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Towards Sustainable Development by Creation of Green Social Entrepreneur's Communities

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Abstract

Entrepreneurship is a part of economy which is demanded in modern open economies. Structural changes in the society are needed for creation of entrepreneurship. The current situation shows a clash between the economic and the ecological system in global scale which will result in grave ecological catastrophes for the future. In this article, feasibility of shifting with a structural change in order to redefine links between economy, ecology and society through sustainability will be investigated. The goal of this study is to synthesize this interaction especially in development process for reallocation of resources towards a new concept of *green social entrepreneur's communities*.

Based on the fact that humus rich soil is the key production factor for water, food and hundreds of industrial products, entrepreneurs can form communities of between 50 up to around 200 part time poly-productive micro-farms. Cost and energy efficient housing is a starting point for added value, incomes from highly intensive organic farming can cover parts of the income, small scale production another. With a suitable size that makes such a new town development attractive there will be a demand for childcare, schooling, health and old age care offering additional incomes. Such communities will and must improve soil quality and biodiversity, creating a positive footprint.

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1. Introduction

Entrepreneurship matters in modern open economies it is more important for economic growth than it has ever been. The reason is that globalization and the ICT-revolution imply a need for structural change, requiring a substantial reallocation of resources. This induces an intense demand for entrepreneurship [1, 2]. Audretsch and Thurik show that an increase of the rate of entrepreneurship (i.e. number of business owner per labor force) leads to lower level of unemployment in 23 OECD¹ countries in the period 1984 through 1994 [3]. In recent years renewed attention has been given to the role of entrepreneurship in economic development. Many economists and politicians now have an intuition that there is a positive impact of entrepreneurship on

the growth of GDP and employment [4]. The recent statistics shows rapid increase of natural resource consumption, especially, in the following components: fossil energy (e.g. oil, natural gas, oil), ferrous metals (e.g. iron ore, etc.) non ferrous metals (e.g. bauxite, etc.), non-metalliferous minerals (e.g. lime), biomass (e.g. wood, etc.) [5, 6]. By taking into account the limitation of natural resources, required time for replenish these resources and generated waste in economic sector, it would be obvious that it cannot be continue forever and it is necessary for take some planned action to change and turn this situation to more sustainable manner otherwise, it would be resulted in a grave for ecology [7]. The objective of this article is to synthesize disparate stands of literature in order to understand the role of *green social entrepreneur's communities* in development process. Entrepreneurship is an ill-defined, at best multidimensional, concept. Understanding its role in the process of development requires the decomposition of the concept of entrepreneurship. A *first* goal of this paper is to contribute to the understanding of the dimensions. A *second* goal is to provide insight in the causal links between these entrepreneurial dimensions and

¹ The Organization for Economic Co-operation and Development (OECD) is an international economic organisation of 34 countries founded in 1961 to stimulate economic progress and world trade.

development, while paying attention to suitability and required changes.

Nomenclature

ICT	Information and communication technology
GDP	Gross domestic product
UNDP	United Nations Development Programme
EIA	U.S. Energy Information Administration

2. Definition and dimensions of entrepreneur's concept

Entrepreneur is a loan word from old French "*entreprendre*" which translate simply, "to under take". The first term was defined by Richard Cauntillon in his *Essai sur la Nature du Commerce en General* (1730) and later by Jean Baptiste Say in his treatise on Political Economy (1803). Jean Baptiste Say broadened the definition to include the concept of bringing together the factors of production [8]. In classical economics there were three "factors of production" called land, labor and capital. Today several types of capital could be distinguished as natural capital, manufactured capital (i.e. manmade equipment, building and infrastructure), human capital, intellectual capital (i.e. discoveries, innovations and scientific results), social capital (i.e. trust, mutual understanding and shared value) and financial capital [9]. Table 1 could be an attempt to shows the transition of this concept through the time [10-15].

Among of mentioned definitions (see table 1), Schumpeter has very specific view, he defined the entrepreneurs as "the inventor who implements change within markets through carrying out of new combinations ". Schumpeter mentioned several forms for changing market [11, 12, 16]:

- The introduction of a new good or quality thereof
- The introduction of a new method of production
- Opening a new market
- The conquest of a new source of supply of new materials or parts, and
- The carrying out of new organization of an industry

After Schumpeter's work, most economists (and many non-economists as well) have accepted his identification of entrepreneurship with innovation and this considered as a principal function of enterprises (i.e. the result or consequence of entrepreneurial action) in economic growth [17-20]. This represents a change from the previous tradition, where the term '*entrepreneur*' meant basically "businessman" in classical economics [21]. Therefore *entrepreneurial spirit* is characterized by innovation and risk-taking, and is an essential part of a nation's ability to succeed in an ever changing and increasingly competitive global marketplace. At least thirteen distinct roles for the entrepreneur can be identified in the economic literature [16, 21-24] such as an allocator of resources among alternative uses.

Based on above mentioned literatures, entrepreneurship could be defined as "the art of using land, labor, natural resources, technology and capital which can produce profit and added value in a society". And *entrepreneurial spirit*

combined with innovation. Required structural change for creation entrepreneurship could be an opportunity for shift current relationship between economy, ecology and society to more sustainable manner and it will be discussed in following sections.

Table1- Dynamic changes in definition of entrepreneurship through the time [10-15]

Authors	Description
Cantillon; 1730	Entrepreneurship is self-employment with an uncertain return. Cantillon recognized three classes of economic agents: landowners, entrepreneurs and employees.
Baudeau; 1767	Entrepreneurship is innovative management
Say; 1803	Described entrepreneur as an extraordinarily talented manager
Menger; 1871	Differentiated entrepreneurial decision-making into four sequential stages
Marshall; 1890	Hinted at a distinction between entrepreneurs and managers
Shumpeter; 1910	Described the entrepreneur as an innovator, carrying out new combinations
Knight	The courage to bear uncertainty
Penrose	Managerial capacities should be distinguished from entrepreneurial capacity Identifying and exploiting opportunistic ideas for expansion of smaller enterprises is the essential aspect of entrepreneurship
Lebenstein; 1970	The reduction of organisational inefficiency and at the same time reversal of organisational entropy
Adam; 1989	An entrepreneur is a person whose business actions make him/her a leader in the economic world especially when results in industrial growth or technical advanced
Kao; 1993	Process of doing something new and something different for the purpose of creating wealth for the individual and adding value to society
Thornton & Flynn; 2003	Discovery and exploitation of opportunities and creation of new organization, which occurs as a context-dependent social and economic process'

3. Development and sustainability:

3.1. Development:

The concept of development is almost as old as civilization. It's used in western societies from Greco-Roman civilizations until now [25]. Among of definitions which exist for development, UNDP definition [26] could stand out as a comprehensive one's. It suggests "*expanding the range of choices for the population that allows development to become more democratic and participative. (...) access to (sic) income... participation in decisions and enjoyment of human, economic and political liberties*". Reviewing the literatures and mentioned definition, it can be concluded that a process of development should contain three main elements which listed below [26, 27]:

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