

## MINIMAL LIVING FOR SUSTAINABLE DEVELOPMENT & GREEN BUSINESS MODELS

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### ABSTRACT:

Green business models are sustainable business models that aim to achieve environmental stewardship. Green business models concentrate on the stages of product development, design, and distribution because they have a direct impact on the environment. A green business model essentially ensures environmental pollution control by reusing and recycling post-consumption products. In this regard, the paper studies the sustainable development lifestyle and 'minimal living' patterns that exist so far. The objective of the paper is to find out what are the sustainable business development practices. Business can be sustainable and one that conserves the environment. There has been a constant debate around the topic whether business can thrive by simply using and exploiting the resources of planet Earth. However, this paper looks into how they can deal in conserving and preserving Nature. The paper also looks into sustainability lifestyles that impact lives. Businesses often lead to lifestyles that can be very consumerist. However, the paper looks into how it can promote lifestyles that are sustainable, primarily based on recycling strategies among others. It looks into the business models that could affect environment in a positive way. Business models that positively affect the environment will be studied and a new model will be proposed based on this study. It looks into future prospects of minimal living in India? Minimal living is about surviving on minimum needs and increasing utility of what little you have. How will this define future business trends in India is what this paper will look into? Findings indicate whether a new business model can be developed that incorporates such a living full of sustainable practices, minimalist living and one that conserves the environment. The study proposes such infrastructures that can promote such a 'green living'.

**Keywords:** *Minimal Living, Business Models, Sustainable Development, Infrastructures*

### INTRODUCTION

Sustainable development and green goals have long been discussed, as recently as COP27 (27th Conference of Parties) held around UN Framework Convention on Climate Change (UNFCCC) at Sharm-El-Sheikh in Egypt. As countries finally agreed to sign the new 'compensation fund' that would support countries most vulnerable to climate change (which may not include India) with private organisation and philanthropies being the sources of that fund, the world has taken cognizance of the fact that countries which are being affected by carbon emissions without being a contributor to it need to be compensated; that climate change is real; that green economies need to be promoted in India, too, which is also considered to be a strong greenhouse gas emitter. The conference also

brought to light India's role and initiative in phasing down all fossil fuels-including holdouts on oil and gas, an initiative now supported by eighty other countries. India is clearly geared to start on its development-cum-green agenda together was clear from the fact that it released its Long-Term Low Emission Development Strategy. Sustainable development thus works to promote green economy, green economy policies by government that promote least exploitation and maximum conservation and preservation of the environment. Among the literature studied, authors suggested ways to promote green business strategies. However, a research gap found was little or no study around the consumerist perspective and practices that consumers can adopt to be a participatory

member in the sustainable goals the world is working to promote. Hence the paper studies various green initiatives and argues that minimal living is a potential tool to make a 'greener' and more 'inclusive' world with existing business practices in India.

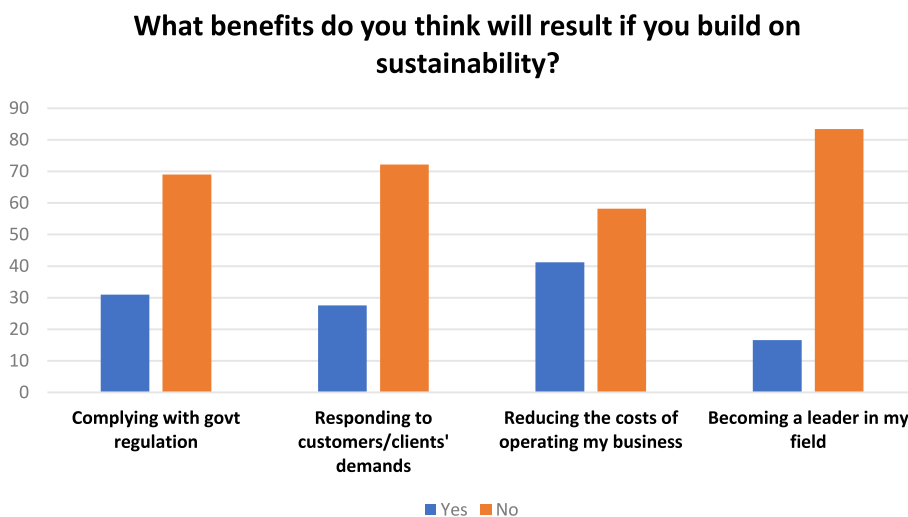
### LITERATURE REVIEW

A green business model essentially ensures environmental pollution control by reusing and recycling post-consumption products. This section discusses themes around sustainable development, Green New Deal in the context of US climate policy, green economy around Global South, business model perspective for sustainable entrepreneurship and sustainability transformation of markets.

## SUSTAINABLE DEVELOPMENT

Sustainable development works towards improving quality, improving welfare and promote harmonization and environmental development between society and the economy, simultaneously working towards its main goals- environmental protection, social, consumer welfare gains, economic development and growth and improved trade (Maina, 2020). Business practices that need to be outlined in order to promote and achieve these goals should be encouraged as a goal and a mission. While consumer-protection and cost-benefits are being seen as its two main results, sustainable development is so far viewed better among small businesses than in large industrial units.

Incremental approaches to pursuing sustainability in the private sector and reducing emissions by way of corporate social responsibility and life-cycle assessments (Burch, 2018) are insufficient to demanding sustainability at a large scale and in the long run. It is observed that SMEs (Small and Medium Enterprises) work towards greater sustainability, as depicted in this report:



**Figure 1. Source: Business Survey on Entrepreneurship and Innovation, GATE Project.**

A survey by the GATE Project in the Canada indicates that complying with government regulation remains the weak driver to improving sustainability in SMEs in the area, while reducing the costs of operating business remains as a high driver to improving sustainability in their business enterprises. In India, too, sustainability is better experienced in small businesses.

## GREEN NEW DEAL

This was an initiative and Programme launched in 2018 in the United States of America in order to bring about reduced unemployment, mitigate climate change, address other societal and environmental challenges. The Climate Leadership Council- under this policy- called for a national carbon tax that returned tax revenue to US citizens (Monast, 2020). Senators and House of Representatives introduced the cap-and-dividend approach which returned revenues back to the citizens, on an equal and monthly basis, instead of utilizing those funds in job creation or technology innovation. In this Deal, the government's decarbonization policy is viewed as part of a larger goal to implement a technology policy, social justice policy and fiscal policy. It allowed businesses subject to the carbon tax to make long-term

investments to reduce emissions, and thus reduce compliance costs. This incentivized investment in cleaner and greener technologies. Additionally, addressing climate change came together with addressing socioeconomic challenges being faced by the government. Carbon Dividend Plan noted that a greater portion of the dividend to citizens would be distributed to lower-income families helping them cope with higher energy costs. Thirdly, the New Green Deal worked as a successful fiscal policy as it not only helped low and moderate-income groups, but also worked to prevent deforestation, fund domestic and international adaptation efforts, support research and development of new technologies and helped U.S. workers move away from fossil fuel-dependent industries. A similar plan for India should be brought about so that the green policy works towards a greater socioeconomic equality as well.

## THE GLOBAL SOUTH

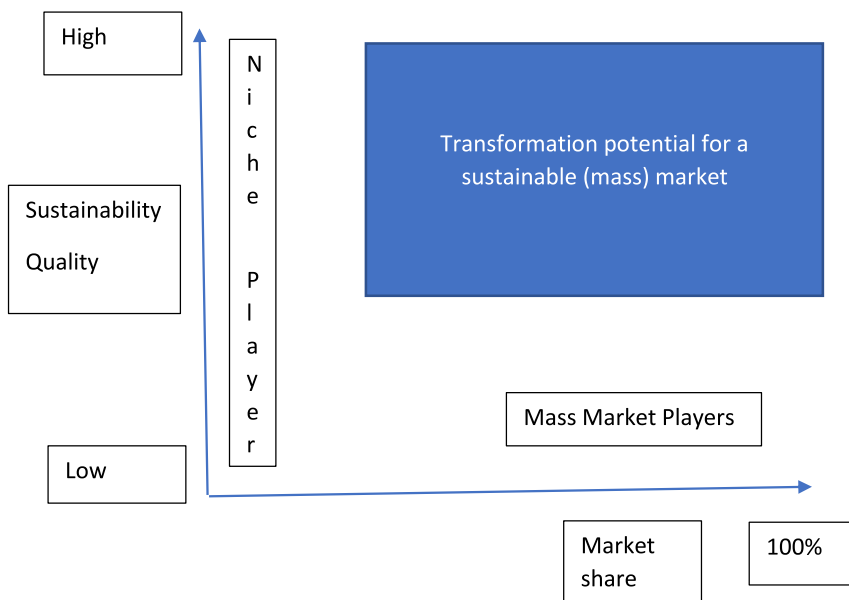
A case study of Mesoamerican Biological Corridor (MBC) in Central America and green economy policies in Brazil showcases the so-called green policies as implemented in Latin America. A Pan-American view would help us understand better what similar growth trajectories maybe required in India to tide over the climate crisis. The study indicates a supply-based technocratic approach to sustainable development that would include more marketing and financial models that lead to sustainability (Brown et al, 2014). Studies including the one by Rolston III (2017) indicate that although green economy addresses issues around ecology, more socioeconomic and Nature-driven approach is still missing.

Even though there are some theorists who believe that a market economy, which is green, will bridge socio-economic gaps, researchers continue to ponder over the divide between the rich and the poor nations and whether the difference in their economic status maybe bridged by some good environmental or green international policies.

### BUSINESS MODEL PERSPECTIVE

In addition to policy making, there have been discussions around alternative business models. The growing concerns with our capitalist economies and models, it becomes imperative to study diverse business models to get a deeper understanding of how an appropriate business model maybe incorporated to suit sustainability and markets.

Schaltegger et al (2016) argue in their paper and suggest a model which combines structured analyses of dynamics between business model innovation and sustainability transformation of markets. Figure 2 indicates a model showing market share and sustainability.



**FIGURE 2. SOURCE: SCHALTEGGER ET AL. (2016)**

Hence we find that in this model markets are typically characterized by a few small companies offering products and services with high sustainability quality in a small niche only. Authors argue that sustainable development may only be achieved if entirety of markets and society, in large parts become sustainable.

According to some theorists a business model can be defined as 'a concept describing what value a company proposes to existing and potential customers....and how financial value is retained for the company' (Teece, 2010).

### THEORETICAL BACKGROUND

The theoretical background for a sustainable development model and for this research study is Mill's utilitarian principle. Defining that Mill's principle was about the whole art of life, Brown (1973) argues that the Principle of Utility is the 'principle that happiness is the only thing that is desirable as an end'. According to the Greatest

Happiness Principle the ultimate end (whether we are considering our own good or that of other people) is an existence exempt as far as possible from pain, and as rich as possible in enjoyments, both in point of quantity and quality (ibid).

Thus conserving the Nature and the environment is in consonance with this principle of achieving the maximum pleasure and enjoyment and ensuring we live in an 'equitable' planet where there is aplenty for all and where the resources are exploited with a 'limited' mindset to accommodate the good and happiness of all.

### RESEARCH METHODOLOGY

This is a conceptual paper based on analysis of secondary resources, at the same time observing and answering the following research questions:

- Sustainable business development practices

Business practices that encourage sustainability, big or small, will be studied and analysed. For this purpose, studies have been reviewed and analysed to find out appropriate business strategies and practices that promote sustainability.

- Businesses can deal in conserving and preserving Nature

An effort is made to look into and probe the businesses that can deal in conserving and preserving nature. While most businesses are said to be profit-oriented, market-driven, some businesses are driven by the desire to be sustainable.

- Businesses promoting lifestyles that are sustainable, including recycling strategies

It is observed and pointed out that recycling strategies are adopted by certain businesses where organisation adopt the recycling strategies to become more aware of green initiatives. This

paper discusses such recycling strategies in detail.

- Business model that positively affects the environment

Business models have been evolved that accommodate market share along with sustainability initiatives and incorporate these into their practices. A new business model has been proposed where market share goes hand-in-hand with the sustainability practices.

- Minimal living practices

Minimalist living is the answer from a consumer-perspective to green initiatives by organisation and government. Such practices have been discussed and highlighted in the paper.

- Infrastructures that promote 'green economy' With the advent of digital infrastructures and internet, it becomes imperative to discuss initiatives that promote infrastructures that are 'green' and sustainable. It mainly includes discussion around a 'circular economy'.

## FINDINGS

### TRADE LIBERALIZATION

Trade liberalization is one of the best ways to actually promote sustainability and to promote green economy it largely includes focusing on non-price competition which includes environment friendly policies anti-poverty measures and R&D or research and development (Maina, 2020). This definitely promotes industry and a healthy competition in the industry not just to stay ahead in the game but also to promote sustainability and equal development for all which also means inclusive development.

### MUTUALLY SUPPORTIVE POLICIES

Mutually supportive policies is yet another finding of this research paper which goes on to suggest that there is a mutually supportive framework where

trade is working together with environment which means that business enterprises take up practices and actions that not only promote trade or business but also promote sustainability (Maina, 2020). This is done especially in order to take better care of the environment and to ensure that the resources are not entirely exploited in the worst manner possible. Hence these policies are finding more advocacy within the government and are being promoted so that holistic development can take place without hurting and affecting the environment negatively.

### SME'S TRANSFORMATIVE POTENTIAL

Small and medium enterprises have the transformative potential to use sustainability as a development practice (Burch, 2018). This is because they have been working on community-building projects and are not just governed by economic incentives. Small and medium enterprises have often worked on conserving water, preserving the ecosystems and environmental-friendly policies, etc. However, what works best is their ability to work in cooperation with the government and not just learning from big businesses but also forming their own growth trajectory.

### NON-ANTHROPOCENE APPROACH

A non-Anthropocene approach is yet another way of looking at sustainable development and green model of economy (Rolston III, 2017). This is because we humans have inhabited the earth for very long. Recently in a study it was found that there are 8 billion humans living on this planet. Now we need to work towards holistic development and a planet that is equal for all where there are resources well distributed among all the human beings.

In order to achieve that equitable objective sustainable development is the only solution and the answer where are we going with this planet, what are we doing to Mother Nature, where are we carrying the developments of Mother Earth, what are we doing to the natural resources- are we exploiting them to the fullest or are we truly exploiting them just to meet our own ends which may not yield returns in the same manner? So a non-Anthropocene approach will lead us to better sustainable development and improved supply side of production and also the consumerist side of economy.

### GREEN INFORMATION SYSTEMS (IS)

Technology is an important element in today's world. It is a very good way of leveraging information systems in order to produce environmental-friendly products and encourage services that promote such practices in today's world (Chen et al, 2011). Green IT or green Information Technology is different from green Information Systems. By green IS we refer to the design and implementation of information systems which promote sustainable business development practices. Green information systems (IS), for example, help organizations to develop transportation systems which reduce energy consumption; they also help track environmental information (like toxicity, water used, etc.) while a particular organization or team is working creation of products, their components and essential services. Information system also provides information to consumers so that they can make more environmental-friendly choices and adopt energy-saving methods in their daily lives including conservation of planet Earth.



## ZERO WASTE PARADIGM

The zero waste paradigm (Gutberlet, 2016) which again talks about sustainable development is an essential way of looking at Paul Freire's "conscientization" (2021) which implies there needs to be more human awareness when we talk about expenditure of resources and utilization of basic resources. This essentially includes expanding the social and environmental awareness around us in order to understand these realities and then take resultant actions. The current model of economic development is based on expanding our resources, modernization and technological fixes but sustainable development and zero waste paradigm talks about reduction or 'less is more'.

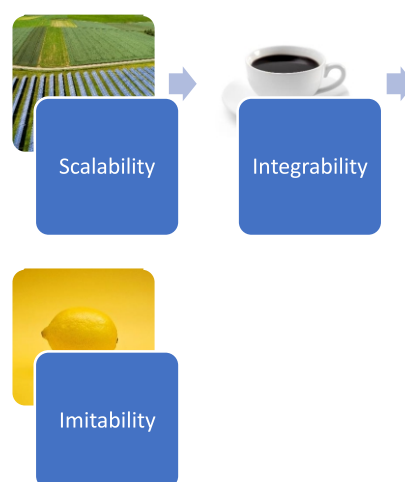
## CIRCULAR ECONOMY

The circular economy concept of sustainable development mainly revolves around sustaining industrial ecology and the three Rs- reduce, reuse and recycle (Zheng & Suh, 2019). Circular economy is not to be equated only with recycling but also identifying the use of hazardous and chemical substances in the production of a particular product. Circular economy also takes a special approach towards plastic. Plastic is the most hazardous substance creating pollution on earth. The detailed circular economy role in dealing with plastic has been used in the appendix below (Appendix 1).

## MODEL OF SUSTAINABLE ENTREPRENEURSHIP

This brings us to the new business model of sustainable entrepreneurship (Figure 3) based on the earlier model studied in literature review. Here the horizontal axis carries the market share and the vertical axis talks about the

sustainability levels. In this model evolutionary process of business model for sustainable entrepreneurship is explained. Scalability tells us how business models can be scaled without rebound effects- how market and society provide necessary resources (social and institutional), for example- renewable energies, in order to promote growth. Integrability shows us that business models can be merged with different organizations- for example, they can be integrated and merged with larger organizations (production of a green drink as part of a large product is an example). Imitability implies copying or modifying or replicating other organizations where they adopt the styles of the other organizations and integrate it into their systems; for example, large retailers copying organic food products. Hence growth, mergers and acquisitions (M & A) and mimicry are the way forward for a business model to follow in a sustainable entrepreneurship innovation. This model is designed by the self, based on previous model studied in the literature review.



**FIGURE 3. SOURCE: SELF**

These findings lead us to some important discussion around sustainable development, green economy, green business models, minimal living and infrastructures.

## DISCUSSION

### MINIMAL LIVING PRACTICES

At the beginning of this paper it was discussed that a major research gap exists is that the green sustainable practices are not very consumer-centric so businesses may be making an effort to make their production and supply chain more green with green initiatives and green government policies yet from a consumerist perspective the efforts were not green enough. Minimal living practices take us one step above. Minimal living practice or lifestyle minimalism (Meissner, 2019) is a practice to be adopted by consumers so that there may be a greener production of products and a general cycle may be created where efforts are made to make us more aware about the environment around us.

Minimal living is determined by 'less is more'; it is about decluttering, giving away of the excesses and maintaining a lifestyle that survives on the least minimum products around you for consumption. A minimal living lifestyle or minimalism has also led to people talking about degrowth and contribution to ecology. It has thus been suggested by researchers that minimalism should be approached from a viewpoint of anti-accumulation (ibid). This implies that consumers should essentially engage in buying and maintaining a lifestyle that goes by the philosophy of accumulating less. This is in complete contrast to the consumerist philosophy of consuming more.

### GREEN CONSUMPTION BEHAVIOR

Researcher argues that it is important to understand the impact of green consumption values on green consumption behavior in order to find out how businesses are responding to such

consumer behavior and are then engaging in environmental-friendly production (Haws et al, 2014). They have demonstrated that the use of green consumption values are not just important for the environmental or collective resources but also personal resources. This indicates that the tendency to use financial resources (example: frugality, price consciousness and consumer spending self-control) are affected and also physical resources (example: frugality, use innovative, product retention tendency) are used wisely. It is thus concluded that green consumers are not just more aware about environmental resources but also personal resources. A set of consumers began a campaign- 'Vocal for Local' to encourage consumption of such items that are produced and manufactured locally without the use of advanced machines and also provide employment to millions of rural and urban poor workers.

### GREEN INFRASTRUCTURES

There have been efforts in the past to accommodate the best green practices in the usage and exploitation of natural resources. The shift to cars with compressed natural gas (CNG) and electric cars and vehicles (EVs) are a step in that direction. There are companies that have shifted to green infrastructure into urban stormwater management systems (Flynn & Davidson, 2016) in the world. In India the usage of environmental-friendly manufacturing practices has been taken- moreover there has been greater voice for the local handmade products as opposed to machine-made linen or cloth. It has been noticed, however, that green initiatives are taken more by small industries rather than large industries

and companies who still need to work their business model around more caution and care.

### CONCLUSION

Hence we find that sustainable development has been discussed by governments, international forums, private organizations and philanthropies so that the world we live in can be a better place for posterity. With aims and ambitions and conscious efforts, such business goals are being achieved mainly through trade liberalization, mutually-supportive policies, small and medium enterprise (SME's) transformative potential, non-Anthro-pocene approach, green information systems (IS), zero-waste paradigm, and a circular economy. Minimal living practices, green consumption behavior are some of the findings that this paper addressed while filling the gaps around what minimum green efforts need to be made by consumers. An economy cannot move forward until we have a green infrastructure to make the economy more consistent in its green efforts.

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