

DOI: <https://doi.org/10.46793/6461-101.308DJ>

Scientific Review Article

PHENOMENON OF ENTREPRENEURIAL GREEN ECONOMY – INNOVATIVE ECONOMY BASED ON KNOWLEDGE

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Abstract: Entrepreneurship, or what we popularly call business, is a recent phenomenon. As an innovative and dynamic business activity of creatively inspired people, entrepreneurship is of key importance for modern economic structures, regardless of the level of development they have reached. Their common feature is doing business in conditions of rapid changes, uncertainty and risk, which requires a new approach to business, new business orientations and strategies. The greatest effects and best results in such conditions are achieved by entrepreneurs and growing companies that cultivate entrepreneurial management. The green economy encourages development, is inclusive and promotes social equality and takes care of environmental protection. The subject of the paper is the phenomenon of entrepreneurial green economy, as an innovative economy based on knowledge. The paper explains the importance of entrepreneurship/entrepreneurs for green economic growth and development. Also, the paper illustrates the entrepreneurial green environment and emphasizes the dimensions of contemporary green entrepreneurship. In addition to

pointing out the phenomenon of entrepreneurial green economy, it also points out the basic dichotomy of the modern economy (mass vs knowledge economy).

Keywords: *entrepreneurship, innovation, green economy, sustainable development, innovative economy, entrepreneurial management, innovative entrepreneurial green economy, climate change.*

INTRODUCTION

When we talk about entrepreneurship, or what we popularly call *business*, it is a recent date phenomenon. Until the XV-XVI century, i.e. the Renaissance era, there was no economic independence and autonomy in relation to other spheres of social existence. The medieval world was *static*, and the bloody political and religious wars (*crusades*, as a testimony of that time) were not conditioned by economic logic, nor by the logic of the movement of capital, but were caused by primitive needs for looting and extortion, as well as by specific religious motives that various religious groups introduced into conflicts and open confrontations. In the Middle Ages, entrepreneurship in today's meaning of the word did not play any role in the acquisition of political and economic power. That was the time when armies met on wide fields, under flags, swords and spears, and the winner had moral satisfaction and the right to use the property of the looser and take prisoners of war as labor (Penezić, 2021).

It took half a millennium for the situation to change completely and so today entrepreneurship does not exist only as *an independent social phenomenon* on a global level, but it is precisely from its economic foundation that the wars are started and truces are concluded. But today, instead of warriors and old military leaders, there are entrepreneurs on the scene who compete with each other for a certain market niche, as well as the fighting managers who talk about (un)friendly takeovers of companies; joint stock companies, national and multinational companies are at war, and the reasons are primarily of an economic nature. Thus modern conditions represent a match between nations and individuals; a game in which the state of *entrepreneurship* has become the guiding principle of the global economy. In the time in which we live, the complete triumph of the entrepreneurial principle and the global economy based on it go beyond the framework and interests of nation states and their economic structures.

This *modern entrepreneurial activism* can be expressed with the metaphor of *sailing* and very vividly described by comparing it to Odysseus - the ancient hero who, unlike Achilles and Hector, unreservedly devoted to his community, carried within himself and expressed all his reflexivity and individualism through wandering sailing (Cvetičanin, 2016). Like Odysseus, so did Columbus, Magellan, and Da Gama later - they expanded their horizons, discovered new worlds, left their peaceful harbors for the restless and unpredictable stormy sea. Odysseus plans, measures, thinks about how to overcome the sea and the enemies, he calculates and calculates, and thus

becomes a role model for modern entrepreneurs and entrepreneurial managers who try to outwit the uncertainty of the market with their business plans and readily meet the competition. The epoch of the modern business economy will be marked by unavoidable quantitative methods and the mathematization of the entire economic reality - it is calculated and planned in order to survive and overcome the obstacles of the modern Cyclops and Calypso (Penezić, 2016). Modern entrepreneurs give up security and surrender to the uncertainty of the market, only to confirm their business skills and strength on it and gain a recognizable name.

We can say that the green economy - the economy of the future, which we have yet to reach, is collectively like civilization in a long series of small and well-thought-out steps. The green economy in Serbia, and the region of the Western Balkans as a whole, has numerous big and small awakenings in front of it, and an acceptance that we live in a changed world which we can co-create and lead in the direction of sustainability. A greener world that we create by sharing responsibility between the public business and civil sectors, a world of cooperation and co-creation.

With this paper, it was not possible to cover all the segments and aspects of the green economy as a comprehensive response to increasingly drastic climate changes and the challenges of preserving the quality of life on the green-blue planet. We hope that the paper will motivate entrepreneurs and representatives of the public sector to see their role in creating a new economy, a fairer society and a more pleasant environment. There is a lot of space for action; it is important to start from the individual, from every inhabitant of our big global village and make a quantum leap in attitudes and thinking, but also in assuming personal responsibility. As individuals, we can do little, yet so much. The entire society is made up of individuals, citizens who consciously think and act or do not act, or those who recklessly spend, throw away, destroy and damage. All great projects and successful undertakings start from conscious, creative and responsible individuals, but success requires those who will recognize a good initiative, support it and make it possible. Therefore, this work should be a trigger, a trigger for some good initiatives and innovative practices that will complement the global palette of an increasingly green economy.

For real progress, these things are needed: cooperation, joint thinking, joint resources, interdisciplinary and cross-sector teams and projects. This paper makes a small contribution to understanding the need for the actual introduction of the green economy from the margins into the mainstream of economic processes and projects. Because green can really be profitable, efficient, it can bring savings and improve conditions and quality of life.

1. ENTREPRENEURSHIP AND ENTREPRENEURS - THE CHALLENGE OF THE UNKNOWN

In the modern economic moment, fame is available to anyone who is *enterprising enough*. But glory is not gained by weapons, nor by noble origin, as in the pre-mo-

der age, but by Odyssean cunning and prudence; *it is available to all adventurers of national origin who have an entrepreneurial spirit*. And such an entrepreneurial spirit, based on key Odyssean traits - *ingenuity, activism and willingness to take risks*, will foreshadow *entrepreneurial democracy and an entrepreneurial society*, and many will soar to unimagined heights of business and any other success (Penezić, 2021).

The modern world is characterized by *changes*. Every day we hear about changes in the political scene, the development of new economic models and instruments, and the advantages of new technologies. These changes "feed each other" and have a global character. The development of information technology has enabled capital to search for new investment opportunities much more efficiently and effectively than before. *Success* is seen much faster, and *failure* is punished without any mercy.

One of the key changes in the modern world is the increasing sensitivity and responsibility of modern business. Consumers expect constant improvements in products and services they consume. In the fight to preserve their positions in the market, individuals and organizations must react much faster, be agile and innovative. Changes represent *business opportunities (chances) and problems at the same time*. Business opportunities come in the form of new opportunities and chances for a better future. On the other hand, the problems lie in the uncertainty that such new possibilities create. Responding to such challenges, the goal of entrepreneurial activity is to take advantage of such opportunities and simultaneously respond to uncertainty and risk. As we will show later, this is precisely what constitutes the fundamental responsibility of the entrepreneur. Hence, it is very important to properly understand all the relevant aspects of entrepreneurship.

As an innovative and dynamic business activity of creatively inspired people, entrepreneurship is of key importance for modern economic structures, regardless of the level of development they have reached. Their common feature is doing business in conditions of rapid changes, uncertainty and risk, which requires a new approach to business, new business orientations and strategies. The greatest effects and best results in such conditions are achieved by entrepreneurs and growing companies that cultivate entrepreneurial management (Đukić, 2023).

Orientation to constant changes (desirable, healthy, future-oriented) and innovation strategy, as a response to the challenges of an unstable environment, is a basic characteristic of entrepreneurial management. Entrepreneurship requires management different from the existing one, but equally systematic, organized and purposeful. An entrepreneurial manager actively looks for possibilities, opportunities, thoughtfully takes risks introducing changes and improvements. *Its key task is the successful management of changes that include the ability to create a new synthesis of people, resources, ideas and opportunities, i.e. business opportunities* (Đukić, 2024).

Entrepreneurship has proven itself as an answer to many problems in consumption, as the right way to find new places and positions in existing markets despite the massive offer and uncompromising competition, but also as a way of creating and developing new markets. Hence, entrepreneurship is considered to be a new sector

of the modern economy, and entrepreneurs are creators of new jobs. Thanks to entrepreneurship and entrepreneurs, the number of new jobs grows faster than the number of employees in existing institutions, organizations and companies. In this regard, the modern world requires *more* entrepreneurs and *more from* entrepreneurs. (Penezić, 2021).

Entrepreneurs are justifiably referred to as agents of change and market opportunities, as persons whose business ventures are answers to problems arising from change, and who create something out of nothing. They are people with non-standard business profiles for whom change, uncertainty and risk are the natural habitat in which they find business inspiration, and creativity and innovation are the essence of business philosophy (Group of authors, 2001). Being entrepreneurially creative and innovative means having the ability to see certainty in uncertain situations, and also means having the necessary knowledge to recognize an opportunity and find the right ways to turn it into a successful business.

Precisely because of this, our understanding of entrepreneurship and the activities of entrepreneurs is based on understanding, namely:

- Entrepreneurship as *a management style* ;
- Entrepreneurial management as *a "hunter"* for a business opportunity (market chance) and generator of changes;
- Entrepreneurial management as *strategic management* - management of the entire organization, and - finally,
- Entrepreneurship as *a learnable approach to management*.

Many *myths* are related to the phenomenon of entrepreneurship and the personality of the entrepreneur. The interpretations of some will contribute to the understanding of this problem - an entrepreneur, most certainly, is not someone who is predominantly "born"; for business success, it is not necessary to have a "special type of personality", nor are special psychological traits hidden behind his ability to control....It is easier to understand *an entrepreneur as an individual (manager) who makes entrepreneurial decisions* .

But, before that, it is necessary to understand the environment (immediate, then operational and general) in which the entrepreneur fulfills his role.

2. BASIC DICHOTOMY OF MODERN ECONOMY AND INNOVATIVE KNOWLEDGE-BASED ECONOMY

Modern economic structures today are characterized by fast, dynamic, very complex changes that increasingly influence the behavior of individuals and at the same time determine the development strategies of organizations.

The economy as we know it today changes from day to day and adapts to society, registering, at the same time, constant changes in habits, tastes and other trends in the consumption of new products among consumers. In conditions of change being

the only constant, the modern economy essentially represents the coexistence of *the mass economy and the information economy (economy based on knowledge)*.

The mass economy still exists thanks to the mass consumption of various material goods, without which human existence could not be imagined. The term mass was created as an economic category and it denotes that economy which bases its paradigm on two dominant categories (Hawken, 1993):

- in production - on economies of scale (size) and maximum exploitation of energy sources (oil, coal, gas), and
- in consumption - on the mass consumption of material goods, as well as on the accumulation of material wealth (real estate, luxury goods, capital).

At a time when society functioned on the mass exploitation of cheap energy inputs, such as oil, coal and gas, the mass economy recorded a period of stability. However, the oil shock in the early 1970s and the inflationary pressures in most developed countries in the 1990s, which occurred as a result of disruptions in the oil market, show the flip side of the paradigm of economic development based only on the mass economy. Namely, the mass economy produced certain conditions on the market, which, in the long term, were the main causes of its gradual decline.

Due to the irrational and often almost absurd way of managing basic production factors, such as: labor (human resources), capital, energy, raw materials, etc., this type of economy produced many negative accompanying phenomena - *unemployment, inflation, recession*. According to Erich Fromm, the mass economy ignores the interaction between man and nature (Ajeti, 2013). It created masses of consumers who formed a specific lifestyle, consuming products for the production of which huge amounts of energy were spent. Such an economy represented an apology for an irrational and unconscionable behavior of economic subjects in the exploitation of natural resources at the expense of irreparable pollution and destruction of the human environment. All its "great successes and results" in the "society of abundance" (Galbraith, 1981), are only a consequence of the ruthless exploitation of natural resources, and much less human intelligence, innovation, knowledge and great scientific discoveries. For a very long time, there was an opinion that the mass economy supports growth, economic development, and thus the reduction of unemployment, but one of the basic contradictions of the mass economy lies in the effort to *eliminate human labor as a production factor*.

The period between the 1950s and 1980s is considered the golden period of industrialization and the era of mass economy. It was dominated by large corporations that flooded the market with large quantities of cheap, as a rule, consumer goods using mass production technology. They took advantage of previous inventions and innovations that enabled the development of mass consumption, especially of durable consumer goods such as: cars, household appliances, equipment for apartments, etc. Large organizations - corporations then perfected the way of management and organization to the extreme, and managed to spread consumer products, as well as the technology for the production of these products, all over the world.

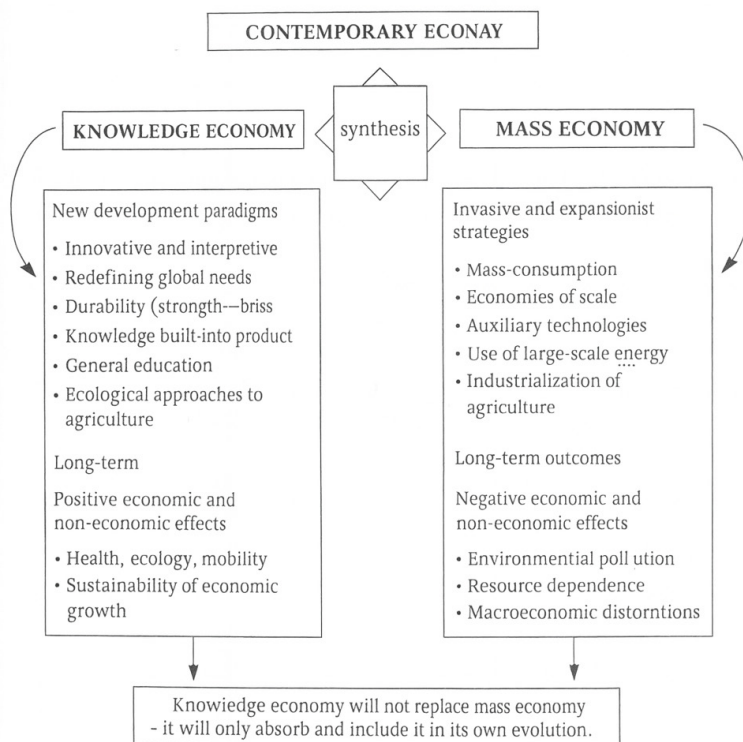
When we talk about the basic dichotomy of the modern economy, we can talk about the knowledge economy and the mass economy. Based on that, the following table will show that *the information economy or the knowledge-based economy* differs from the mass economy, first of all, by the radical change in the attitude towards work and the acceptance of new values in society. We will remind you that the developed forms of industrial society knew centralized forms of media systems (television, radio, press), which shaped the everyday life of citizens and influenced the operations of organizations. However, in the modern information society, such media systems become less relevant, say from the aspect of communications, in relation to the Internet, wireless telecommunication system, etc. Thanks to modern information technology, individuals who start a business - entrepreneurs and those who are already in business - managers, have at their disposal faster access to relevant information about the current state of the market.

The information economy, that is, the economy based on knowledge, uses the same traditional production factors (mentioned in the mass economy) - land (natural factors), labor and capital; *they did not disappear, but became secondary*. The knowledge economy uses these factors on a much smaller scale and what is most important - it gives these factors additional value, applying and incorporating additional knowledge into them. Modern information technology, therefore, uses significantly less energy, raw materials and labor, and achieves significantly better effects in the economic sense, precisely thanks to the built-in *additional knowledge*, that is, *information about the product*.

What creates (adds) new value to products is *a new quality* that is the result of the application of intelligent solutions - *knowledge and information*. Such new quality is manifested in a series of features such as: design, utility (functionality), strength, durability, as well as *knowledge* embedded in the product (Ajeti, 2013). Products, that is, services in which knowledge is incorporated, are more beautiful, more durable, more functional, more useful, more intelligent, and consume less energy compared to those that come from mass economy production. What, therefore, the information economy (knowledge economy) recognizes as an invaluable value from the aspect of economic efficiency and effectiveness is: *innovation and the role of knowledge in the creation of new products*.

The knowledge economy operates with knowledge as a commodity of the highest quality, as a means of production and as a mode of *differential*, i.e. *competitive advantage* on the market. In such a case, knowledge can be:

- used (production process)
- purchased on the market (by employing knowledge workers/specialists, by purchasing a patent, etc.), and
- stored (databases, libraries).



Slika 1. Basic dichotomy of contemporary economy

Figure 1. Basic dichotomy of the modern economy

3. PHENOMENON AND DEFINITION OF THE GREEN ECONOMY

When we talk about the green economy, it is another term that seems self-explanatory; a concept that is being talked about and is being imposed as a logical solution to accumulated global problems, a movement that makes the economy greener and thus saves the planet from climate change. However, for a more complete and comprehensive understanding, we need a view from several sides, from several angles and perspectives.

Confusion in understanding the role of the green economy often arises in the context of similar concepts, primarily sustainable development, blue economy, eco-social economy, circular economy, and even green entrepreneurship. That is why it is important to clarify the origin of the green economy and how it has gained greater and wider importance.

In this regard, there is no single and generally accepted definition of the concept of green economy, but it is certainly the result of efforts to make the economy more environmentally responsible and to create a balanced and positive impact on the economy, society and the environment. *Green Economy* as a term and concept

appears in 1989 in the works of a group of British economists from the London Center for Ecological Economics-Environmental Economics (Pierce, Markandya and Barbier), who, through *the Blueprint for Green Economy* (Draft plan for a green economy), make a proposal for responsible planning, i.e. how to reduce environmental pollution and improve relevant public policies. The first report in the period from 1991 to 1994 was followed by new recommendations contained in the works *Blueprint 2: Greening the World Economy and Blueprint 3: Measuring Sustainable Development* (Vuković, Ćorić, Lisjak, 2020).

However, it was only after the great economic crisis of 2008 that more serious discussions began about the framework, the causes that led to the collapse of the financial market and the consequences of the global recession, so the green economy asserts itself anew and tries to offer answers to the increasingly numerous challenges of the global financial crisis and the entire concept of sustainable development. Thus, in October 2008, the United Nations Environment Program (UNEP) launched the Green Economy Initiative, whose goal was a framework and proposal for policies that will support investments in the green sector and the greening of the sectors that caused the most damage to the environment. That is, in order to create a framework and get political support for investments in the green economy and the "greening" of environmentally harmful sectors of the economy. As part of the Initiative, UNEP engaged the authors of the *Blueprint for the Green Economy*, to prepare a report on the impact of the green economy on the recovery of the world economy. Already in April 2009, a document named "*Global Green New Deal*" (GGND) was drawn up, which offered a whole series of guidelines and a set of policies that were supposed to lead to economic recovery and at the same time contribute to the sustainability of the world economy, i.e. at the same time encourage a higher level of environmental responsibility, sustainable economy and respect for the principles of sustainable development (Simleša, Vuković, 2021).

The UN member governments, primarily the governments of the most developed countries of the world (G20), are intensively urged to make greater efforts and redirect at least 1% of the gross domestic product (GDP) to start the green economy sector. In this way, it contributes to the simultaneous achievement of mutually complementary goals:

- economic recovery,
- poverty reduction and
- reduction of CO₂ emissions and ecosystem degradation.

The big and important goals of the recovery of the world economy, the creation of new, better quality and cleaner jobs and finding a model of more responsible management of humanity's resources are put before the green economy.

In the following years, the concept of green economy becomes generally accepted through numerous initiatives, international conferences and the inclusion of new groups of actors (entrepreneurs, socially responsible corporations, international development institutions, financial institutions, academic institutions, non-governmental organizations, incubators, employment agencies, etc.). New publications are being

created that more closely define the key principles, benefits and risks and highlight examples of good practice of green economy and green entrepreneurship (Vuković, Ćorić, Lisjak, 2020).

We highlight the United Nations (UN) Conference on Sustainable Development, held in June 2012 in Rio de Janeiro, better known as RIO 20+, because it takes place exactly twenty years after the Earth Summit. The conference was attended by more than 130 representatives of states and governments, as well as representatives of the business sector, civil society organizations and the media. The central topics are the green economy in the context of sustainable development and poverty eradication and the institutional framework for sustainable development. Here the connection between the goals of sustainable development and the green economy comes to the fore, so it is emphasized that the green economy should become the main tool of sustainable development. Also, full attention is devoted to the further improvement of the green economy with greater emphasis on ways of supporting developing countries in finding their own green economy model. A declaration entitled "The future we want" was made (Simleša, Vuković, 2021).

This comprehensive concept of development, which simultaneously encourages poverty reduction, development of rural areas, while taking care of food security, providing access to clean water and energy, as well as a whole range of issues of environmental protection and biodiversity, is not easily implemented due to its complexity. Therefore, every country should have a long-term green economy development plan with clearly defined priority areas. For poor and developing countries, the challenges are even greater, because due to the lack of resources (knowledge, technology, financial resources and public support), they cannot simultaneously initiate all areas of development. Karl Burkart therefore proposes 6 priority areas for the least developed countries of the world (Burkart, 2023), which is illustrated in the following diagram.



Figure 2. Green economy areas for the least developed countries of the world

Based on what has been presented so far, and in the literature, we often see that there is a lot of overlapping between the green economy and the global goals of su-

sustainable development, so it is important to clarify in which parts they complement each other.

In September 2015, the Global Development Program 2030, better known as "Agenda 2030", was adopted at the UN Conference in New York, by which the international community agreed on the new seventeen sustainable development goals. This was supposed to be an upgrade of the Millennium Goals with a much wider coverage of topics and the area of action, but also a kind of recognition of insufficient progress and agreement on the necessity of real action. The Millennium Goals are getting new components and more emphasis is being placed on climate change, sustainable consumption and innovative approaches in achieving the goals. Those global goals for sustainable development are:

1. Eradicating poverty
2. Eradicating hunger
3. Health and well-being
4. Quality education
5. Gender equality
6. Drinking water and hygienic conditions
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, infrastructure and innovation
10. Reducing inequality
11. Sustainable cities and sustainable communities
12. Responsible consumption and production
13. Climate change response
14. Life under water
15. Life on land
16. Peace and justice/strong institutions
17. Partnership for goals (Simleša, Vuković, 2021).

These stated goals have become a kind of guide for national governments in determining policies, strategies, when correcting the legislative framework, directing national economies, involving all elements of society in designing and creating progress towards the goals of sustainable development, in promoting and supporting good practices, developing new business models, and finding innovative ways of acting. The goals are comprehensive and can only be achieved through partnership at all levels and constant exchange and upgrading of knowledge, experience and transfer of effective models.

4. GREEN ECONOMY IN THE EUROPEAN UNION

In this part of the work, we will give a short strategy of the green economy in the European Union with all its characteristics and its development. Thus, with the Europe 2020 Strategy, the European Commission determined the direction of the European Union and emphasized smart, inclusive and sustainable growth. The entire develop-

ment program is largely based on the principles of sustainable development, i.e. the green economy, which is expected to create jobs and reduce poverty through sustainable and responsible management of natural resources. Some of the set goals are:

- Reducing greenhouse gas emissions by at least 20% compared to 1990 levels
- Increasing the percentage of renewable energy in final energy consumption to 20%
- Moving towards a 20% increase in energy efficiency
- Increasing the employment rate so that 75% of people aged 20 to 64 will have a job
- Reduction of the number of people living on the poverty line by at least 20 million (Vuković, Ćorić, Lisjak, 2020).

The European Commission emphasized that "The green economy brings with it new growth and new employment opportunities. Eco-design, eco-innovation, prevention of waste generation and promotion of the reuse of raw materials can contribute to net savings of up to 600 billion euros to companies in the EU. Additional measures to increase the productivity of used resources by 30% by 2030 could boost GDP by almost 1%, while creating 2 million additional jobs. Also, the green economy benefits the environment and reduces emissions of gases that cause the greenhouse effect in Europe" (European Commission, 2023. - (European Commission).

Although in the green economy the greatest emphasis is precisely on preserving the environment and achieving a higher level of energy efficiency and sustainability, in recent years the social component, primarily creating jobs and improving the quality of life, has gained increasing importance.

In response to the 2030 Agenda for Sustainable Development adopted by the United Nations in September 2015, the EU institutions in June 2017 adopted a Joint Declaration entitled *New European Consensus on Development "Our World, Our Dignity, Our Future"*. The European Parliament, the Council of Europe and the European Commission reach an agreement on the key issues of global development and how the EU will support the 17 Sustainable Development Goals and take responsibility for their implementation in member countries.

In this regard, the green economy faces increasing demands and challenges, and support policies and programs should slowly integrate good practices and experiences of individual member countries, undergo monitoring and evaluation of the success of the implementation of pilot measures and policies. What is valuable is precisely the exchange and use of a common base of knowledge and new technologies that enable member countries to achieve the best possible indicators of success. Likewise, *know-how* and new technologies are the main competitive advantage of European companies that can build their position on the increasingly demanding global market of the green economy.

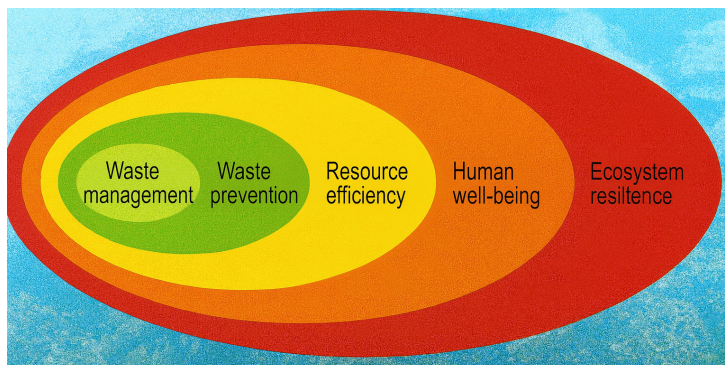


Figure 3. Priority areas of the green economy - an integration framework for policy making

5. GREEN ECONOMY AREAS

When we talk about and analyze the areas and good practices of the green economy, in this part of the work we will briefly focus on a few important areas, namely:

1. Green agriculture
2. Green jobs/jobs
3. Green fuel/renewable energy sources
4. Green building
5. Green transport
6. Waste management
7. Water management
8. Land management
9. Forest management
10. Green investments (Vuković, Ćorić, Lisjak, 2020).

At this point, we will briefly say a few words about each of these areas.

1. *Green agriculture*

Green agriculture as a term includes production with reduced use of artificial fertilizers and pesticides, which seeks to restore natural resources, reduce soil erosion, improve fertility and create conditions for increased productivity through good management.

2. *Green jobs/jobs*

Green workplaces are those that protect the environment, restore biological diversity, reduce energy consumption, minimize waste and protect against pollution. Green jobs are less and less a choice and more and more a real market need as a result of a growing branch of the economy.

3. Green fuel/renewable energy sources

Renewable energy is generally defined as energy that comes from resources that are continuously replenished. Examples of renewable energy sources include sunlight, wind, rain, tides, waves, and geothermal energy, but all of these sources directly or indirectly derive energy from the sun. Available technologies: Wind power plants; Solar energy; Use of biomass; Production of natural gas; Use of geothermal energy; Use of water energy; Using the energy of waves and tidal currents; Radiant energy based on the inventions of Nikola Tesla.

4. Green building

Green building/green architecture is a philosophy of architecture that advocates sustainable energy sources, energy conservation, reuse and safety of building materials, as well as the placement of a building in relation to its impact on the environment. This design seeks to minimize the negative impact of buildings and construction on our ecosystems, through effective and moderate use of materials, energy and space development.

5. Green transport

The transport sector is the main source of greenhouse gas emissions and environmental pollution. According to UNEP, transport is considered "green" when it supports climate protection, ecosystems, public health, natural resources, economic growth and social welfare. In this context, it is necessary to emphasize the public transport system, the advantages of rail and sea transport compared to road transport, the use of hybrid engines and solar energy in the transport sector.

6. Waste management

Given the huge amounts of waste produced by households, industry, agriculture and transport, the proper management of that waste is crucial for a green economy.

Waste management includes:

- collection,
- transportation,
- processing and storage and
- supervision of these procedures.

Waste management methods:

- landfill,
- burning,
- recycling and
- biological renewal.

7. Water management

Only 0.08% of the world's fresh water is available for drinking, cooking, agriculture, manufacturing and other economic activities, due to which the stated amount of useful water is almost constantly contaminated.

The green economy aims to protect water from pollution, save water, purify polluted water and ensure the supply of safe water to the entire population. Therefore, water management includes the following activities:

- planning,
- distribution and
- management of the optimal use of water resources (Vuković, Ćorić, Lisjak, 2020).

One of the biggest polluters of both surface water and underground sources is agriculture. In addition to excessive use of pesticides and fertilizers in plant production, pollution from waste from large industrial farms (livestock production and fish farms) is critical.

8. Land management

Land/soil is the most important non-renewable geo-resource of the Earth. Soil supports most of our economic and social activities, and with the increase of socio-economic activities, the negative impact on soil increases (loss of fertility, soil pollution, soil degradation and erosion, etc.).

The green economy aims to preserve the fertility of the land, prevent soil erosion, reduce soil pollution and ensure the proper distribution of land among different economic activities. It is also very important to preserve biodiversity and ensure conditions in which flora and fauna will be an upgrade of human socio-economic activities.

9. Forest management

Almost a third of the Earth's surface is covered by forests, and more than 1.6 billion inhabitants directly or indirectly depend on the forest in their surroundings.

Forests have numerous beneficial ecological, economic, social and health impacts, such as:

- protection from natural disasters,
- job creation,
- ecosystem preservation and
- providing shelter to plants and animals.

Considering the estimated damage caused to forests (the rate of global forest damage is currently 13 million hectares per year), the forestry sector aims to:

- afforestation,
- combating deforestation and
- preservation of forest lands.

10. Green investments

Investments that contribute to the protection and improvement of the environment and ecosystem are called green investments. These can be investments in already existing companies that conserve natural resources, distribute renewable energy sources, etc. Green investments, among other things, include banking activities with special attention to environmental, economic and social factors aimed at preserving the environment and natural resources.

Green banking is also called ethical banking, moral banking, sustainable banking and/or responsible banking, and banks can offer (and do offer) a wide range of green products and services, such as: green mortgages, green savings accounts, green loans, green credit cards, green current accounts, mobile banking, online banking, etc.

Investments play a key role in the transition to a green economy and therefore it is necessary to provide sustainable sources of financing for green economy entrepreneurial ideas, research and piloting of new technologies, as well as for the construction of infrastructure based on green technologies. Substantial investments are needed in the development of sustainable energy sources, electrification of transport and green construction.

6. SERBIA – ANALYSIS OF THE ROAD TO AN INNOVATIVE GREEN ECONOMY

By analyzing the overview of the state of the green economy development by countries in the region, i.e. with an emphasis on Serbia, the first thing that catches the eye when reading reports or study analyzes from Serbia is the author's regret for the hyperproduction of strategies, action plans and similar official documents on the one hand, and their non-implementation on the other. The reasons for this are found in their disconnection and lack of coordination of those who write them and who should implement them. All this is reflected in the area of green economy and entrepreneurship, which is becoming an increasingly present topic in Serbia.

These problems are mostly reflected in the disparity between what is written in official documents and the practice, that is, the application of what was announced, where these two points on the development path are very disconnected and uncoordinated. For example, in the *National Action Plan for Renewable Energy Sources (NREAP)* from 2013, the framework for the development of green energy was determined, and the goal of a 27% share in final consumption by 2020 was highlighted. For example, in the same year, UNEP initiated the preparation of a study on the green economy in Serbia, *Green Economy Scoping Study (2013)*, which was also focused on the area of energy, and included a whole series of goals and control points along the line of green economy development. Today, we are in a situation where civil society organizations observe that it is not possible to obtain reliable and accurate data on the emission of gases with the greenhouse effect and the share that different types of gases have in the total emissions. It is regrettable that the establishment of the Ministry

of Environmental Protection in 2017, and the establishment of the Green Fund a year earlier, which was supposed to provide financial support for the transition to a green economy and society, did not produce adequate results as expected from such an advanced step. In addition, a whole series of important and necessary strategies and laws have not been adopted and they have not become part of regulatory practice (Coalition 27, 2019).

It's really a shame, because Serbia is a typical example of a country in the region extremely rich in natural resources and extremely dependent on economic activities that actually contribute to their destruction and reduction of the capacity and quality of ecosystem services. In 2018, the European Parliament warned about air pollution in its report, but the remarks of the European Commission confirm the concern, in addition to air quality, for the condition of soil and water. One of the main reasons is quite similar to the previous case of the analysis of the situation in BiH, which is the excessive dependence on coal as the main resource in the production of electricity, that is, the dependence of the entire economic development and GDP growth on the dirtiest fossil fuels. In doing so, waste is created and 70% of the total waste is generated as a result of energy production in such a way. Serbia is the largest source of sulfur oxides in Europe. The problem with energy, that is, with the lack of energy efficiency, is also reflected in the construction sector, because 90% of buildings are energy inefficient (Antonov et al., 2017).

This creates not only direct health problems for people and other living creatures of local ecosystems, but also affects agriculture, forestry, construction, and protected natural areas. The system of protected areas in nature covers about 6% of the territory, and the National Ecological Network, which covers potentially future Natura 2000 areas, has been listed, but as in many other areas - implementation has stalled. The fact that the Ministry of Environmental Protection in 2018 for more than twenty projects of the exploitation of river sediment, stone and gravel made decisions on exemption from the preparation of environmental impact assessments, and that at the same time locations were assigned for as many as 350 places for the construction of mini-hydroelectric power plants in areas where their construction will have a negative impact on the environment. The fact that the Ministry spent a little more than half of the approved funds for its work shows the extent of the lack of capacity, clear and long-term environmental development strategies (Coalition 27, 2019). Civil society organizations believe that this is more than enough example that the environment and its protection, as well as climate change, are not priorities among decision makers and government representatives in Serbia. The problem is that Serbia is cited as a country quite vulnerable to the impact of climate change, especially in agriculture, water management and forestry, without a strategy or action plan for avoidance or adaptation measures (UNECE, 2015).

As stated earlier, thanks to international organizations and with the support of experts and local civil society organizations, the green economy is not new in the public space and official documents in Serbia.

At this point, we will also analyze the UNEP study we have already mentioned, *Green Economy Scoping*, which focused the development of the green economy on two areas recognized as a priority, namely: increasing the use of renewable energy sources and energy efficiency and increasing the share of ecological agriculture both in areas and on the market. Organic agriculture is unusually underestimated as a sector important for the overall development of the green economy, and how much room there is for progress is sufficiently demonstrated by the fact that 0.44% of the total area in Serbia is under organic production. With its wealth of natural resources and preserved areas, Serbia has the potential to increase ecological food production, but in accordance with that, the development of integrated rural tourism as a useful tool for the development of parts of the country with protected natural areas, areas that are increasingly suffering from depopulation and lack of quality of life.

As the most important step in that direction, the necessity of creating preconditions for the development of the green economy regarding clear standards, incentive regulation and quality-directed investments was highlighted. In *the Third Report on the State of the Environment in Serbia*, as the most important thing for the development of the green economy, government representatives are advised to create a public institution that will coordinate the development of the green economy and the integration of the green economy into all existing and new strategic documents at all levels (UNECE, 2015).

All this is recognized in the plans to support the transition to a green economy in the annual plans of the EBRD, and marked as one of the three priority areas for investments in Serbia, considering the extremely high consumption of energy obtained from fossil fuels for GDP growth, as well as vulnerability to climate change (EBRD, 2018). The main focus is on energy efficiency and renewable energy sources, but also on the waste sector, in terms of wastewater treatment and recycling. The waste sector has been the focus of environmental protection projects or the promotion of the green economy. So, for example, the budget of the previously mentioned Green Fund went almost entirely to support the recycling industry. Similar problems and challenges exist in industrial waste, municipal waste and pollution that ends up in the environment. Only 5-7% of the total waste is recycled, which is significantly less than in other European countries (Antonov et al., 2017). Over 2,000 illegal landfills are registered, over 70% of active landfills for waste disposal do not have a permit to operate, nor have an environmental impact study done, and only slightly less than 10% of the population of Serbia is connected to the wastewater treatment system (Koalicija 27, 2018).

It should be pointed out that recently in Serbia, there is more talk about the circular economy in conjunction with the green economy, or even as a substitute. In the context of sector positioning and promotion, certain steps have been taken. The group for circular and green economy was formed in 2018, within the Ministry of Environmental Protection, and the Center for Circular Economy was formed in the Chamber

of Commerce of Serbia. In *the Roadmap for the circular economy in Serbia (2020)*, four priority sectors for the development of the circular economy are highlighted, namely:

- manufacturing industry,
- agriculture and food in terms of surplus food and food waste,
- plastic and packaging,
- construction.

It is important to note that in March 2021, the Parliament passed the Law on Climate Change (SG RS 26, 2021), which integrated the Low Carbon Development Strategy, where the green and circular economy should play a significant role.

Based on everything presented, it can be concluded that it is necessary to commit to the green and circular economy in a more serious, long-term and comprehensive way. It is necessary to create a clear and concrete Program for a circular economy in the Republic of Serbia (Vasiljević and Petrović, 2020). Special attention should be paid to strengthening the information and education of citizens and interested actors, because insufficiently developed environmental awareness is a major obstacle to the green economy at the moment. Public opinion polls show that citizens do not perceive the impact of industrial pollution on their health, nor how such pollution harms the economy (Antonov et al., 2017). But, as pointed out in *the Roadmap for the circular economy in Serbia (2020)*, the most important thing is to finally conduct a public discussion and make a strategic decision whether the circular economy is only occasionally a toy that quickly gets boring and is discarded without use, or whether it is a national development priority, a tool for the transition towards a better, more humane and sustainable society.

7. DIMENSIONS OF MODERN ENTREPRENEURSHIP: WEALTH, UTILITY AND WELFARE

Active, initiative, innovative and combative, risk-ready entrepreneurship, based on the development of science, technique and technology and supported by the activities of various institutions, changes and develops the world today. Market competition and entrepreneurship cause great differences, unrest and insecurity, which encourages efficiency and development.

Entrepreneurship is characteristic of any economic sector and type of business. It is indispensable in self-employment and in companies of any size and recognizable through all stages of the life cycle - from establishment to growth, saturation, shutdown or revival. It is relevant for small and large companies, technological and traditional ones; present in different ownership structures - from family business to partnership, from complex organizations with shares on stock exchanges to non-profit organizations with emphasized economic (entrepreneurial) activity.

When we talk about wealth, we can say that while the contribution of private companies *to the world's wealth* is quite transparent, this is not the case with the go-

vernments of many countries. Namely, most economists will agree that governments have a very important role in regulating the business environment, maintaining macroeconomic stability and redistributing wealth, but they are not primarily the generator of wealth. First of all, they can be seen as a place of costs, whose services are compensated through taxes (Penezić, 2021). The fall of the communist system in the former countries of Central and Eastern Europe, according to which governments had priority over companies, gives this an additional weight. The role of large companies is also very important and clear. Unequivocally, they play a critical role in maintaining the world's wealth and the allocation of investment to developing regions. Finally, there is almost universal agreement among economists that entrepreneurs and the SME sector are the ones who create a significant share of the world's wealth, not only by challenging the old economic order, but also by introducing new and innovative products, encouraging competition and challenging monopoly.

One of the fundamental economic categories is *utility*. Modern economics and economists who make rational decisions view utility as resources or situations that bring a certain degree of satisfaction, which should be the object of maximization. Sociologists and philosophers look at utility as a difference in the quality of individual and collective living and believe that utility should be left to economists, and that a complementary concept from their point of view should be *well-being*. In modern conditions, the role of entrepreneurs and entrepreneurial, innovative organizations, as agents of change and social entities, is precisely to offer the market a unique and competitive *set of benefits* through new products and services - new use values, in the function of creating and increasing (personal and collective) *well-being*.

The challenges of creating an entrepreneurial (green) economy or, as we have called it - an innovative (green) economy based on knowledge, requires awareness and a proactive role at the national level, as well as the direction and coordination of all those who are in charge of creating entrepreneurship development policy at the European level. The model of entrepreneurship development in the enlarged Europe rests on several key pillars: *coordinated approach to entrepreneurship development policies, reduction of barriers to entry into business, optimization of the risk-reward ratio, learning from the best, promotion and evaluation of entrepreneurial values* (Penezić, 2021).

In an environment that is looking for its development opportunities in (green) entrepreneurship, it is very important to be aware of a wide range of factors that can encourage or hinder it. It develops quickly only in a society that fulfills three basic conditions, which are listed with the following picture, namely:

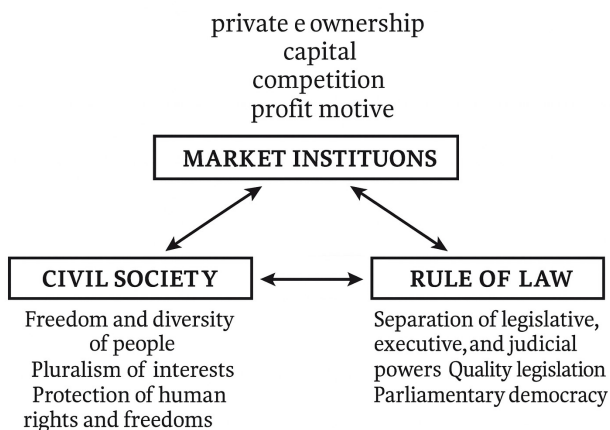


Figure 4. Development opportunities in entrepreneurship

We see that it is not only about the economic side of the entrepreneur's activities, but rather about the culture of entrepreneurship, which enables the pluralism of people's interests, actions, goals; it is about a state that respects the law and provides an effective framework for the operation of market mechanisms, for its non-interference in business matters, in the economy. This wider, social framework is very important, because the state - sometimes with good intentions - restricts entrepreneurial freedom of action. An even more important question is how much the existing value system encourages entrepreneurship, independence, the pursuit of increased profits, etc. The development of entrepreneurial culture and entrepreneurship is conditioned by the historical development and values of a particular society, its entrepreneurial traditions, the economic structure that encourages or does not encourage entrepreneurship, as well as the institutional infrastructure for encouragement.

CONCLUSION

We can conclude that the green economy is certainly the economy of the future, which should be achieved through joint steps, well-designed policies, actions, and initiatives. It is a response to increasingly pronounced climate changes, which we are already experiencing, and is a response to the Sustainable Development Goals. It is inclusive and requires a complete transformation of the way of thinking, acting and doing business.

In addition, we can say that the green economy is complex and intertwined with various initiatives, it is initiated and happens at all political, management and entrepreneurial levels. It includes the research and development of new technologies, new policies and ways of thinking, the creation of completely new paradigms, lifestyles

and habits. Methods of encouraging green thinking and action can be encouraging or can punish those who, through their actions, negligently or intentionally violate the generally accepted principles of sustainable development of the Earth and humanity.

The areas of action are numerous and certainly exceed the scope of this paper. The goals of sustainable development, as the starting point of the green economy, are more than ambitious, but they should be. In the coming period, it is possible that some new popular and generally accepted concept will appear, so in addition to the green, blue and eco-social economy and the sustainable development strategy, we will call humanity's effort to maintain it by new names. There will certainly be resistance and justifications as to why the old, albeit bad, models of production, use of natural resources, labor and consumption should be maintained. However, the principles of sustainability and creating a harmonious and supportive environment for people and the planet are becoming part of common sense. The economy should serve all of humanity, not the dwindling number of capital owners.

In this regard, it is a paradigm shift in thinking and raising the general level of consciousness of humanity about the possible choices and roles we play or agree to play. In the countries of the underdeveloped world, the choice is significantly narrowed. But in the European context, and in the legacy of the so-called Western civilization before the consumer society, there are a lot of choices and possibilities. Are we going to pretend that everything is still somehow okay, and for what is obviously not right, we should seek responsibility in states, politicians, big companies and other powerful people? Or not?

All of the above tells us that it is necessary to educate the public and that citizens in Serbia become active participants in strengthening the green economy, and through all other activities. Education about the importance of the green economy clearly remains one of the more important goals, especially in areas where it is not yet completely clear what the green economy is and how it could change our society. However, we can also be aware that educational activities will be significantly easier and better received, if they are accompanied by the acceptance of the green economy at the legislative-institutional level and the inclusion of the green economy in all socio-economic pores of our country, that is, education will be easier to implement if we have local examples of good practice, and projects of green entrepreneurship with clear social utility.

And finally, the area of Serbia and the region in which we live, with all its challenges in recent decades, still points to a large number of smart, creative and innovative people and initiatives. On the one hand, the policies of the UN and other relevant international institutions, the EU, which sets fairly high standards and models, gives us room for action. There are incentive policies, strategies, funds, models and a large community of green activists and entrepreneurs. In such an environment, it is relatively easy to sell an idea, gather a team and start something green. Instead of just following what the developed West has to offer, we have plenty of opportunities to

create new innovative green practices and solutions. This requires responsibility for partnership, as well as starting from the position of critics and stepping into the shoes of creators of new values.

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