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Business Challenges in Green Growth and Sustainable Development

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Abstract

Green growth and sustainable development have become appropriate strategic directions for recovery and development of the economy and further, risk prevention of both the public and private sectors, because green growth reflects how economies respond to the complex developments of climate change and natural resource depletion; reflects the trends of finding new growth models with green industry as the spearhead, creating new and highly competitive growth drivers; At the same time, it demonstrates the efforts of governments in restructuring the economy towards green and sustainable growth. Therefore, reducing greenhouse gas emissions, green economy, digital economy, circular economy and sustainable development are the keys to success for the socio-economic development strategies of countries, localities, enterprise. Vietnam is

entering a new stage of development associated with development goals to 2030, vision to 2045. The 10-year socio-economic development strategy 2021-2030 has set a major direction to change new thinking and action, proactively grasp promptly and effectively take advantage of the 4.0 Industrial Revolution associated with comprehensive and extensive international integration to restructure the economy, develop a green economy, and digital, digital society. This article studies the theory of green growth, sustainable development, benefits and challenges in business development in green growth towards sustainable development, analyzes the current state of business operations and introduces solutions to develop businesses towards green growth and sustainable development in Vietnam in the coming time.

Keywords: Business, Green Growth, Sustainable Development

1. Introduction

When shifting from a linear economy to a sustainable economy, an economic model in which design, production, and service activities aim to extend the life of materials and eliminate negative impacts to the environment, is a global trend. This is considered the best approach to resolve the relationship between economic growth and negative effects on resource depletion, pollution and environmental degradation. A sustainable economy aims to minimize waste and maximize the efficient use of resources, thereby eliminating the traditional “exploit-produce-consume-dispose” model with a more sustainable. This is an opportunity for green growth and sustainable development, not only to achieve socio-economic and environmental goals, but also to respond to climate change.

In addition to implementing the 8 millennium goals including: hunger eradication and poverty reduction; achieve universal education; promote gender equality and reduce child mortality; improve maternal health; HIV and malaria prevention; ensure environmental sustainability; establishing global partnerships for human purpose. Vietnam needs to implement other goals for sustainable development, such as human rights issues as well as economic development. In particular, the issue of business economic development plays an extremely important role.

For businesses, implementing the 10 principles of the Global Compact is a starting point, but the sustainable development goals go further than that. In addition, businesses need to comprehensively apply the Organization for Economic Development Co-operation and Development's Guidance Set for Transnational Corporations. The ISO26000 standard is the most comprehensive guidance standard at present on responsibility. Social responsibility.

This article analyzes the benefits of green growth, as well as the challenges posed and proposes a few solutions for Vietnamese businesses in the green growth process towards sustainable development.

2. Research overview

Green growth concept and benefits of green growth

The concept of green growth officially appeared at the 5th Ministerial Conference on Environment and Development in Asia Pacific in 2005. At this Conference, the United Nations Committee on Regional Economic and Social Affairs Asia Pacific (UNESCAP) has issued an official statement that green growth should be adopted as a strategy towards sustainable development. Green growth is understood as a new development model that changes in nature and is a viable alternative to old development models. The green growth model advocates GDP growth that maintains or restores the quality and integrity of the ecological environment, while meeting the needs of all people with the lowest possible environmental impact. School. It is a strategy that seeks to maximize economic output while minimizing ecological burden [6].

<p>Box 1: Definitions of Green Growth of some countries/international organizations</p>
<p>Different definitions of green growth reflect that each country/organization has different visions of green growth in accordance with the conditions, mission and orientation of their own country and organization. Below is the definition of green growth by some international and national organizations.</p> <p>UNESCAP: Green growth is a growth model that focuses on economic development that ensures environmental sustainability, promotes low-carbon development and an inclusive society.</p> <p>OECD: green growth is a model of economic growth and development, while ensuring that natural assets continue to provide resources and environmental services for people.</p> <p>World Bank: Green growth is a growth model that ensures efficient and clean use of resources with minimal pollution and environmental impacts.</p> <p>GGGI: Green growth is a new development model that ensures economic growth with environmental and climate sustainability. Focus on addressing challenges at the source while ensuring the creation of necessary channels for resource distribution and access to basic goods for human needs.</p> <p>Korea: Green growth is growth achieved by saving and using resources and energy effectively to minimize climate change and environmental damage, creating a driving force for growth. Through research and development of green technology, creating new job opportunities and achieving harmony between economic development and environmental protection.</p> <p>United Nations Green Growth Initiative: Green growth or building a green economy is the process of restructuring economic activities and infrastructure to achieve better results from investments. Resources, human resources and finances, while reducing greenhouse gas emissions, exploiting and using fewer natural resources, creating less waste and reducing social inequity.</p> <p>Vietnam's definition of green growth: Green growth is growth based on the process of changing the growth model, restructuring the economy to take advantage of comparative advantages, improve efficiency and competitiveness of the economy. economy through researching and applying advanced technology, developing modern infrastructure systems to effectively use natural resources, reduce greenhouse gas emissions, and respond to climate change., contributing to poverty reduction and creating a driving force for sustainable economic growth.</p>

Source: OECD, 2011 [9]

The World Bank believes that green growth is effective in using natural resources, minimizing pollution and environmental impacts, having the ability to adapt to natural hazards and the role of environmental and natural capital management in natural disaster prevention [16]. Meanwhile, the OECD believes that green growth includes activities that

promote economic growth and development while ensuring that natural capital sources continue to provide resources and services. Environmental service for our prosperity. To do this, green growth must be a catalyst for investment and innovation, a basis for sustainable growth and enhanced creation of new economic opportunities. [10]. More specifically, the OECD also developed a set of standards for monitoring the implementation of green growth with 16 indicators divided into 5 groups: (1) socio-economic context and characteristics. Characteristics of growth, (2) resource and environmental efficiency, (3) natural resources, (4) quality of life, and (5) economic opportunities and policy responses.

Table 1: Green growth assessment indicators

Number	Target group	Targets
1	Socio-economic context and the characteristic of growth	- Growth, productivity and competition - Labor market education and income
2	Resource efficiency and environment school	- Energy and carbon efficiency - Resource efficiency - Total factor productivity (TFP)
3	Natural assets foundation	- Renewable resources - Non - renewable resources - Biodiversity and ecosystems
4	Lip quality of life school	- Health and environmental risks - Environmental services and amenities
5	Economic opportunities and feedback policy	- Technology and innovation - Environmental goods and services - International financial flows - Pricing and conversions - Regulations and management approaches - Developing training and skills

Source: OECD, 2014 [10]

Green growth concepts and indicators may be different and there is no widely accepted concept, the main reason is that each definition focuses on different specific areas. However, the common point is that the perspectives on green growth and building a green economy all emphasize the relationship between the economy and the environment, the efficiency of natural resource use, environmental protection, economic growth adapted to climate change and social integration [6]. Green growth has completely different characteristics from previous growth models and strategies, which relied heavily on the exploitation and use of natural resources with the consequence of easily leading to environmental pollution. Called brown growth. Green growth is increasingly widely recognized as a new model for development, especially in a global context influenced by two prominent factors: (1) the global economic recession and (2) inadequacies in sustainable development to meet society's expectations. The prolonged stagnation of the global economy and the global financial crises have proven that economic growth models

and strategies are highly unsustainable and ineffective [16]. The green growth model with the benefits it brings in all three aspects: environment, economy and society, is considered the international community's greatest hope to overcome stagnation and move towards sustainable development. Solid.

Table 2: Differences between green growth and brown growth

Green growth	Brown growth
Quality (comprehensive - economic, environmental, social)	Quantity (focus on GDP, focus on economy)
Efficient use of resources (little input, more output)	Uses a lot of resources (lots of input, lots of output)
Modern technology (added value)	Using multiple factors of production (labor, capital, natural capital)
Energy autonomy (renewable energy)	Dependent on energy (fossil fuels)
Adaptation to climate change (high risk, ability to adapt quickly)	Easily affected by climate (high risk, low adaptability)
Sustainable Development	Unsustainable growth

Source: GGGI (2015) [6]

Regarding the relationship between green growth and sustainable development, the OECD emphasized that green growth is a branch of sustainable development, not a substitute for sustainable development. Green growth is fully consistent with the conceptual framework and target groups of sustainable development, but green growth has a narrower scope and focuses more on the relationships between economic growth and environmental protection [6]. Green growth is a method of sustainable development, a strategy, a step to achieve sustainable development.

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Benefits of green growth

Table 3: Benefits of green growth

	Benefit impact	Benefit
Environment	Directly increase benefits	The environment is improved
Economy	Increase benefits through increased income	An increase in productive resources (physical capital, labor resources, and natural capital) Promote innovation, through knowledge of overcoming market defects Increase productivity through correcting market defects and influencing behavior
Society	Increase benefits through effects, reduce volatility and other social indicators	Adapt to natural disasters, adapt to price fluctuations and economic crises Create jobs and reduce poverty

Source: World Bank, 2012 [16]

3. Sustainable development

In 1980, in the "World Conservation Strategy" published by the International Union for Conservation of Nature and Natural Resources (IUCN-International Union for Conservation of Nature and Natural Resources), the goal of sustainable development was set out. Is "achieving sustainable development by protecting biological resources" and the term sustainable development here is mentioned with a narrow content, emphasizing the sustainability of biological development. Ecology, to call for the conservation of biological resources. In 1987, in the Report "Our Common Future", the United Nations World Commission on Environment and Development (WCED), "sustainable development" was defined as "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs." This concept mainly emphasizes the aspect of effective use of natural resources and ensuring a living environment for people during the development process. Sustainable development is a transformational model that optimizes current economic and social benefits without jeopardizing the potential for similar benefits in the future (Gôdian and Hecdue, 1988, GS. Grima Lino).

The connotation of sustainable development was reaffirmed at the Earth Summit on Environment and Development held in Rio de Janeiro (Brazil) in 1992 and supplemented and completed at the World Summit on Environment and Development held in Rio de Janeiro (Brazil) in 1992. Sustainable Development held in Johannesburg (Republic of South Africa) in 2002: "Sustainable development" is a development process with a close, reasonable and harmonious combination of three aspects of development, including: economic development (especially economic growth), social development (especially implementing progress and social justice; hunger eradication and poverty reduction and creating jobs) and environmental protection (especially environmental protection), overcoming pollution, restoring and improving environmental quality; preventing fires and deforestation; rational exploitation and economical use of natural resources).

The concept of sustainable development is gradually formed from the reality of social life and is inevitable. Thinking about sustainable development starts from recognizing the importance of environmental protection and then recognizes the need to resolve social instabilities. In 1992, the United Nations Summit on Environment and Development held in Rio de Janeiro proposed the Global Agenda for the 21st century, according to which sustainable development was defined as: "A development that satisfies the needs of the present generation without compromising the ability of future generations to meet their own needs."

In principle, sustainable development is the process of simultaneously operating three aspects of development: sustainable economic growth, prosperous, equitable and stable society, cultural diversity and a clean environment. Resources are maintained sustainably. Therefore, the complete system of ethical principles for sustainable development includes the principles of sustainable development in all "three legs" of economy, society, and environment.

The sustainable development standards global reporting initiative GRI was developed with the goal of helping organizations report on their environmental, social and economic performance and increase their accountability.

The Global Reporting Initiative (GRI) is known as the most popular framework for voluntary reporting by businesses and other organizations worldwide on environmental and social performance. Brown (2007) states that if judged by its attractiveness, comprehensiveness, transparency, and reputation, GRI has been successful since its promulgation in 1999. GRI is the result of a project of the United Nations. Alliance for Environmentally Responsible Economies (CERES) with the United Nations Environment Program which published its first sustainability reporting principles in June 2000. GRI's performance indicators include a set of central indicators and additional indicators on three core aspects of sustainability: economic, environmental and social indicators. Performance index according to GRI is presented below:

Table 4: Performance index according to GRI 2006 method

Performance index	Center index	Additional index	Total
Economy	10	3	13
Society	16	19	35
Environment	24	25	49
Total	50	47	97

Source: Moneva *et al* (2006)

The latest version of the international standards for sustainability reporting (GRI Sustainability Reporting Standards) and the highest international standards for sustainability reporting were released by the Global Sustainability Standards Board (GSSB) in 2019. 2016 launched the GRI index:

Table 5: Performance index according to GRI 2016 method

Topic	Standard
Economy	GRI 200
Society	GRI 300
Environment	GRI 400

Nguồn: GSSB (2016)

In addition to sustainable development standards according to DJSI and GRI, there are also IFC performance standards, the equator principles, the United Nations global treaty, the international organization for standardization (ISO). Standards this is increasingly being implemented by many commercial banks around the world to enhance social and environmental responsibility in their operations, enhance brand value and engage customers.

Table 6: 17 groups of sustainable development goals of the United Nations

Numerical order	Target
1	Eliminate poverty in all forms everywhere
2	Eliminate hunger, ensure food security and improve nutrition, and develop sustainable agriculture.
3	Ensuring healthy lives and promoting wellbeing for all people of all ages.
4	Ensure quality, open and equitable education and enhance lifelong learning opportunities for all.
5	Achieve gender equality and empower all women and girls
6	Ensure the availability and sustainable management of water resources and improve sanitation for all.
7	Ensure access to affordable, reliable, sustainable and modern energy for all
8	Promote long-term, open and sustainable economic

	growth, full and productive employment and decent work for all
9	Build solid infrastructure, promote open and sustainable industrialization, and encourage innovation.
10	Reduce inequality within and between countries
11	Build cities and residential areas that are open to all, safe, sturdy and sustainable.
12	Ensuring sustainable consumption and production patterns
13	Take urgent measures to combat climate change and its impacts
14	Conservation and sustainable use of oceans, seas and marine resources for sustainable development.
15	Protect, regenerate and encourage sustainable use of terrestrial ecosystems, sustainable management of forest resources, combat desertification, soil erosion and loss of biodiversity.
16	Promote peaceful and open societies for sustainable development, bring justice to all and build effective, accountable and open institutions at all levels
17	Promote implementation and revitalize global partnerships for sustainable development.

Source: VBCSD, 2018 ^[14]

4. Implementation results and challenges of green growth towards sustainable development of businesses in Vietnam

Vietnam has issued the Sustainable Development Strategy for the period 2011 - 2020 aiming at sustainable and effective growth, coupled with progress, social justice, protection of natural resources and the environment, and maintaining stability. Socio-political stability, firmly protecting national independence, sovereignty, unity and territorial integrity.

Indicators for monitoring and evaluating Vietnam's sustainable development in the period 2011-2020 include: comprehensive indicators (green GDP, human development index, environmental sustainability index); Economic indicators (effective use of investment capital, social labor productivity, reduction in energy consumption to produce a unit of GDP, consumer price index, current balance, etc); Social indicators (poverty rate, unemployment rate, rate of trained workers in the economy, sex ratio at birth, inequality coefficient in income distribution, etc); Natural resources and environmental indicators (forest cover rate, protected land rate, degraded land area, etc).

Challenges of businesses when implementing green growth towards sustainable development

Firstly, although green growth and sustainable development are of interest to many localities and implemented by many businesses, their importance is still not really emphasized compared to promoting economic growth. Therefore, the fact that most businesses are not fully aware of the urgency of green growth and sustainable development has become a weakness of Vietnamese businesses in the context of globalization.

Second, businesses need to build and adjust their business growth model. Businesses need to ensure survival and maintain competitive advantage while enhancing social responsibility and strictly complying with environmental regulations. In particular, businesses whose business activities or business technology are not suitable for green growth are under great pressure and challenges when having

to choose technological innovation to survive and develop or decline. Competitiveness and elimination.

Third, to implement green growth and sustainable development, requires businesses to adjust their business strategies, rearrange their organizational structures, along with changes in the thinking and awareness of businesses. Administrators and all employees. Doing this is always a challenge for every business, requiring a lot of resources and time.

Fourth, to successfully implement the roadmap to transition to green growth, towards sustainable development, businesses need to promote technological innovation and deploy research and development (R&D) activities. Requires adequate and stable financial resources. Currently, the number of small and medium-sized enterprises accounts for 98% with low capital, insufficient research and development human resources, and weak quality, while the implementation of green growth and development is limited. Sustainable development requires businesses to invest large costs in research and development activities, personnel training as well as technological innovation. According to survey data from the Ministry of Science and Technology, about 80-90% of machinery and technology used in Vietnamese businesses are imported and 76% from the 80s-90s of the last century, 75%. Machinery and equipment have been fully depreciated. This shows that businesses will encounter many challenges on the path to green growth and sustainable development^[15].

Fifth, businesses always need attention, facilitation, and timely and effective support from the State, expressed through support, incentive policies, and specific action programs. These activities will create a ripple effect in the community and each customer, serving as a source of encouragement and innovation for businesses.

5. Solutions to improve business operations to achieve green growth goals towards sustainable development

Businesses should pay attention to selling green products, using green products, and encouraging green consumption for the whole community^[7]. Good implementation of sustainable development commitments will contribute to affirming brand reputation, improving corporate governance capacity, as well as bringing new opportunities in business cooperation and international integration^[4].

Firstly, businesses need to constantly innovate technology, improve management capacity, and promote creativity to improve the economic efficiency of their businesses. Highly effective business operations are the most basic foundation to ensure the survival of the business before moving towards other goals. Management and operations capacity is a core factor for sustainable development, therefore businesses need to build and perfect a strong management apparatus on the basis of compliance with the provisions of Vietnamese law and the direction of Vietnam's laws. To comply with the sustainability principles of international organizations. Besides, along with constantly improving business efficiency in current business fields, businesses need to pay attention to diversifying business fields and industries, and diversifying customers. And business market.

Second, businesses need to be conscious of creating and enhancing the added value they bring to customers. Bringing the most appropriate benefits and values to customers is the best way to build and maintain sustainable relationships between businesses and customers^[3]. Along with current

values, businesses need to constantly innovate to bring new values to customers.

Third, in addition to aiming to build sustainable relationships with customers, businesses need to pay attention to creating a favorable working environment and conditions for their own staff. These two things are closely related and always go hand in hand. The quality of the staff plays an important role in implementing the sustainable development strategies of the enterprise. Therefore, the quality of human resources not only meets traditional business activities, but also requires them to have a certain awareness and understanding of the green growth and sustainable development orientation of the business. First, commercial enterprises need to ensure the safest and most convenient working conditions for their staff, have appropriate remuneration policies, and training programs to improve productivity and quality. Staff's work quality to better meet customer needs. At the same time, strengthen propaganda and education to raise employees' awareness of the role of green growth and sustainable development, thereby changing the approach and raising interest as well as promoting activities. Apply sustainable development programs throughout the enterprise.

Fourth, businesses need to focus on promoting business and promoting domestic and locally produced products, especially green products. Businesses supporting domestic and local products will help local businesses survive and develop. Promoting cooperation with local manufacturing and distribution businesses will help businesses maintain stability in their commercial activities. Furthermore, this will also ensure a source of income for local people, increase their purchasing power and payment ability, and thereby, bring higher revenue to businesses.

Fifth, businesses need to pay attention to fulfilling their social responsibilities to the community. Businesses cannot develop sustainably if they only care about economic benefits, but do not perform well or even violate their legal, ethical, and social responsibilities. Implementing social responsibility well is reflected first of all in businesses providing products that meet safety standards and good quality to customers, along with services suitable to customers' needs. In their business activities, businesses need to comply with legal regulations, pay taxes fully and be transparent in disclosing tax information, and compete with other businesses in a healthy way^[1]. At the highest level, businesses need to pay attention to contributing to solving community problems, contributing to building a stable and sustainable development community.

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