

Developing Green Entrepreneurship Skills in Indonesia: A Community Perspective

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Abstract: Amid the ascension of climate change and global warming as pervasive issues of worldwide relevance, the urgency for environmental entrepreneurship and sustainable development has been notably emphasized. This focus becomes critical within rapidly maturing economies such as Indonesia, where the potential to significantly influence climate neutrality and business competitiveness is immense, contingent upon the effective cultivation of green entrepreneurial ethos. However, the integration rate of eco-friendly business tenets remains discouragingly static, largely due to acute insufficiencies in consciousness-raising, pedagogical resources, and sector-specific proficiency. The present paper embarks on a critical scrutiny of environmental business opportunities within the Indonesian milieu. A comprehensive discrepancy analysis pertaining to the development of green entrepreneurship proficiencies is detailed, predominantly from a community vantage point. This inquiry constitutes a part of the European-endorsed initiative, the ASEAN Network for Green Entrepreneurship and Leadership (ANGEL), purposed to fortify entrepreneurial competence and sustainable perspective among diverse community stakeholders. Through a methodologically structured survey, engagement with academia, requisite support for communal development, and perceived hindrances to nurturing green entrepreneurship are explored. The findings highlight a substantial interest to the promotion of green entrepreneurship within the community, with resource scarcity emerging as a formidable challenge. Moreover, our discrepancy analysis underscores a pressing need for escalated cooperation among key participants, including local enterprises, governmental agencies, and residential communities, to enable the efficacious actualization of green entrepreneurial ventures. The paper extends its probe to capture the community's perspective on green entrepreneurship, considering the viewpoints of women, minority groups, and financially marginalized segments within urban and rural contexts. Despite a robust commitment towards green entrepreneurship detected in the survey responses, the manifestation of sustainability-centred initiatives remains sparse. The paper concludes by delineating the impediments encountered in the proliferation of green entrepreneurship, underlining the vital need for sustained efforts to overcome these barriers and further propel Indonesia's journey towards sustainability. The research delineated in this paper represents a significant leap towards comprehending and fostering green entrepreneurship in Indonesia, providing crucial insights to stakeholders aiming to act as catalysts for future progression in this domain.

Keywords: Green Entrepreneurship, Green Business, Sustainability, Entrepreneurial Skills, Community, Sustainable Development

1. Introduction

Global warming and climate change associated with industrial human activity led to socio-environmental destruction, that requires an immediate and comprehensive response. A promising economic solution gaining momentum in this critical context is green entrepreneurship. This innovative business approach brings together profitability with sustainability and is particularly crucial in emerging economies like Indonesia. It presents a potential pathway to simultaneously significantly contribute to climate neutrality and business competitiveness. Despite its potential, the development of green entrepreneurship is fraught with significant challenges, including insufficient environmental awareness, lack of necessary educational resources, and industry-specific expertise. The present study aims to conduct an in-depth investigation of these barriers and opportunities for green entrepreneurship within Indonesia's rapidly evolving economy. For this purpose, we present a detailed gap analysis focused on the development of green entrepreneurial skills within the community, a key stakeholder in shaping and delivering sustainability efforts. Our research study is part of the ASEAN Network for Green Entrepreneurship and Leadership (ANGEL) initiative, a project funded by the European Union, aiming to enhance the understanding and adoption of green entrepreneurship in the region.

In collaboration with Universitas Gadjah Mada (UGM), we conducted a gap analysis through a community survey and a focus group discussion (FGD), involving a representative sample of community participants. This mixed-method approach offered a holistic perspective on the community's experiences and expectations, thereby helping us to identify gaps and potential areas of improvement in fostering green entrepreneurship. This paper offers insights into the community's perception and practice of green entrepreneurship, highlighting the strong

commitment to and various challenges faced in pursuing environmentally-friendly business initiatives. It further delves into the current state of support, expectations, and challenges towards green entrepreneurship and leadership, as perceived by the community. The present study underscores the importance of overcoming barriers to green entrepreneurship in an inclusive manner, thereby paving the way for Indonesia's transition towards a sustainable economy.

2. Literature Review

The domain of green entrepreneurship, emerging as a powerful catalyst for sustainable economic development, has piqued the interest of scholars globally. By intertwining financial aspirations with environmental goals, green entrepreneurship unlocks avenues in eco-centric markets (Xiaoyi et al., 2023; Gupta & Dharwal, 2022; Schaper, 2016). Its inception owes to several catalysts. Chiefly, it addresses the intricate weave of economic and environmental dilemmas that societies grapple with, forging a blueprint for economic endeavors aligned with eco-conscious principles. This not only counters prevalent challenges but also holds the promise of a sustainable tomorrow (Mukherjee, Onel, & Nuñez, 2016; Barton, 2010).

Significantly, green entrepreneurship is more than just an economic model; it is a transformative movement heralding a transition to sustainable economies. Such economies, by incubating innovation, have the potential to revitalize job markets, benefiting both urban and rural demographics and, in turn, rejuvenating national economies (Chandel, 2022; Haldar, 2019). As Papageorgiou et al. (2021a) contend, traditional tools used in entrepreneurial endeavors often portray a static perspective on business conditions. They advocate for dynamic approaches that consider both present and future interrelationships among pivotal business entities. The emphasis on systems theory and dynamic modeling, as noted in their research, provides valuable insights into the holistic environment in which green entrepreneurship operates.

Yet, the path to widespread green entrepreneurship is strewn with hurdles, especially in emerging economies like Indonesia. Limitations range from limited environmental cognizance and capital constraints to the dearth of requisite training infrastructures (Muo & Azeez, 2019). Papageorgiou et al. (2021b) further supplement this by highlighting the value of systemic configurations in supporting entrepreneurial ventures. The incorporation of system thinking and dynamics tools, especially in sectors like the creative arts, can effectively elevate the chances for survival and prosperity of entrepreneurial endeavors by spotting opportunities and enhancing creativity. Given this context, Indonesia's green entrepreneurship arena, despite its pivotal role in global environmental conservation and competitive business, is glaringly under-researched. This research vacuum, juxtaposed with Indonesia's rapid economic ascent, accentuates the significance of scholarly investigations in this realm. Indonesia's role in the ASEAN ensemble, coupled with its endorsement of endeavors like the ASEAN Network for Green Entrepreneurship and Leadership (ANGEL) initiative, underscores the urgency of such an exploration.

Connecting the dots between social entrepreneurship and green entrepreneurship, especially in Asia's dynamic backdrop, is vital. Green entrepreneurship can be seen as a subset of the broader social entrepreneurship movement, with its emphasis on solving societal challenges through business acumen (Hockerts, 2015,2017). Our inquiry, anchored in Schumpeter's (1942) elucidations on innovative entrepreneurs' economic role and fortified by Hockerts' perspectives, seeks to delve into the multifaceted realm of green entrepreneurship. This encompasses societal, economic, and environmental facets, dissecting their potential to fuel sustainable growth in Indonesian communities. In echoing the broader objectives of the ANGEL initiative, we aspire to deepen the comprehension of green entrepreneurship within Indonesian societies and bridge the gap between the domains of social and green entrepreneurship.

3. Methodology

Utilizing a mixed-methods approach, as advocated by Creswell and Clark (2017) and Molina-Azorin (2012), our research aimed to unpack the intricacies of green entrepreneurship within the Indonesian community. This approach was chosen for its capability to harness both quantitative and qualitative data, thereby ensuring a comprehensive understanding of the topic. The initial phase involved a survey informed by the theories of Cohen and Winn (2007). The survey consisted of several segments. The Demographics segment was designed to gather fundamental data on the participants, facilitating a nuanced demographic-based analysis. The Engagement segment focused on evaluating the nature and depth of interactions between the community and the university, drawing inspiration from York and Venkataraman's (2010) model. The Needs/Support segment aimed to identify specific needs for community development and their preferred sources of support. In the Expectations segment, the survey gauged the satisfaction levels of the participants concerning the role of universities and their aspirations for future engagement. Lastly, the Challenges segment consisted of an open-ended question to

identify specific barriers that the community faces in promoting green entrepreneurship. Subsequent to the survey, a Focus Group Discussion (FGD) was organized, following the guidelines presented by Krueger and Casey (2014). This discussion was primarily driven by the insights gained from the survey. It was also informed by Schaltegger's (2002) work on ecopreneurship and Gibbs' (2009) model for sustainability entrepreneurship. The FGD provided a platform for participants to delve deeper into issues surrounding green entrepreneurship, offering qualitative insights that complemented the survey findings.

Finally, ethical considerations played a pivotal role throughout our research process. Maintaining the highest ethical standards was of utmost importance. All participants were thoroughly informed about the study's objectives, methodologies, potential outcomes, and implications. Ensuring the confidentiality of the participants was a primary concern; thus, all collected data was anonymized and stored securely. Furthermore, focus group discussions were conducted with utmost respect to participant comfort, and every participant was given the freedom to withdraw from the study at any point. Our adherence to these stringent ethical practices was reviewed and approved by a relevant ethics committee, further solidifying the study's credibility and our unwavering commitment to ensuring the well-being of all participants.

4. Results

Within the conducted survey, a representative group of eleven entrepreneur-respondents were analyzed to uncover insights into green entrepreneurship within the local Indonesian community. Both men and women participated in the survey with their age distribution spanning from 27 to 66 years, with a median of 46 and an average of 43 years. With regard to their interaction with Green Entrepreneurship, the range fluctuates between 1 to 28 years, showcasing a varied interaction spectrum. The findings reveal a substantial interest to green entrepreneurship and leadership. However, it is evident that dedicated study programs emphasizing sustainability are limited. Some of the pressing challenges participants indicated include the difficulty in educating communities on sustainable habits, ensuring continuous organizational growth, balancing business funds, synchronizing the green conceptual framework with market demand, and managing production waste efficiently. A recurring theme was the necessity for intensified mentoring, swift access to supporting institutions, and the ability to manage the diverse backgrounds of members within the community.

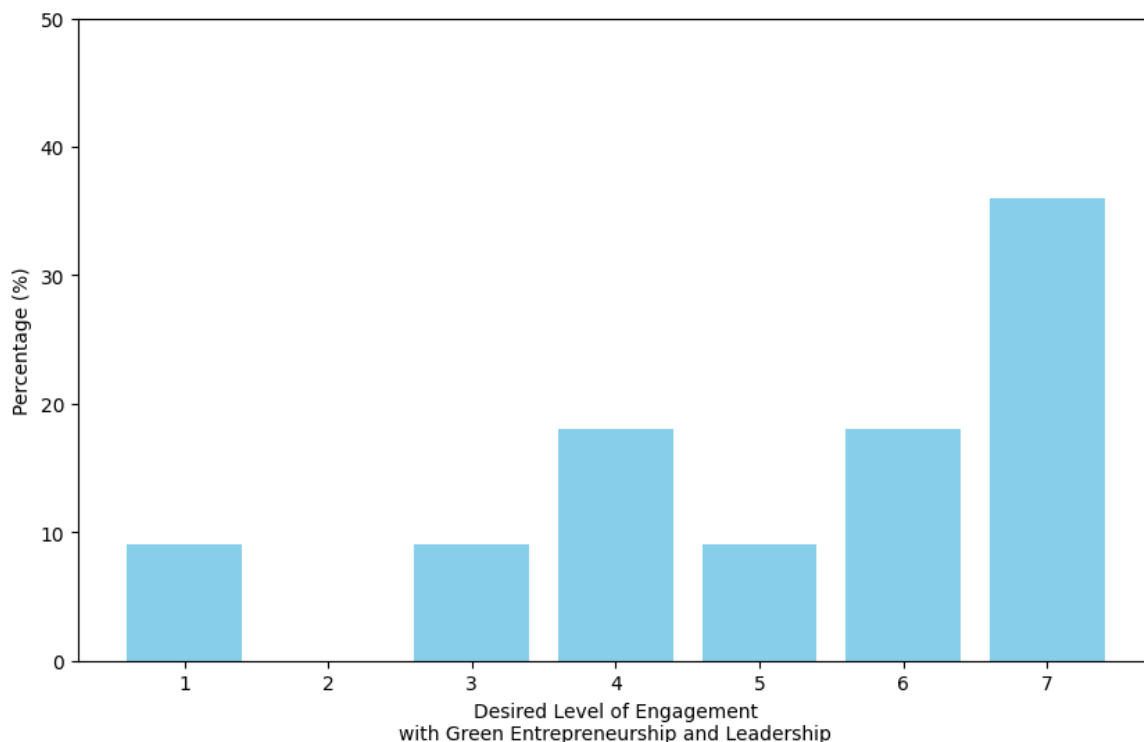


Figure 1: Community's Desired Level of Engagement with Green Entrepreneurship and Leadership

In one particular question in the survey, participants evaluated the extent to which they believe university/educational institutions should be involved with their community regarding green entrepreneurship and leadership. As illustrated in the bar chart of Figure 1, participants displayed diverse opinions on the desired level of involvement. Specifically, 9% feel should maintain its current engagement, represented by "1" on the

scale, where "1" denotes the least engagement and "7" signals the maximum. Further, 9% chose level "3," 18% identified with level "4," levels "5" and "6" were selected by 9% and 18% respectively. Notably, a significant 36% expressed a strong wish for engagement with Green Entrepreneurship and Leadership, highlighted by level "7." The collective insights from Figure 1 underscore the community's strong preference for Green Entrepreneurship. This finding provides an opportunity to governmental and educational institutions to support the community and play a more proactive role in advancing green entrepreneurship and leadership initiatives.

In the Focus Group Discussion (FGD), we delved deeper with four selected participants, all of whom have affiliations as entrepreneurs dedicated to green initiatives and are alumni of university MBA programs. These participants bring a wealth of insights from the entrepreneurial landscape, shedding light on the practical challenges of integrating green initiatives into traditional business models. They highlighted the impediments in securing environmentally-friendly supplies, pointing out the practical drawbacks of biodegradable packaging and consumer preferences that often tilt towards non-sustainable options for reasons such as hygiene. An evident gap emerged during discussions: the pace at which green business practices evolve in the market far outstrips the rate at which academic institutions integrate such practices into their curriculum. While there is a budding emphasis on sustainability in academic discourse, the practical business solutions and a full-fledged commitment to a green community seem lagging.

A notable expectation from these academic institutions is the urgent need for them to accelerate knowledge creation around sustainability. Participants expressed a desire for increased research, tangible studies, and shared practical experiences in this domain. Furthermore, there was a palpable demand for academic institutions to establish dedicated centres fostering green communities. These centres are visualized as hubs of interaction among scholars, entrepreneurs, government officials, and the broader community, fostering discussions and knowledge sharing on sustainability. Drawing on these insights, it becomes clear that the pathway to a greener business future is not without its set of challenges. The commitment of businesses to adopt more sustainable practices is driven not just by entrepreneurial vision but also by the evolving demands of consumers and the environment. Businesses, therefore, are poised at a crucial juncture where they must adapt to this emerging trend. Yet, to do so effectively, they require the cohesive support of academic institutions, government policies, and community initiatives.

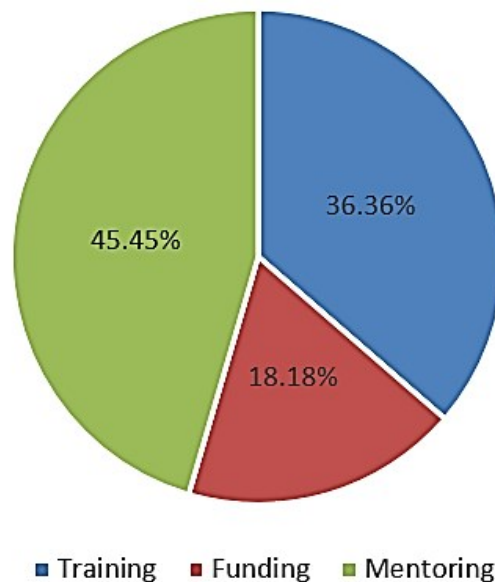


Figure 2: Desire Support on Green Entrepreneurship and Leadership by the Community

To understand the kind of assistance participants, need in promoting green entrepreneurship and leadership within their communities, we presented them with several options. The pie chart in Figure 2 captures these preferences. A compelling 46% of the respondents recognized "Mentoring" as the paramount form of support, underscoring the critical role of experienced guidance in this journey. Following this, 36% of respondents emphasized the significance of "Training," indicating the importance of honing skills and knowledge in this realm. Additionally, "Funding" was highlighted by 18% of respondents, spotlighting the role of financial backing for sustainable ventures. The varied responses in Figure 2 provide a comprehensive view of the main needs of communities for support when embarking on green entrepreneurial paths and hint at the potential roles of

educational institutions to cater to these needs. It is quite remarkable that entrepreneurs of local Indonesian communities choose to be educated on green entrepreneurship (82%) compared to be financially supported (18%).

5. Discussion

The Indonesian community's evident enthusiasm towards green entrepreneurship showcased through our survey and FGD results, is indeed promising. However, this enthusiasm, while strong, faces various challenges that hamper the full realization of tangible green enterprises. These challenges, notably in educating communities, balancing business funds, managing waste, and bridging the gap between sustainability concepts and market demands, corroborate global sentiments faced by green entrepreneurs. This community's unique challenges align with Hockerts's (2015, 2017) study on social entrepreneurial intentions, reinforcing the importance of an individual's attitude combined with perceived behavioural control in shaping entrepreneurial ambitions. Our study underscores the pressing need for institutions to be more proactive, not only in integrating sustainability into their curriculum but also in fostering dedicated hubs that promote and nurture green communities. Such sentiments have been echoed by scholars like Gibbs (2009) and Schaltegger (2002) who advocate that 'ecopreneurs' hold the key to a sustainable economy, but their potential can be unleashed only through well-planned interventions.

6. Conclusion

Green entrepreneurship in Indonesia presents a complex landscape. While there's clear excitement for sustainable practices, evident challenges remain that threaten to impede progress. The commitment of the community is unwavering, but the path to manifesting this vision is marred by obstacles, from funding shortfalls to knowledge disparities, and the ever-present market dynamics. Our study, however, signals potential pathways to navigate these challenges. Recommendations span policy adjustments, infusing sustainability into academic teachings, and a fortified community engagement model. In broader strokes, our research findings underscore the intricacies of championing green entrepreneurship in emerging economies like Indonesia. The way forward demands a cohesive effort from all societal segments, including government, academia, business sectors, and the broader community. It is through this collaborative push that we can overcome existing barriers, paving the way for a sustainable business landscape and ensuring a greener tomorrow for Indonesia and other analogous economies.

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