International Journal of Multicultural and Multireligious Understanding

http://ijmmu.com
editor@ijmmu.com
ISSN 2364-5369
Volume 10, Issue 6
June, 2023
Pages: 337-343

Private Business in Green Economy: Transition and Management

Bobur Mukhammadkosim ogli Nabiev

Ph.D. student, Namangan Institute of Engineering and Technology, Uzbekistan

http://dx.doi.org/10.18415/ijmmu.v10i6.4907

Abstract

Natural resource depletion and environmental degradation are serious worldwide issues that invariably have an impact on living conditions, either directly or indirectly. Such environmental concerns have an impact on new agreements and regulations as well as the paradigm shift in production and consumption toward sustainable production and consumption methods. International trade is under pressure from strict environmental conservation, as seen by the issuance of standards and laws by industrialized nations. As a result, Uzbek business owners must quickly adjust to comply with laws and meet the demands of environmentally conscious consumers. Days will become more significant to the world economy and trade. Global issues are more central to green economic ideas.

K*eywords:* *Green Economy; Sustainable Development; Environment; Carbon Emission; Green Growth; Private Business; R&D; Green Services*

Introduction

The green economy was cited as a significant contentious subject in the negotiation stage between the governments of countries, according to the United Nations Conference on Sustainable Development: UNCSD in 2012. In terms of business, it incorporates the notion of business management under the notion of a green economy. In green business, cost–effective resource management is used in conjunction with initiatives to protect the environment. The business also gains from this.

The depiction of society and the communities that need better management is positive and pleasant. General guidelines for green business accreditation are based on the three sustainability pillars of commercial, social, and environmental sustainability.

An economic system known as the “green economy” promotes social equality and increases human welfare. By utilizing minimal carbon emissions, effective resource utilization, and societal cooperation, it also greatly lowers the likelihood of ecological scarcity and environmental harm (The UNEP–led Green Economy Initiative, 2011). According to the Green Economy Coalition (2010), the green economy is a flexible economy that raises everyone’s standard of living while respecting global ecological constraints.

The International Chamber of Commerce has also established an economic system that fosters both economic growth and environmental responsibility. The definitions provided above can be considered as not being the best, despite the fact that social development has been progressing positively (International Chamber of Commerce, 2012). An essential component of that is: are concerned with the environment and ecosystem as a whole, and some also take biodiversity into account; strive to enhance well–being and the standard of living for people in society; and some are concerned with energy efficiency and resource management, which would indirectly lessen the influence on the environment.

According to the 2011 OECD green growth definition, growth that aspires to embrace economic expansion and growth while sustainably utilizing natural resources and continuing to provide environmental resources and services that support a healthy diet is considered to be green growth. Green growth is economic development that benefits the environment, has minimal greenhouse gas emissions, and promotes social inclusion (UNESCAP, 2012). In order to avoid slowing down or upsetting the economy, a green economy can only take place if green growth is achieved concurrently. It can be regarded as sustainable and advantageous for both the global economy and ecology.

Green business refers to the efficient use of all resources while simultaneously working to protect the environment for both the business and the environment. For society and communities, there is a positive perception of friendliness that needs to be better controlled. General guidelines for green business accreditation are based on the following three sustainability pillars: the business; the social, and the environmental dimensions. According to this study’s findings, firms who aim to provide clients or consumers with goods and services that are valuable in three dimensions should consider the following:

1. The organization must regularly develop its green business operations, be transparent in all areas of its operations, and have the appropriate selection of environmentally friendly goods and services. There is no misrepresentation of the Company’s environmental policy and practices. When it comes to environmental issues, the company is in charge of protecting the environment throughout the procurement of raw materials, the production of goods, their sale, as well as during the construction of offices and/or green factories. The Company must uphold social equity and make a commitment to conducting business in a way that benefits its staff, clients, and society as a whole;
2. The organization must consider the environment when purchasing raw materials, producing things, selling those goods, as well as operating offices or green factories;
3. The organization must provide social equality and commit to conducting business in a way that benefits its staff, clients, society, and the environment.

Literature Analysis

In the context of marketing, Philip Kotler [1] characterizes the image as a means to learn about an organization or the product of asking an organization, and the image is achievable from a variety of characteristics that the company may control. When taking into account the image that a corporate organization can develop, it may obviously restrict the range of the three categories of images used in marketing promotion: Brand Image; Product or Service Image; and Institutional Image. The perception of a specific business is based on its overall characteristics, including its management structure, products or services, branding, stability, hiring of qualified staff, state-of-the-art manufacturing, and social responsibility [2].

The four dimensions of the organizational image are as follows: Common product characteristics, advantages, or attitudes are listed first, followed by corporate relationships with employees, values, and programs, and finally corporate credibility [3].

Knowing your company as a "green organization" has a big impact on your brand, according to an examination of the elements affecting the organization's image. In 2015, 66% of participants globally were willing to pay more for sustainable items, up from 55% in 2014, according to a Nielsen Study. Products and services that are concerned with sustainability are more valuable, and all socioeconomic groups share this value perception.

The way that the public perceives an organization or its product can be influenced by a variety of factors, according to Kotler [4], who defines image as the holistic of faith, thought, and the impression that a person has toward something. Attitudes and actions are closely related to an individual's perception of something. This is how it is categorized: Brand image; Image of a product or service, and Image of a company or institution. Business groups work to develop production methods that are environmentally friendly, supply consumers with environmentally friendly businesses, and manage these businesses.

Business organizations gain from branding and positioning in consumers' thoughts. As a result, consumer relationships and loyalty are strengthened [5]. As a result of the current, many consumers value and are aware of environmental issues, which continues to build long–term image and customer relationships [6].

According to a review of the literature on organizational image and business performance, corporate image is crucial for both business and customers since it can signal a company's success and serve as a link between the perspectives of the two groups. Building a company's identity and reputation are among the competitive efficiency techniques that businesses need to find [7]. Porter also defined competitiveness, which generates a competitive advantage, as the value a company may offer for customers that affects customer satisfaction and the organization's positive reputation [8].

The philosophy of change leadership, knowledge of society, and concern for the environment are all components of socially responsible leadership. Creating a vision, inspiring others, influencing positive thoughts and behaviors for stalkers, being aware of environmental social responsibility, and being able to achieve the ultimate operational goals of environmental organizations are all examples of socially responsible leadership [9]. Similar to responsible leadership, which is extraordinarily ethically and socially motivated by moral scandals in management, businessman greed, and the influence on human life from management, socially responsible leadership has a notion of values based on social responsibility. The knowledge that multinational firms and their executives have enormous potential to improve the world also contributes to the other side [10].

According to Augustine [11], who discovered that environmental leadership was a factor in developing a competitive advantage in green organizations. On the other hand, Chen defined environmental leadership as the process of changing leaders in the organization to influence members to achieve the management and prevention of environmental issues [12]. Leadership that prioritizes social responsibility is said to be socially responsible leadership. One side stems from the realization that transnational corporations and their leaders have enormous potential to improve the world and the other side is similar to responsible leadership, a moral and social phenomenon driven by moral scandals in the management of businessmen's greed and its impact on life on Earth [13].

Analysis and Results

Small and medium–sized businesses (SMEs) account for 74,4% of all jobs in Uzbekistan, as can be seen by simply glancing at them [14].

Contrary to common opinion, businesses can evaluate the financial benefits of incorporating green practices within their operations, therefore engagement in green growth by the private sector frequently happens spontaneously rather than as a result of government encouragement. Companies are implementing green growth strategies to achieve efficiency benefits through improved (and more sustainable) resource consumption, increase sustainability, lower production costs, and meet international labeling requirements. Even initiatives on green corporate social responsibility (CSR), which is the provision of green services within the communities they work in, are intended to improve their international branding image and give businesses access to new country markets, even if they are not specifically (or at least not overtly) aimed at lowering costs or enhancing security and efficiency.

Many multinational corporations have already established sustainability standards to guide their business practices. In developing nations, the standards they set are frequently passed down to (or imposed upon) their suppliers who are further along the value chain. These initiatives frequently result in environmental standards that are stricter than those demanded by the national government in developing nations, but they also raise prices for suppliers, who might be kicked out of the supply chain if their demands are not satisfied [15].

It can be a useful triple–win strategy for businesses to improve their “green” image, ensure a sustainable supply of inputs (where sustainability practices are introduced within their supply chains), and lower long–term production and service costs. Businesses are also pursuing green growth as a way to increase their production efficiency by lowering production costs of goods or services, such as by reducing their energy usage or their use of production inputs. Businesses that wish to raise their competitiveness will naturally gravitate toward such tactics, especially in areas where resources, such as land, water, and energy, are anticipated to become scarce (either through a decline in resources or through an increase in demand for them). However, this scarcity will also encourage private businesses to engage in green growth–oriented R&D for increased resource efficiency, which could eventually lead to fewer emissions and better long–term management of natural resources.

However, there is little to no information on what initiatives, if any, low–income country–based enterprises are actually implementing. Information is available on multinational corporations from high–income countries, and there is also an increasing amount of information on middle-income country enterprises using such practices. The majority of these motivations for green growth are also more applicable to larger businesses like multinationals or industries where economies of scale are important to the production process. Due to their extensive operations and established global brands, these businesses frequently come under media and government scrutiny, making it essential for them to implement green growth efforts.

On the other hand, smaller businesses, particularly those in developing nations, do not face the same scrutiny problems, and any sustainability initiative they launch tends to spread from larger businesses that require their suppliers to follow the same sustainability practices. Therefore, one of the key areas of research that needs to move forward is to examine the incentives for low–income country enterprises to voluntarily engage in green growth initiatives. It is important to determine whether these incentives are the same as those that motivate high–income country enterprises and to determine how they vary depending on the size and scope of developing country companies.

Although forward–thinking businesses have a variety of incentives to adopt green growth practices, these businesses frequently follow their own goals and agendas, and any initiatives they take will often be for their own benefit or are self–promotional rather than being concrete and well-coordinated efforts to ensure long–term sustainability and growth. Thus, other stakeholders such as the government, donors, and civil society need to interact with businesses in order to increase greater support and uptake for green growth policies within the private sector. In order to drive production changes and encourage the implementation of progressive green growth policies, it is essential that both the private sector and the government have a solid evidence base on the advantages and disadvantages of switching to a green growth production system [16].

Triangulating and promoting engagement between the private sector, civil society, and the government helps to move the sustainable development procedure in favor of an intersection of shared interests and goals and ensure that effectively designed green growth policy can be both a viable means to ensure that policy adoption meets expectations and, at the same time, steer private sector responses toward optimal green growth directions for individual countries, especially developing countries.

The greening of the economy will also result in changes within industries, and socioeconomic results including more subtle changes that may have significant societal repercussions must be closely monitored.

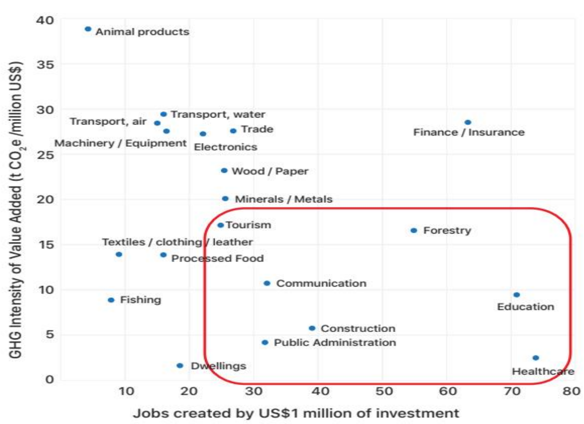
Less cotton pickers would arise from a transition to value–added jobs in agriculture and natural resources, which would negatively impact rural women (who made up 65% of cotton pickers in the 2020 harvest). More jobs including for women would be generated throughout the shift from cotton cultivation to higher–value cotton apparel and textiles manufacture, but their locations and skill sets would differ. Further research will be required to solve this, and the government may decide to encourage preferential access to other employment opportunities for workers displaced from cotton farming and harvesting.

The development of human capital, the establishment of market infrastructure, and the enhancement of renewable natural capital through landscape restoration, expanding the use of nature–based solutions, and aiding small and medium–sized enterprises (SMEs) in the implementation of conservation projects are all closely related to the health care, education, finance, and forestry sectors. Reforestation is a component of natural resource management and landscape restoration programs that has the potential to improve social and economic conditions in rural areas while also helping to reduce soil erosion and climate risks associated with land use.

By applying an additional criterion of carbon intensity of the investment as assessed by GHG emissions per value added to the sector mapping in Figure 1, the green potential of these sectors is illustrated. Climate–smart mining may be included in the list of green sectors if the analysis were to be extended to additional industries. On how to prioritize them and where the strongest job development under the current economic structure can occur, more research with in–depth analysis will be required. Beyond this list, public administration, communication, and ecotourism are other industries that should be given priority in the study due to their typically low environmental impact.

As industries that encourage substantial female labor force participation without being linked to the environmental problems associated with mining, education and health care have particularly great green qualities.

Figure 1. Carbon intensity of jobs created per million dollars of investment in the selected sectors with the lowest GHG intensity per value added



Source: Estimates based on Taheripour et al. (2021).

In this analysis, more eco–friendly and productive occupations from emerging technology and innovation sectors and subsectors (like green hydrogen, for instance) are not yet taken into account. Although green innovation policies that create jobs are not discussed in this article, having such policies will help Uzbekistan address other challenges, including (a) enhancing the country's competitive advantage through deeper integration into the global value chain and promoting foreign direct investment, and (b) building new, thriving economies based on clean leapfrogging technologies that entice private investments.

Conclusions and suggestions

The article's conclusion is that management in a green economy affects performance, and green firms' competitive advantage or green inventions that competitors can't copy leads to organizations maintaining the advantages of green strategies. Additionally, good organizational performance benefits the environment. The value, sense of sustainability, and corporate image of products and services tied to sustainability are higher nevertheless. Business groups work to enhance production methods, offer consumers environmentally responsible corporate management, and supply environmentally friendly products. Businesses can profit from brand placement in consumers' brains, which improves consumer relationships or loyalty.

Current research shows that managing for a green economy improves corporate image and performance. In order to improve their performance in terms of finances, customers, processes, better learning/culture, corporate image, good corporate governance, consumer responsibility, and better community and social development, organizations should concentrate on managing their operations under the concept of the "green economy", which consists of business dimensions, environmental dimensions, and social dimensions.

Based on studies that corporate management in the green economy is influenced by socially conscious leadership and situational aspects of stakeholder pressure. Businesses must therefore address the vision, values, and environmental attitudes that were fundamental to socially responsible leadership since doing so will enable them to manage in the context of the green economy, which will indirectly impact their performance and reputation. Similar to how social trends, social technology, government support, and corporate social responsibility role models will help businesses manage in the green economy while also having indirect effects on operating results and brand perception. These contextual factors also contribute to stakeholder pressure.

References

1. Kotler, P. (2000). Marketing Management, 10th edition. New Jersey: Prentice – Hall Inc. – p. 296.

2. Jefkins, F. (1977). Planned press and public relations. London: International Textbook Company. – p. 56.

3. Keller, K.L. (1998) Strategic Brand Management: Building, Measuring, and Managing Brand Equity. Prentice Hall, Upper Saddle River. – p. 416.

4. Kotler, P. (2000). Marketing Management, 10th edition. New Jersey: Prentice–Hall Inc. – p. 553.

5. Kang, K.H., Stein, L., Heo, C.Y., & Lee, S. (2012). Customers' willingness to pay for green initiatives of the hotel industry. International Journal of Hospitality Management, 31(2), 564–572.

6. Chen, Y.S., Lai, S.B., & Wen, C.T. (2006). The influence of green innovation performance on corporate advantage in Taiwan. Journal of business ethics, 67(4), 331–339.

7. Keith, D. (2003). “Creating Corporate Reputations: Identity, Image and Performance.” European Journal of Marketing, 37(7/8), 1144–1147.

8. Porter, M.E. (1985). “Competitive Advantage”. New York: The Free Press.

9. Western, S. (2008). Leadership: A critical text. Los Angeles: Sage.

10. Pless, N.M. (2007). “Understanding Responsible Leadership: Role Identity and Motivational Drivers” Journal of Business Ethics, 74, 437–456.

11. Augustine, Y. (2019). The adoption of environmental consciousness and environmental leadership as driver of competitive advantage. OIDA International Journal of Sustainable Development, 12(09), 25–34.

12. Chen, Y.S. (2011). Green organizational identity: Sources and consequence. Management Decision, 49(3), 384–404.

13. Pless, N.M. (2007). “Understanding Responsible Leadership: Role Identity and Motivational Drivers” Journal of Business Ethics, 74, 437–456.

14. https://api.stat.uz.

15. ODI, ECDPM & GDI/DIE (2012) “European Report on Development 2012 – Confronting Scarcity: Managing Water, Energy and Land for Inclusive and Sustainable Growth”.

16. http://cdkn.org.