countries, creating chronic dependency. Holzer grows exotic plants and lemons the natural way and gives tours from April to October at €130 a ticket.

In Nepal, 17% of the total forested land in 73 districts is managed by forest user groups, local independent corporate bodies who receive 100% of timber sales provided they
spend it on village development and forest regeneration. This local decentralisation mitigates against the deforestation caused by the centralised policies of the Nepali national government and large multinational agribusiness concerns (Mehta 2002).

Must commercial ecopreneurship be counter-cultural?

Clearly, the spiritual traditions of Asian cultures and particular individuals are unique and suggest that the universe of potential social ecopreneurs may be limited. Yet all cultures have traditions and subcultures of idealism based on harmony with the Earth that can be tapped into for the development of social ecopreneurial organisations.

A more pressing question may be: ‘Must commercial ecopreneurship be counter-cultural?’ That is, in the classic examples we have cited—from Ben & Jerry’s, to The Body Shop, to the Honey Bee Network—there has been a counter-cultural spirit in the sense of a political agenda to change, if not to transform, the mainstream culture towards greater harmony and sustainability. Like wines of the top vintage, these examples may not be ‘true’ of all ecopreneurs, but they have been highlighted in this paper for being ideal types.

Although the ideal type of ecopreneurship—that of green-green businesses or start-ups—does imply a deliberate (albeit sometimes accidental) strategy to transform the sector in which one operates towards sustainability, it is also possible to have incremental ecopreneurial efforts that aim towards cost reduction by means of efficiencies that reduce resource use and thereby contribute to sustainability.

The language aimed at this broad audience that would save money as a primary objective is perhaps best stated in the book *Factor Four: Doubling Wealth, Halving Resource Use* (von Weizsäcker et al. 1997). In this book, Ernst von Weizsäcker, Amory Lovins and L. Hunter Lovins argued that resource productivity can and should grow fourfold: the amount of wealth extracted from one unit of natural resources can quadruple and we can live twice as well while half as much. The book provides many practical business applications that support this technological argument. However, the call to cut consumption or resource use is too often translated by mainstream politicians and economists as a potential reduction in economic growth. Von Weizsäcker, Lovins and Lovins clearly demonstrated the opposite— that the creativity of ecopreneurial thinking can lead to increased productivity and economic growth—but their sophisticated argument too often falls on deaf ears. From hyper-cars (hybrids) to cyber-trains, from cooling engines to superwindows, they give real examples of how to do what they suggest.

Contemporary examples of commercial ecopreneurship abound. Dean Kamen (who invented the Segway human transporter) is producing a non-polluting, easily transportable Stirling engine that can produce clean water from polluted sources and generate small amounts of electricity cheaply (CBS News 2002): this could radically further sustainable development for the two billion people in the world who do not have access to fresh water.

Seaweed Farms on the edge of the Red Sea grow sea asparagus (salicornia), which has delicious tips, and seeds that can be ground into high-protein meal or pressed into quality cooking oil. The process supports flora and fauna from the sea and, in 2001, helped to generate US$10 million-worth of sea asparagus, fish and shrimp (with ten times this amount projected as possible in the next five years). One of the fish harvested, the tilapia, is a light-fleshed edible fish whose skin can also be made into leather goods (*US Water News* 2002: 17).

On a smaller scale, the Milesnik Ranch outside Belgrade, MT, transformed a situation in which some 1,500 fly-fishers tramped over Milesnik land in order to fish in the creeks...
there into an ecopreneurial opportunity. The Milesnik have limited the number of fishers to 500–600 per year. These fishers pay a fee (and treat the land with more respect), generating 40% of the ranch’s profits (Kumlien 2002).

Earth Sanctuaries Ltd has demonstrated that conservation can also be targeted as a primary business. Breeding endangered animals, the private reserves are open to paying visitors that support the enterprise—not to mention the shares listed on the Australian stock exchange as of 2000 (Donnan 2002: 10).

Another example is provided by Yvon Chouinard. His creation of a new kind of piton for mountain climbing for himself was the chance event that led him to start the Great Pacific Iron Works, which, in turn, became Patagonia—an outdoor clothing manufacturer that is a model of corporate responsibility. Since 1985 10% of the profits (or 1% of sales, whichever is greater) goes to over 1,000 grass-roots environmental groups. The Patagonia Environmental Internship Programme allows employees to take up to two months of paid leave to work for a non-profit environmental organisation of their choice. Further, the Patagonia Land Trust, a non-profit organisation established in 2000, has protected more than a quarter of a million acres of grassland, forest and coastal areas in the Patagonia region of South America.

But one has a feeling that few people will take the time to digest the message of ecopreneurial discovery and success in this fast-moving society where competitive models are picked up by fashion and frequency of exposure rather than by thorough analysis and efficiency of means. Green marketing, for example, is often assumed to be pushing products that may be more inconvenient (i.e. electric cars) or expensive (i.e. solar energy) and is to that extent ignored. In the USA, after a decade of designing eco-friendly products, many companies have unfortunately concluded that ‘green’ sales pitches do not sell (Fowler 2002). So, given a global economy where people are inclined to take short cuts to economic growth and to minimise time in making consumption decisions, the question becomes: what can be done practically in the private sector to further ecopreneurship and what strategies can the public sector adopt to complement and support such efforts to create a sustainable society?

Private-sector initiatives that can promote ecopreneurship

Merely ‘greening’ business as usual appears to have had but a marginal effect in moving society towards sustainability. It been shown that companies usually begin with basic compliance with environmental regulations and only then move to environmental management to reduce emissions beyond compliance (Fischer and Schot 1993). Only after that do they strive to undertake proactive goal-setting for sociopolitical and environmental purposes. Yet the World Resources Institute (WRI 2002) estimated that less than 20% of North American and European companies can be described as proactive in their commitment to improve environmental performance in alignment with sustainable development objectives (e.g. to ensure that today’s wealth and lifestyles are not achieved at the expense of future generations). To make society sustainable requires a jump-start process of spreading green-green businesses—incentives to make all future businesses environmentally friendly from the initial, start-up phase. There are a number of private-sector incentives that can foster green start-ups. Businesses can be encouraged to:

- Create their own world of value by setting limits
- Search for green strategic innovations
- Use green marketing, adding distinction by understatement
Promote green brainstorming to reduce costs

Encourage green networking in the community to generate free publicity

Use social ecopreneurship as an extraordinary motivator

Create your own world of value by setting limits

Entrepreneurs are often motivated to set up their own businesses so that they have more control over their own lives and can create a small world of their own: by doing this on a green platform, they build the future interests of their children and grandchildren into the initial design and are involved day and night in bringing into being a small world within a world of which they can be proud.

As ecopreneur Paul Hawken puts it, businesses are like cults that create their own values: ‘Great value-added propositions in this world start not from liberty and license but from need and want and hunger. Breakthroughs come from limits.’ Hawken believes that the post-boom era is an ideal time to found a small, green business since ‘nothing kills a good idea faster than money’ (quoted in Whitford 2002: 43). Indeed, the time may be ripe for what Jed Emerson (2000) has called ‘blended value’ investing which looks beyond the financial to the social and environmental values of all investments to have them symbolise the personal values of the investor.

Search for green strategic innovation

Innovation can be made more fruitful with limits, just as tennis is more satisfying with a net. In an ambiguous world economy, one needs a limit, a focus: the sustainability criterion limits the parameters and makes business strategy more focused. Knowledge about existing environmental laws among small firms, for example, is generally limited and needs to be made more transparent (Schaper 2002: 527).

Use green marketing to add distinction by understatement

A company becomes competitive by offering the best product, process or service at the lowest viable price. However, ‘environmental’ aspects can be seen as ‘value added’—subtly drawing the consumer in with a green design or context. The company philosophy should be one of taken-for-granted sustainability, as if everyone in the world naturally did the right ‘green’ thing. This makes for an atmosphere of civilised grace that will shine through implicitly in everything the firm undertakes. The green theme should be revealed in advertising, but in the background, like the under-painting on a canvas. This subtle marketing applies to existing big companies that decide to ‘green’ themselves as well as to small start-ups. Green marketing should be holistic, expanding on the basic transaction concept by minimising a transaction’s negative impact on the natural environment.

Reduce costs by promoting green brainstorming

Once a week the company could sponsor a ‘green brainstorming’ session over a meal provided by the company aimed at finding new, innovative ways to reduce costs. Modelled somewhat after the Japanese quality control circles, these events should be social events in which the working staff have the floor and the managers are quiet or even not present in order to inspire free-flowing exchanges without restraint in which the most ridiculous ideas are given their chance.
Encourage green networking in the community to generate free publicity

Although being understated, the new company should network with environmentally friendly interest groups, community groups and schools in the area—focusing on those particularly who are most apt to provide future customers or employees. By ‘doing good’ in this targeted way, the company can be expected to ‘do well’ in generating free publicity from the local press for its community activism. Anonymous articles can be contributed to the press to point out the obvious in case anyone misses it.¹

Use social ecopreneurship as an extraordinary motivator

In cynical times of world economic crisis, young and old workers alike seek work with existential meaning that goes beyond a wage, a task or a market networking scheme. A sense of social significance is an important motivator for many employees who harbour a need for idealism, for serving some cause beyond mere self-interest or corporate interest. By giving people a stake in an organisation dedicated to being green in process, product and consciousness, it is easier for workers to give their all, to forget the clock and to transcend their normal levels of productivity and contribution. Indeed, there may be social ecopreneurial capacities latent in all of us just waiting to be given an opportunity to bring this sense of sustainable community to worldly fruition. And, if a private firm is so far-sighted as to profit from this, so be it . . .

Public strategies to foster ecopreneurship

The difficulty for public officials, whether at the regional, national or international level, is that in the ‘attention economy’ they are always playing catch-up with the latest crisis or public concern, limiting their perception of choice. Von Weizsäcker et al. argue that such perception is more a matter of creative imagination than of necessity and that public officials should steer public perceptions towards green job creation:

We need a rational economic incentive that allows us to employ more people and fewer resources, solving two critical problems at the same time. Businesses should sack the unproductive kilowatt hours, tonnes and litres rather than their workforce. This would happen much faster if we taxed labour less and resource use correspondingly more (von Weizsäcker et al. 1997: xxiv).

Clearly, businesses alone cannot bring about sustainability without tax and other government incentives to make it more attractive. Some public policy strategies to encourage ecopreneurship might be to:

▶ Change tax incentives to reward the creation of green jobs and to punish resource use
▶ Build creativity and ecopreneurship incentives into standards for public-sector management
▶ Use ecopreneurship as a strategy for boosting civic competence and social capital
▶ Start a public campaign to de-legitimatisre non-sustainable business results

¹ This strategy worked not only for Anita Roddick but also for Benjamin Franklin. One of the most pragmatic of entrepreneurs, he used anonymous editorials in the newspaper he published in order to push for the public changes he wanted.
Changing tax incentives to reward the creation of green jobs and to punish resource use

Job creation is the number one priority in most countries in the 21st century. Morally, there is no justification for using public resources to fund or encourage jobs that work against sustainability. Logically, grass-roots ‘seed’ money should go to green start-ups, not just to any start-ups. And heavier taxes on resource use would encourage brainstorming to cut costs in terms of resources and stimulate the evolution of ecopreneurship. Such public incentives stimulate the creation of ‘green alliances’ to help companies comply with laws and address green problems before their market positions are undermined by rigid and costly government mandates.

Building creativity and ecopreneurship incentives into standards for public-sector management

Creativity and entrepreneurship can be built into public-sector management standards, encouraging people in public organisations to mobilise their idealism in order to bring profitable ventures into being that benefit social needs and can clearly target ecopreneurship (Isaak 2002a). Zero-sum fights for a slice of the public budget often lead to proposals promising to reduce risks rather than to embrace proposals that can target risk-taking, creative solutions to public problems in a sustainable manner. For example, in 2000 I used the non-profit university sector to have students set up two profit-making eco-businesses that not only paid back their venture capital but also contributed their profits to worthy environmental causes (Anderson 2000). Such pilot experiments transform normal passive learning into stakeholder motivations that get young and old to co-operate to help build sustainable local community initiatives. Local governments, for example, can sponsor competitions for the best green start-up business plan and provide seed capital for the winning entry, contributing to green job creation.

Using ecopreneurship as a strategy for boosting civic competence and social capital

In a globalised era of increasing ‘democratic deficits’ (e.g. more elite and fewer direct democratic controls) it is necessary to find simple, targeted means to bring people together for a common cause in a way that builds social capital (e.g. through networks of collective learning and solidarity) and economic development while raising environmental consciousness. Ecopreneurship is such a strategy. Sustainability crosses party affiliations and is in the long-term interests of most constituencies. NGOs can be called on for support, ideas and the stimulation of networking for the sake of sustainability. To find new, green ways of doing things that a community needs to have done can attract positive media attention to local communities and be educational as well as financially rewarding. Research has demonstrated that, as agents of change, entrepreneurs are more likely to be able to ‘fix’ environmentalism within new businesses (Anderson 1998: 135).

Starting a public campaign to de-legitimatise non-sustainable business results

Corporate managers are moved by threats as well as positive incentives. The environmental damage done to the environment by corporate neglect or actions must be exposed and heavily fined. But, beyond this, social pressures must be increased. One novel example has been the policy of Governor George Pataki of New York to expose the
linkages between abnormally high cancer rates and zip code areas in which corporate pollution has been particularly high. Public institutions must make clear in collective perceptions that pollution will be exposed and punished while positive steps towards sustainability such as ecopreneurship will be praised and rewarded (Isaak 2002b).

Conclusions

Ecopreneurship is not just anybody’s existentialism. Businesses that are not designed to be sustainable decrease our health, shorten our time on Earth and destroy the heritage we leave for our children, no matter where we are located globally. In contrast, green-green businesses are models that can help show the way to increase productivity while reducing resource use in a manner that is harmonious with human health and the sustainability of non-human species as well. Green start-ups make it easier to ‘fix’ environmental components and processes from the outset. Green subsidiaries of larger firms can foster innovation and bring back the heightened motivation of social solidarity to businesses where it may be all too easy to slip into cynicism in an era of global economic crises.

The choice is clear. The technology is there. Only the political will is lacking. Sustainability is the ultimate political commitment and epitomises common sense from the perspective of corporate citizenship. Every time we invest we should think of our own personal values and use a ‘blended value’ approach combining social and environmental as well as financial objectives. Only by so doing can we enable ‘serial ecopreneurship’ to thrive and be cultivated. The key is to bring green-green businesses to a critical mass and thereby assure global sustainable development.

References


