



## ENVIRONMENTAL TRENDS AND SUSTAINABLE BUSINESS

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### Abstract

*The most powerful environmental changes were caused by human activity, and one of the greatest enemies is considered the economic environment. Economic growth, overexploitation of resources, increasing the size of markets has powerful effects which are reflected at ecosystems level, in terms of biodiversity loss and ecosystem services decline. In this respect, the business is also more vulnerable, which is subject to risks becoming more pronounced. Restrictions are imposed in terms of natural resources and also reveal as a competitive factor on the business.*

### Keywords

Sustainable business,  
ecosystems services,  
natural resources,  
competition

### JEL Codes:

Q01, Q2, Q56

### Introduction

The most powerful environmental changes were caused by human activity, and one of the greatest enemies is considered the economic environment. Economic growth, overexploitation of resources, increasing the size of markets have powerful effects which are reflected at ecosystems level, in terms of biodiversity loss and ecosystem services decline.

The environmental burden is a function of population, wealth, and technology and controlling the first two factors is extremely challenging. (Boudreau, Chen and Huber, 2008)

In this respect, the business is also more vulnerable, which is subject to risks becoming more pronounced. Restrictions are imposed in terms of natural resources and also reveal as a competitive factor on the business.

### Sustainable business

Sustainable Business:

→ business that works with minimal impact on the environment locally or globally, the community or the economy. A sustainable business also undertake policies that anticipate environmental concerns and policies regarding human rights.(Business Dictionary)

→ any organization participating in eco or green, to ensure that all processes, products and production activities relate to current environmental concerns, while maintaining profit.(Anderson, 2006)

→ In other words, this is a business that "meets the needs of today's world without compromising the ability

of future generations to meet their own needs."(Burton, 1987)

Designing business solutions consistent with ecological principles involves increased effort by global economic actors. However, society and the ways of production and consumption does not lead us to an improvement in the relationship of economic growth and environment quality. It is therefore necessary to intervene in order to continue to cope with the increased demands and pressures that come into this through a series of measures (WBCDS):

- addressing the needs of billions of people enabling access to education, economic power, especially for women and developing countries and then develop effective solutions on lifestyle and behavior;
- incorporating the costs of externalities, starting with carbon, ecosystem services and water;
- increase agricultural production without putting pressure on the amount of land or water used;
- halting deforestation and increasing yields from planted forests;
- halving carbon emissions worldwide (based on 2005 levels) by 2050, emissions of greenhouse gases with a maximum around 2020, by a change in the meaning of polluting industries and energy efficiency efficient ;
- improve mobility in sectors with low emissions;
- enhance the efficient use of resources and materials.

Business environment plays an important role in correcting the overall framework involves policy-makers that can act in order to improve well-being.

Awareness of the major trends manifested in the environment is critical for entrepreneurs.

Cooney (2009) considers that a business is sustainable when it meets the following characteristics:

1. includes sustainability principles in all its business decisions;
2. provides green products or services that replace demand for unsustainable products and / or services;
3. is greener than the competition;
4. makes a lasting commitment to integrating environmental principles into its business operations.

In order to create a sustainable business, irrespective of size, the field of work or the economic and social context, a number of conditions are needed to identify opportunities for implementing them: (ILC, 2007)

- Good governance and social dialogue between institutions and society and effective and efficient political processes;
- Macroeconomic stability and proper management of the economy;
- Social and cultural environment to support entrepreneurship;
- Infrastructure;
- Responsible environment management;
- Equity, economic and social inclusion.

#### *Environmental trends*

As social, economic, market, and technology trends - taking into account the responses from companies in these- are influencing business success, the same thing happens for the environment, meaning the manifestation of these trends. Current and future environmental conditions may affect operating costs, raw material availability, regulations, consumer preferences, considerations related to reputation and product demand.

Understanding and rising the awareness of trends reflected in the environment is not a new issue. The services provided by nature represented and still represents the main influence on human development. Since the Industrial Revolution, the pressure on natural capital has accelerated dramatically. This was mainly driven by a combination of population growth, rapid growth of prosperity and consumption, and the increasing industrial activity. Over the past 50 years, especially environmental degradation is expanded from a local perspective to a global one. The consequences of this acceleration come from a process represented by economic growth and development that have improved the quality of life for billions of people, but they are also environmental causes destabilization and

degradation of natural resources on which future prosperity depends.

Regarding businesses, their ability to consider and assess environmental trends as accurately and awareness of their impact on operations depends on the overall evaluation process and risk management and opportunities to create a competitive advantage for the long term.

To understand the art of good risk management, companies must be able to identify different types of risks associated with each decision. Risk management provides assurance that an organization can create and implement an effective plan to prevent losses or reduce the impact if a loss occurs.



Figure 2. Environmental trends  
(Source: UNEP, 2013)

#### *Emissions of greenhouse gases*

Atmospheric concentrations of greenhouse gases continue to rise. Without major policy changes, they are projected to double in the next 50 years, with an increase in emissions, mainly from developing countries.

#### *Severe weather*

The trends of increasing global temperature increases the frequency and intensity of natural phenomena in terms of time.

#### *Soil conversion*

It is expected that between 100 and 200 million hectares of arable land to be converted to urban uses over the next 40 years.

#### *Availability of water resources*

Freshwater reserves and marine water quality are compromised. Groundwater around the world is threatened by pollution from agriculture, industry, mining and urban areas.

### *Biodiversity decline*

Essential ecosystems such as forests, wetlands, dry lands continues to decline. The trend is similar in terms of animal species.

### *Pollutants and waste exposure*

Pollution problem occurs most often when talking about developing countries. Waste also occurs in the same context. Different levels of development between countries cause malfunctions to the least developed.

Economic activity is one of the latest models of human-environment interactions, with a history of only a few decades.



Figure 3. Environmental trends  
(Source: own interpretation)

However, the transformations produced with intensifying economic flows are characterized by widespread, novelty and impact on global security. More historical eras witnessed a human-environment relations asymmetric restrictions were the main natural obstacles such as climate unfriendly, low fertility of land, sparsely game, distances, high hardness of rocks, natural hazards etc. .

In modern times, the same relationship is written in different terms, but retains asymmetry. The human ability to transform nature allows him not only to overcome most of the limitations mentioned above, but also create far-reaching changes that may influence the balance of global processes of transformation of matter and energy.

### **Conclusions**

The retreat towards a new framework in which businesses approach must be created, designed and effectively implemented under the pressure of environmental issues that also determines the identification of new models that incorporate the environmental component in a greater extent.

Sustainable business is one of the solutions identified for the purposes of awareness of the need to reduce and even minimize the impact that businesses,

companies and corporations determines upon the natural capital.

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