

“Green Growth: Towards the Creation of Shared Value”

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Abstract

Green growth promotes entrepreneurship with cutting-edge technology and advances in the modernization of production processes through the best use of company resources and preserving natural wealth. This manuscript aimed to know the Tehuacan business people's perceptions around green competitiveness in three dimensions: perception, experience, and management. The method was quantitative, non-experimental, cross-sectional, and descriptive, for which a research instrument was carried out to determine if they included actions related to climate change based on organizational management and focused on green growth. The findings around the three dimensions in the Phase 1 of the implementation model are that most of the companies are including climate change and green growth actions; however, they do not designate any investment for this purpose. The reasons to attend the climate change and green growth are the tax benefits, the relevant information procurement and technological assistance. Furthermore, the main consequences around green growth are regulatory compliance, financial performance, and positive corporate reputation. In the same sense, it is necessary to perform the other phases of the model and apply this model in other cultures and with different sort of enterprises.

Keywords: Social welfare, green growth, competitiveness, economic development.

1. Introduction

Green growth is a recent concept in the academic field and international policies development. For this reason, its conceptualization continues to be a subject of innumerable debates.

There are several international and multilateral organizations, such as the Organization for Economic Cooperation and Development (OECD), as well as the United Nations Organization (UNO), and the World Bank (WB), which are the promoters and responsible for the green growth agenda. In this same sense, the OECD (2011) mentions that green growth seeks to promote economic development while ensuring that natural goods continue generating the resources and environmental services on which our well-being depends (Government of Mexico, 2017).

On the other hand, the United Nations Environment Program (UNEP) understands the green economy as one that improves human well-being and social equity while significantly reducing environmental risks and ecological scarcities (Government of Mexico, 2017).

In the World Bank case, green growth is an alternative to transform the growth patterns achieved at the expense of natural capital in recent decades since it is efficient in its use of natural resources, clean growth that minimizes pollution and environmental impacts, as well as resilient growth while considering natural risks and the role of environmental management and natural capital in the prevention of physical disasters (World Bank, 2012).

Therefore, it is a medium-term strategic process based on investments, efforts, and public and private resources. In addition, it is a technical interpretation that seeks to achieve long-term sustainable development goals; a dynamic of the economy through public-private investments, focused on the environmental sustainability of the different sectors. Finally, it is a means to claim the social and environmental objectives

of sustainable development, through the ecosystems and services preservation to favor the most vulnerable populations (ECLAC, 2018).

Green growth strategies must face development problems holistically, combining efforts to protect and preserve the environment and achieve economic well-being and social equity. It is about businesses developing sustainable activities with the population at the pyramid's base. Therefore, it is an innovative proposal that can allow the design of strategies to bring the business sector closer to achieving the development objectives of green growth.

The complex and paradoxical scenario that Latin America offers by continuing to be, on the one hand, the region with the greatest inequality and urbanization on the planet and, on the other, a region with enormous environmental, human, and economic wealth with a wide biological and ethnic diversity- culture make their countries an ideal context for the implementation of inclusive business models that tend to sustainable growth with environmental awareness and social inclusion.

On the other hand, in 2010, environmental degradation and the depletion of natural resources cost Mexico 7% of its GDP. However, the right mix of public policies can foster green and inclusive growth (OECD, 2018).

From 2005 to 2009, Mexico spent around 1.7% of GDP per year on energy subsidies, including those applied to transportation fuels and electricity consumption in the residential and agricultural sectors. In this same sense, the poorest 20% of the population receives one-tenth of electricity subsidies, and in the case of transport fuel subsidies, this proportion is even lower (OECD, 2018)

The General Law on Climate Change in Mexico aims to reduce greenhouse gas emissions by 50% by the year 2050 compared to 2000 levels. Emissions continue growing, and additional policy measures are required, particularly in the energy sector (OECD, 2018).

Environmental protection cannot be considered as a dilemma against development but rather as one of its elements. Also, sustainable development refers to economic growth with social equity and preserving and caring for natural resources (Rojas, 2003).

A sustainable company's objective is to balance the environmental, social, and economic fields in the short and long term. In this way, it seeks to improve the environment and well-being of the society in which the company operates. This concept goes beyond applying established legal or social regulations. Implementing strategies that respect the environment and the environment increases innovation and technological investment in companies and generates very positive synergies for the business since it also influences the decisions of financial companies or investors (Rodriguez, 2012).

The markets, jointly with financial and risk entities, value corporate responsibility and sustainability approaches positively, which is why many companies have stopped considering respect for the environment and the environment as mere legal impositions or economic expenses and have seen how a sustainability strategy can generate an increase in investment or value creation. Furthermore, beyond the responsibility of the company with its environment, betting on sustainable development generates benefits and influences the image and reputation of the company, fostering relations with stakeholders, and creating a competitive advantage based on the long-term innovation and adaptation to changes. (e-survey, 2018)

Moreover, being a sustainable company can be costly at first by adapting the entire company strategy to regulations. Still, it generates long-term environmental, social, and economic benefits, which impact the company's effectiveness and efficiency.

For all of the above reasons, this research aimed to know the Tehuacan business people's perceptions around the central theme of Green Competitiveness in three dimensions perception, experience, and management. Additionally, this manuscript analyzes the degree of knowledge application on issues related to competitiveness, climate change, and green growth. Finally, it is identified the initiatives generated to increase results about competitiveness, climate change, and green growth.

2. Materials And Method

2.1 Proposal

The study was conducted to businesspeople in the campus of a university in the city of Tehuacan Puebla, Mexico, following a model designed by the authors and validated by an expert panel, as can be seen in Fig. 1.

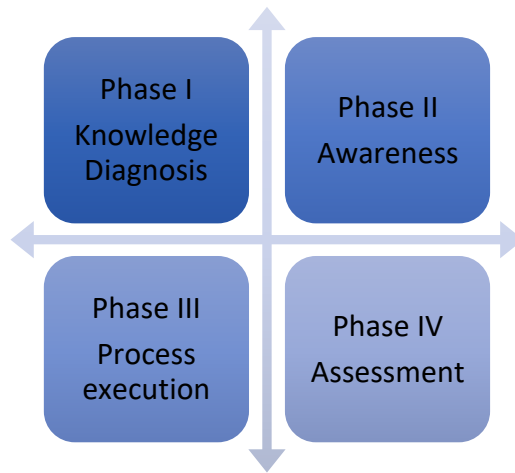


Figure 1. Phases of the implementation model.

Hence, there are four phases for this model. The first phase is entitled Knowledge Diagnosis, meanwhile, the second phase is Awareness. The third phase is Process Execution, and the last phase is the Assessment. Each one of these phases are explained in detail as follows.

a. *Phase I Knowledge Diagnosis.*

- Application of an instrument to entrepreneurs in the city of Tehuacan Puebla, which allows to determine the green growth knowledge.

b. *Phase II Awareness.*

- It is offered a training around green growth implementation to raise awareness.

c. *Phase III Process Execution.*

- Implementation of green growth management in the companies involved in Tehuacan Puebla.

d. *Phase IV Assessment.*

- Measurement of results obtained from the implementation of green growth.
- Application of corrective actions.
- Dissemination of results obtained.
- Investment and agreements for research and creation of green growth development programs.

This study was focused on the Phase 1 Knowledge Diagnosis and was performed through surveys that were applied to a group of businesspeople of the city of Tehuacan Puebla during the month of April 2023. According to Hernández et al. (2014) the research design is the plan or strategy developed to obtain the information required in research.

Quantitative research uses data collection to test proposed hypotheses based on numerical measurement and statistical analysis to establish behavior patterns and test theories (Hernandez et al., 2014). This manuscript is quantitative because the collection and analysis of data are used to discover businesspeople perceptions of green competitiveness in four dimensions: knowledge, sensitivity, strategies, and action plans. For these authors, non-experimental research is carried out without the deliberate manipulation of variables and in which only the phenomena are observed in their natural environment to analyze them.

In addition, this research is non-experimental because it was carried out through observation, and relevant aspects developed at the time of its analysis were measured, and the variables were not manipulated. In this sense, Hernández et al., (2014) point out that cross-sectional research designs collect data in a single moment. The present research is cross-sectional because the data is contained in a single period.

For these authors, descriptive designs seek to specify the properties, characteristics, and profiles of people, groups, communities, processes, objects, or any other phenomenon that is subjected to analysis. Therefore, this research is descriptive because it seeks to know businesspeople perceptions of green competitiveness.

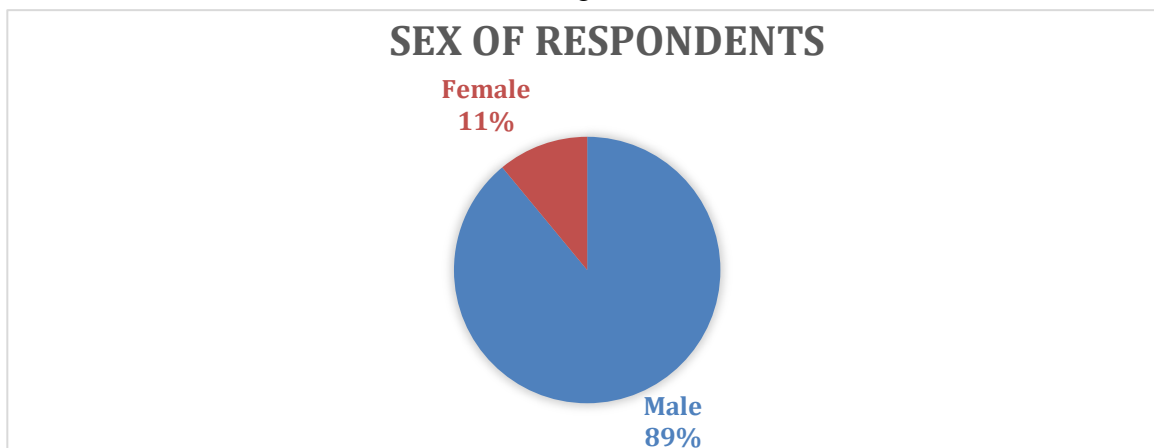
2.2 Population and sample size

The population considered the number of businesspeople belongs to a Chamber of Commerce located in Tehuacan Puebla, Mexico. This Chamber of Commerce is integrated by 50 firms in different economic

activities. After, all businesspeople were guests to participate in the research project, and 18 of them accepted. In other terms, the sample was determined by convenience.

Thus, 89% of those surveyed were male, while 11% were female as can be seen in Fig. 1.

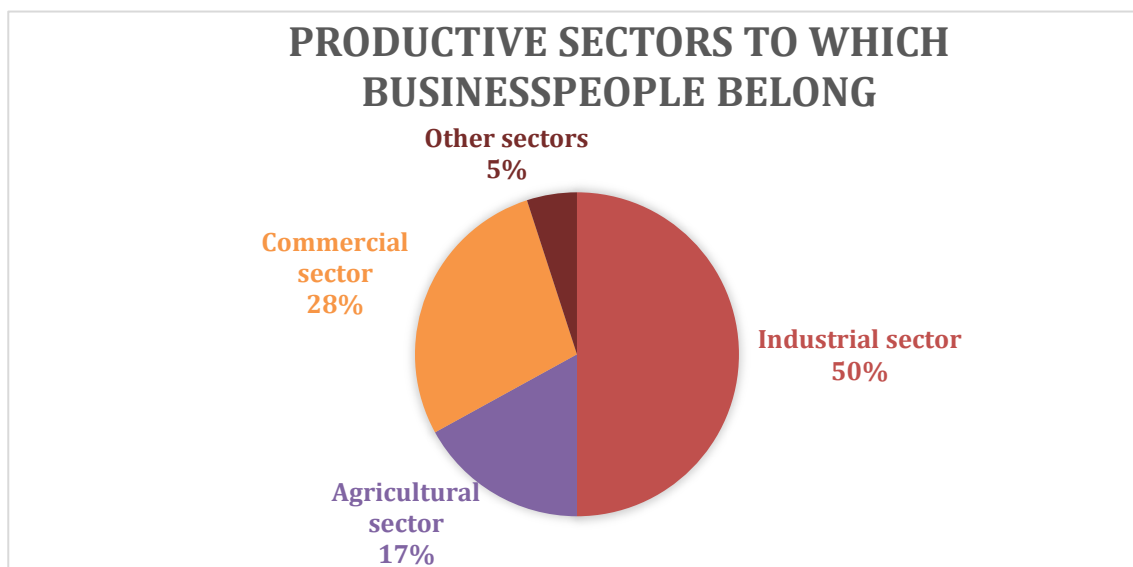
Figure 1



Source: The authors

Complementarily, in Fig. 2 is presented the productive sectors to which businesspeople belong. Hence, 50% of businesspeople belong to companies in the secondary or industrial sector, 17% in the primary or agricultural sector, 28% in the commercial sector, and 5% in other sectors.

Figure 2



Source: The authors

2.3 Data collection

Data collection implies preparing a detailed procedure plan that leads to gathering data with a specific purpose (Hernández et al., 2014). For this purpose, a three-dimensional instrument was developed to collect the necessary data for the research.

2.4 Instrument.

The data collection instrument contained in its first part the sociodemographic profile of businesspeople in which the following data were grouped: sex, position, department; as well as the size, sector, and profile of the participating company.

The first dimension corresponds to perception. It includes three multiple-choice questions. The second dimension is the company management, which includes six regrouped questions, of which the first is multiple choice, subdividing information on environmental impact, access, and efficient use of water, energy, and climate change. Three more questions, with dichotomous responses grouped into sub-dimensions. Finally, the perspective dimension included two questions. The answers were sorted in the Likert scale from (1) Totally disagree to (5), Totally Agree.

3. Results And Discussion

3.1 Perception

50% of businesspeople know how to associate the terms green growth and sustainable development are familiar with the subject, 22% do not. 78% of companies know how to associate the term climate change with environmental management.

3.2 Experience

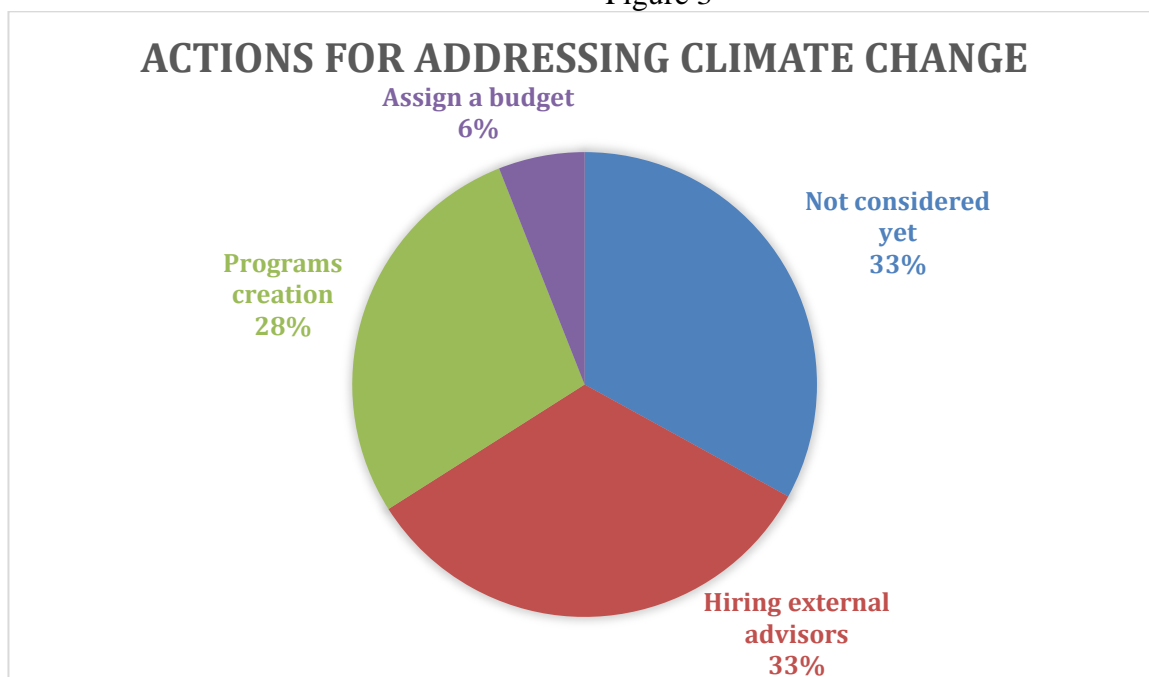
39% consider that climate change can increase their costs. Only 6% consider that it does not represent an increase in business costs, 28% do not know.

3.3 Management

The topics considered in the company’s planning are 39% environmental impact, 61% efficient use of water, 56% efficient use of energy, and 0% climate change. The reason for this is 39% current or future regulation, 28% investment opportunity, 11% image, 17% customer reference.

Regarding climate change, the issue has been addressed as follows: 33% have not yet contemplated it, another 33% have sought external advisors, 28% have created programs, and only 6% have allocated a budget. The data is presented in the Fig. 3.

Figure 3



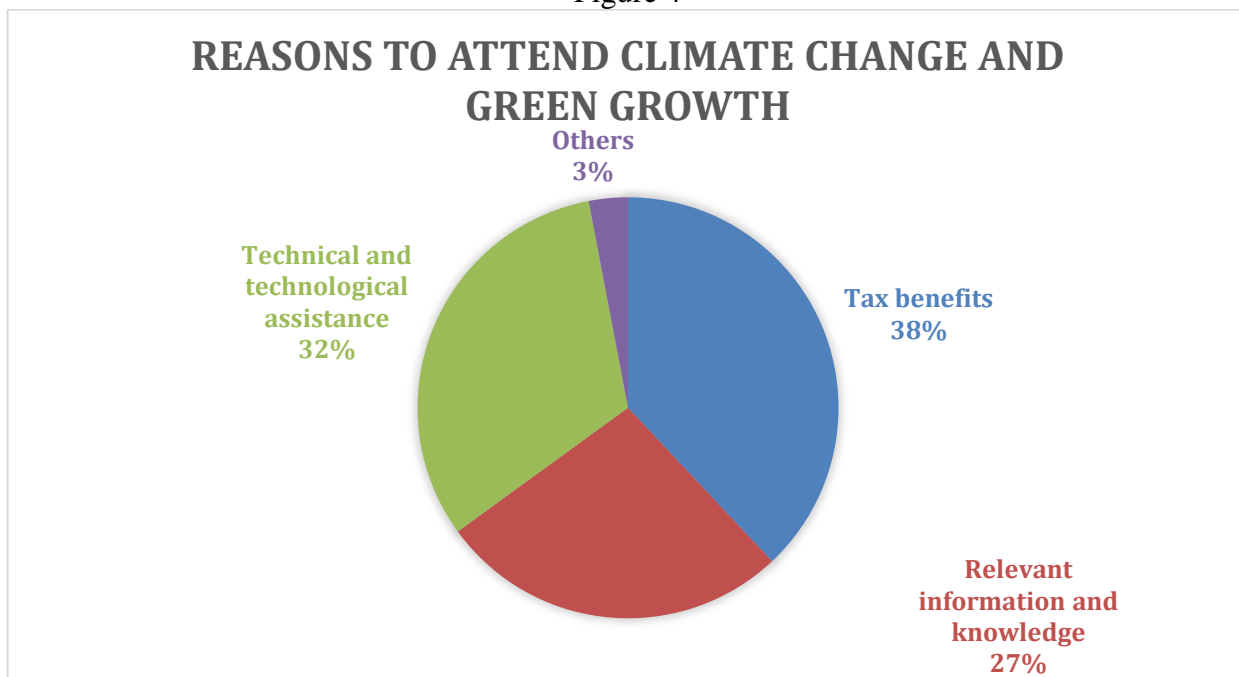
Source: The authors

During the last 5 years, companies have promoted programs that contemplate the following objectives: 94% of companies have recycled and used solid waste, 67% of companies have decided to reduce the use and use water resources efficiently, 83% have managed to reduce the use and use natural resources efficiently, 72% consider adopting new technology and innovate in production processes, 83% consider obtaining seals, certifications or meeting environmental or sustainability standards, 61% Estimate Develop energy efficiency programs and/or use of renewable energy, 50% opt for environmental conservation and recovery programs,

39% consider the reduction of emissions and greenhouse gases, 28% Implement a commercial line of green businesses and/or biotrade and 44% consider Payment Programs for being environmental services. 44% of the companies fully agree with carrying out actions to improve professional skills, 50% investing in waste recycling, 44% investing in energy efficiency, 17% investing in environmental and sustainability standards, 28% Invest in science, technology, and innovation, 17% Take advantage of the opportunities offered by green markets and payment for environmental services, 17% Lead a pioneering group to promote green and sustainable growth, 11% Invest in recovery and good use ground.

Fig. 4 shows companies that are very interested in carrying out actions for adaptation and mitigation to climate change and green growth. The most popular reasons are that 38% of them want to access to tax benefits, 27% pursue relevant information and knowledge networks, 32% desire to access to technical and technological assistance. Nonetheless, it is important to mention that 94% of the respondents are not very interested in investing in their own funds or accessing credit lines to face these challenges.

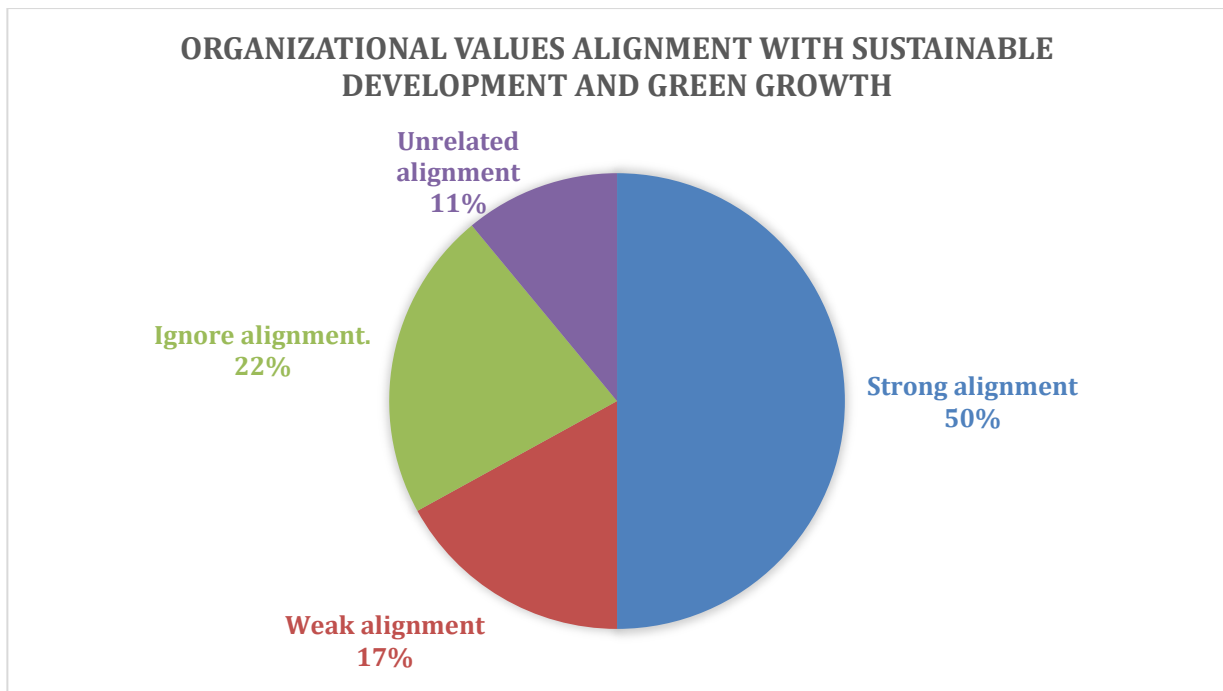
Figure 4



Source: The authors

Fig. 5 describes the organizational values alignment with sustainable development and green growth. In the first term, 50% of respondents established a strong alignment between organizational values and green growth, meanwhile 17% of respondents answered a weak alignment. Nonetheless, 22% ignore any alignment and only 11% determined an unrelated alignment.

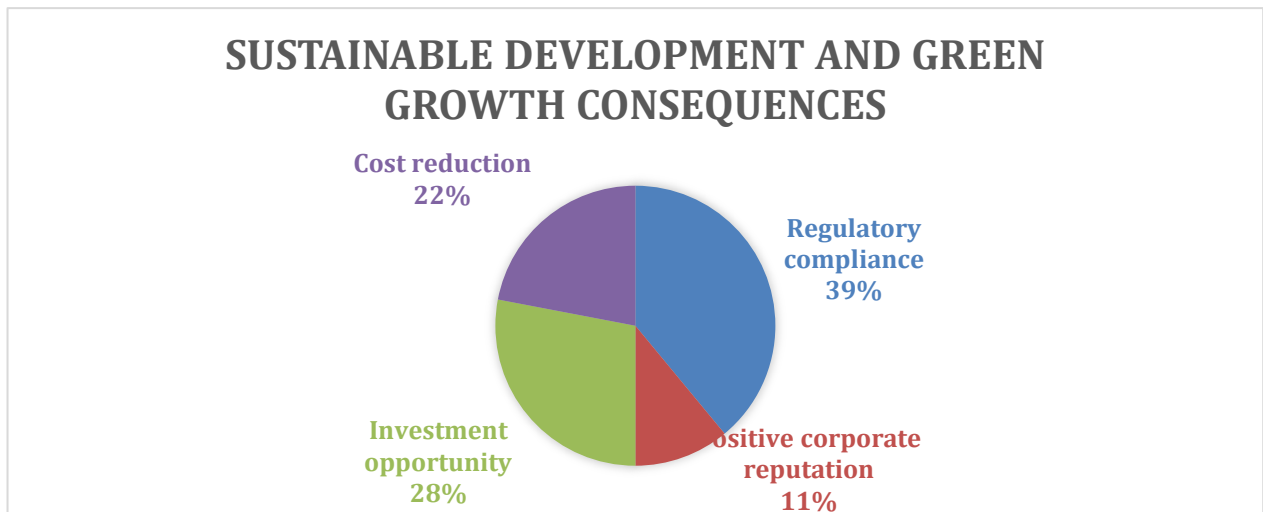
Figure 5



Source: The authors

On the other hand, Fig. 6 defines the consequences of implementing sustainable development and green growth. Hence, 39% of respondents defined as the main one, the regulatory compliance, the second consequence was investment opportunity with 28% of respondents. The third consequence was cost reduction with 22% and positive corporate reputation with 11%. In summary, these consequences benefit the financial performance of the firms, the perceptions on them and the respect of the laws.

Figure 6



Source: The authors

4. Conclusions

Environmental problems, the current performance of the world economy and in particular that of Mexico, to which must be added the social and food challenges and those caused by the health contingency, have contributed to a general increase in ecological problems, calling into question sustainable development and green growth among the different interest groups.

For these reasons, this study is valuable. Moreover, the findings about the three dimensions in the Phase 1 of the implementation model to 18 businesspeople are that most of their companies are including green growth

and climate change actions; nonetheless, they do not want to settle financial resources for this purpose. The reasons to attend the climate change and green growth are the tax benefits, the relevant information procurement and technological assistance. Even more, the main consequences around green growth are regulatory compliance, financial performance, and positive corporate reputation. For all the above reasons, it is necessary to take into action the other phases of the model to these businesspeople. Another future studies, should consider different businesspeople's organizations, other cultures, and different types of firms. Finally, longitudinal studies may provide precise information and not information in a particular moment. Hence, academicians should develop this type of studies around green growth.

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