

FU/BEST Program

Name: Jana Gebauer (Spring Semester) und Linda Bergset (Fall Semester)

Email address: fubest@fu-berlin.de

Course title: Green Business: German and European Sustainable Entrepreneurship

Course number: FU-BEST 33

Language of instruction: English

Contact hours: 45

ECTS-Credits: 5 **U.S. semester credits:** 3

Course description

This course provides an introduction to recent developments in Germany and the EU with regard to a green and sustainable economy. It offers theoretical as well as practical insights based on conceptual discussions, case studies, a field-trip, and group work to develop a green business case.

The acute awareness of environmental challenges has permeated German and European society, politics, and business for decades. The relationship between business and environmental issues has, however, changed drastically over the years and has continuously been impacted by the interaction between the German and European Union political levels. Historically, business' environmental impact has been viewed more negatively as "market failure". This view is increasingly becoming more differentiated. Nowadays, positive environmental impacts, which might be achievable through sustainable entrepreneurship and sustainable core business activities, are increasingly being acknowledged.

This course begins by exploring key concepts for a green and sustainable economy in the German and European policy contexts and then looks at the development that has taken place both at the political level and in the economy in recent time. We then focus on the micro-level, i.e., the businesses themselves: What are the motivating forces behind entrepreneurs' and businesses' decision to make a strategic commitment to environmental sustainability? What are the roles and strategies of different types of companies? Why and how do incumbents and start-ups engage in environmental protection in different ways? We will also look at the strong connection between politics and business in the European context and the inclination of many sustainable entrepreneurs to engage in policy making in a manner that also turns them into "institutional" entrepreneurs, acting at a meso-level. Finally, in this more theoretical part of the course, we will look at how sustainable entrepreneurs may encounter market and regulatory barriers related to environmental externalities, path

FU/BEST Program

dependencies, and lobbying activities by incumbent companies. We will also look at (partial) solutions to such barriers provided by e.g. incubators, business competitions, universities, investors, and public funding programmes.

In the more practical part of the course, we will engage with good practice examples hearing directly from the entrepreneurs themselves (guest speakers) and by going on a field-trip. As Berlin has a special reputation for hosting a vibrant start-up scene, we will visit the Green Garage on the Euref campus in Schöneberg, where we will learn more about the acceleration and incubation processes of the EU initiative “Climate KIC”, and meet the start-ups based there. The students will also be encouraged to creatively develop their own business ideas and plan the initial steps using the Sustainable Business Canvas. Their business concept/model will then be presented and discussed in the group, providing tips for future improvement and possible realisation of the ideas.

The goal of the course is to provide students with a theoretical foundation in the development of green and sustainable solutions within the economic context of Germany and Europe and to develop an understanding of how sustainable entrepreneurship is unfolding creative potential and opportunities for environmental improvements using core business activities. The course also aims at equipping students with more practical tools and processes for developing their own business ideas for the green economy.

Student profile

Second-semester sophomore or above

Prerequisites

None

Course Requirements

Midterm exam: 25%

Term-Paper: 25%

Final exam: 30%

Class participation (includes 1 Independent Project report): 20%

Literature (preliminary)

Photocopied course reader including the following publications (required and additional reading):

Albino, V., Balice, A. & Dangelico, R. M. (2009). Environmental strategies and green product development: an overview on sustainability-driven companies. *Business Strategy and the Environment*, 18(2), 83-96.

Bocken, N.M.P. (2015), Sustainable venture capital - catalyst for sustainable start-up success?, *Journal of Cleaner Production*, Vol. 108, Part A, pp. 647–658.

FU/BEST Program

- Bansal, P. & Roth, K. (2000). Why companies go green: a model of ecological responsiveness. *Academy of management journal*, 43(4), 717-736.
- Cohen, B., Smith, B. & Mitchell, R. (2008). Toward a sustainable conceptualization of dependent variables in entrepreneurship research. *Business Strategy and the Environment*, 17(2), 107–119.
- Cohen, B. & Winn, M. I. (2007). Market imperfections, opportunity and sustainable entrepreneurship. *Journal of Business Venturing*, 22(1), 29–49.
- Dean, T. & McMullen, J. (2007). Toward a theory of sustainable entrepreneurship: reducing environmental degradation through entrepreneurial action. *Journal of Business Venturing*, 22(1), 50–76.
- Eco-Innovation Observatory (EIO) (Ed.) (2013). *Europe in transition: Paving the way to a green economy through eco-innovation*. Funded by the European Commission, DG Environment, Brussels. Brussels: Eco-Innovation Observatory.
- European Commission (EC) (2014). *Green Action Plan for SMEs*. COM(2014) 440 final. Brussels: EC.
- Fichter, K., Geier, J., Tiemann, I. (2016). *Good practice collection – University support for sustainable entrepreneurship*. Berlin, Helsinki, Linköping: SHIFT.
- Fichter, K. & Tiemann, I. (2016). *The Sustainable Business Canvas*. Forthcoming.
- Fichter, K. & Weiß, R. (2013). *Start-ups: Product Pioneers for a Green Economy*. Berlin: Borderstep Institute for Innovation and Sustainability.
- Fonseca, S. A. & Jabbour, C. J. C. (2012). Assessment of business incubators' green performance: A framework and its application to Brazilian cases. *Technovation*, 32(2), 122-132.
- German Advisory Council on Global Change (WBGU) (2011). *World in Transition – A Social Contract for Sustainability*. Flagship Report. Berlin: WBGU, Ch. 6.
- Gibbs, D. (2009). Sustainability Entrepreneurs, Ecopreneurs and the Development of a Sustainable Economy. *Greener Management International*, 55, 63---78.
- Habisch, A. & Wegner, M. (2005). Overcoming the heritage of corporatism. In Habisch, A., Jonker, J., Wegner, M., Schmidpeter, R. (eds.), *Corporate Social Responsibility across Europe*, Berlin: Springer.
- Hockerts, K. & Wüstenhagen, R. (2010). Greening Goliaths versus emerging Davids - Theorizing about the role of incumbents and new entrants in sustainable entrepreneurship. *Journal of Business Venturing*, 25(5), 481-492.
- Horbach, J., Rammer, C. & Rennings, K. (2012). Determinants of eco-innovations by type of environmental impact - the role of regulatory push/pull, technology push and market pull. *Ecological Economics*, 78, 112–122.
- Isaak, R. (2002). The Making of the Ecopreneur. *Greener Management International: The Journal of Corporate Environmental Strategy and Practice*, Issue 38, p. 81-92.
- Jänicke, M. & Jacob, K. (2006). *Environmental Governance in Global Perspective - New Approaches to Ecological Modernisation*. FFU Report 01-2006, Berlin: Freie Universität Berlin.

FU/BEST Program

- Johnson, D. & Turner C. (2005). European Business – Policy challenges for the new commercial environment. London: Routledge, Ch. 14.
- Kuckertz, A. & Wagner, M. (2010). The influence of sustainability orientation on entrepreneurial intentions - Investigating the role of business experience. *Journal of Business Venturing*, 25(5), 524-539.
- Meek, W. R., Pacheco, D. F. & York, J. G. (2010). The impact of social norms on entrepreneurial action - Evidence from environmental entrepreneurship. *Journal of Business Venturing*, 25(5), 493-509.
- Noci, G. & Verganti, R. (1999). Managing 'green' product innovation in small firms. *R&D Management*, 29(1), 3-15.
- OECD (2011). *Towards green growth*. Paris: OECD.
- Pacheco, D. F., Dean, T. J. & Payne, D. S. (2010). Escaping the green prison: Entrepreneurship and the creation of opportunities for sustainable development. *Journal of Business Venturing*, 25(5), 464-480.
- Parrish, B. D. (2010). Sustainability-driven entrepreneurship: Principles of organization design. *Journal of Business Venturing*, 25(5), 510-523.
- Patzelt, H. & Shepherd, D. A. (2011). Recognizing Opportunities for Sustainable Development. *Entrepreneurship Theory and Practice*, 35(4), 631-652.
- Petersen, H. (2010): The Competitive Strategies of Ecopreneurs: Striving for Market Leadership by Promoting Sustainability. In M Schaper (ed.), *Making Ecopreneurs: Developing Sustainable Entrepreneurship*, 2. Gower, Surrey: Gagnon, 223-236.
- Pinkse, J. & Groot, K. (2013). Sustainable Entrepreneurship and Corporate Political Activity: Overcoming Market Barriers in the Clean Energy Sector. *Entrepreneurship Theory and Practice*, Online Version, July 2013. DOI: 10.1111/etap.12055
- Porter, M. E. & Kramer, M. R. (2006). Strategy and society – The link between competitive advantage and corporate social responsibility. *Harvard Business Review*, 12, 78-93.
- Porter, M. E. & Van der Linde, C. (1995). Green and competitive: ending the stalemate. *Harvard business review*, 73(5), 120-134.
- Prakash, A. (2002). Green marketing, public policy and managerial strategies, in *Business Strategy and the Environment*, 11, 285–297.
- Rennings, K. (2000). Redefining innovation — eco-innovation research and the contribution from eco-logical economics. *Ecological Economics*, 32, 319–332.
- Schaltegger, S. (2002). A Framework for Ecopreneurship: Leading Bioneers and Environmental Managers to Ecopreneurship. *Greener Management International*, Theme issue Environmental Entrepreneurship, 38, 45-58.
- Shepherd, D. A. & Patzelt, H. (2011). The New Field of Sustainable Entrepreneurship: Studying Entrepreneurial Action Linking 'What Is to Be Sustained' With "What Is to Be Developed". *Entrepreneurship Theory and Practice*, 35(1), 137–163.

FU/BEST Program

Steurer, R., Martinuzzi, A. & Margula, S. (2012). Public Policies on CSR in Europe: Themes, Instruments, and Regional Differences. *Corporate Social Responsibility and Environmental Management*, Vol. 19, 206–227.

Thompson, N., Kiefer, K. & York, J. G. (2011). Distinctions not Dichotomies: Exploring Social, Sustainable, and Environmental Entrepreneurship. *Advances in Entrepreneurship, Firm Emergence and Growth*, 13, 201-229.

United Nations Environment Programme (UNEP) (2011). *Towards a green economy: pathways to sustainable development and poverty eradication*. Nairobi, Kenya: UNEP.

Varey, R. J. (2010). Marketing Means and Ends for a Sustainable Society: A Welfare Agenda for Transformative Change. *Journal of Macromarketing*, 30(2), 112-126.

York, J. G. & Venkataraman, S. (2010). The entrepreneur-environment nexus: Uncertainty, innovation, and allocation. *Journal of Business Venturing*, 25(5), 449-463.

Course schedule

Sessions	Topics, Readings, etc.
Session 1	<p>Topic: Introduction: Central concepts in the German and European context – a great transformation, ecological modernisation, energy transition, green “future markets”, corporate social responsibility, green economy, circular economy, eco-innovation and sustainable entrepreneurship.</p> <p>Reading: Albino et al. (2009); EIO (2013); Gibbs (2009); Jänicke & Jacob (2006); WBGU (2011).</p>
Session 2	<p>Topic: The role of government and policy: Moving from control and punishment towards the use of incentives in the regulation of business in Germany and the EU.</p> <p>Reading: EC (2014); Horbach et al. (2012); Johnson & Turner (2005); Pinkse & Groot (2013); Steurer et al. (2012).</p>
Session 3	<p>Topic: Development from “der ehrbare Kaufmann” (honourable merchant) to the proactive sustainable entrepreneur: the changing approaches of business with regard to environmental protection and sustainability.</p> <p>Reading: Cohen & Winn (2007); Dean & McMullen (2007); Habisch & Wegner (2005); Pacheco et al. (2010).</p>

FU/BEST Program

Session 4	<p>Topic: Motivating forces – why do businesses “go” or start up green? Exploring drivers like regulation, customers, market forces and entrepreneurs’ ethics.</p> <p>Reading: Bansal & Roth (2000); Kuckertz & Wagner (2010); Patzelt & Shepherd (2011); Prakash (2002); Varey (2010).</p>
Session 5	<p>Topic: The different roles of start-ups and established companies: different approaches and possibilities – and ways of collaborating.</p> <p>Reading: Isaak, R. (2002); Fichter, K. & Weiß, R. (2013); Hockerts & Wüstenhagen (2010); Schaltegger (2002).</p>
Session 6	Midterm Exam
Session 7	<p>Topic: No business operates in a vacuum – the support of intermediaries and other actors such as awards/competitions, incubators/accelerators, universities, investors, public funding etc.</p> <p>Reading: Bocken (2015); Fonseca & Jabbour (2012); Fichter et al. (2016).</p>
Session 8	<p>Topic: Case study TBC [green start-up in a specific sector, e.g. apparel, beverages, mobility, renewable energy or trade]</p> <p>Guest speaker: TBC</p> <p>Reading: TBC [sector specific]</p>
Session 9	<p>Topic: Planting a Green Business – Project development using the Sustainable Business Canvas</p> <p>Reading: Fichter & Tiemann (2016).</p>
Session 10	<p>Topic: Field trip to Climate-KIC’s accelerator “Green Garage” at the Euref Campus: Case studies and the practical role of an accelerator</p> <p>Reading: http://www.climate-kic.org/national-centres/berlin-germany/german-case-studies/</p>
Session 11	<p>Topic: Planting a Green Business – Project presentations</p> <p>Reading: n/a</p>
Session 12	<p>Topic: Wrap-up and Conclusions: Survival of the Greenest?</p>

FU/BEST Program

	Reading: OECD (2011); Porter & Kramer (2006); UNEP (2011).
Session 13	Final Exam