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Ethics in Merging Blue and Green Economies: Corporate Social Responsibility for Sustainable Development in Indonesia

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Abstract. The integration of blue and green economy is an important approach in achieving sustainable development in this modern era. In this context, corporate social responsibility (CSR) plays a crucial role in encouraging companies to contribute positively to the environment and society. This article discusses the ethical aspects of the integration of the two economies, focusing on how companies can apply sustainability principles in their business practices. Through qualitative analysis and case studies, this study identifies the challenges and opportunities faced by companies in implementing blue and green economy practices. The results show that companies that adopt this approach not only have a positive impact on the environment but also improve their image and competitiveness in the global market. By integrating ethical values into their business strategies, companies can achieve better sustainability and create long-term benefits for all stakeholders. This study provides recommendations for companies to be more proactive in implementing CSR that focuses on the integration of blue and green economy, so that they can contribute to sustainable development effectively in Indonesia.

Keywords: Blue Economy, Green Economy, Corporate Social Responsibility, Sustainable Development, Indonesia

1 Introduction

Sustainable development has become a pressing global issue, especially in developing countries like Indonesia. With abundant natural resources, Indonesia has great potential to implement the principles of blue and green economy. Blue economy focuses on the sustainable use of marine resources, while green economy emphasizes reducing the environmental impact of economic activities [1]. Integrating these two concepts into business practices can help companies not only achieve economic benefits but also contribute to community welfare and environmental preservation.

Corporate social responsibility (CSR) is an important tool in realizing the integration of the blue and green economy. Through innovative CSR programs, companies can play an active role in maintaining marine and terrestrial ecosystems, as well as improving the quality of life of local communities. According to data from the Global Reporting Initiative (GRI), more than 90% of large companies in Indonesia have implemented some form of CSR, but not all of these programs focus on

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environmental sustainability [2]. Therefore, this study aims to explore how companies in Indonesia integrate blue and green economy principles into their CSR strategies.

In this context, it is important to understand the challenges that companies face in implementing such strategies. Many companies are still trapped in the old paradigm that prioritizes short-term profits without considering the long-term impact on the environment and society. A study by McKinsey & Company [3] shows that companies that do not adapt to sustainability demands will face significant reputational and financial risks. Therefore, companies need to develop a more holistic and sustainable approach to running their business.

In addition, support from the government and society is also very important in encouraging the integration of the blue and green economy. Policies that support sustainability, such as tax incentives for companies investing in environmentally friendly projects, can encourage more companies to adopt sustainable practices. According to the Ministry of Environment and Forestry of the Republic of Indonesia, around 30% of total investment in the environmental sector comes from companies committed to CSR [4]. This shows that there is great potential to increase the private sector's contribution to sustainable development.

Through this research, it is expected to gain a deeper understanding of how companies in Indonesia can integrate the blue and green economy into their CSR strategies by looking at the long-term effectiveness of existing environmental activities. As well as how the challenges and opportunities faced in the process through corporate social responsibility towards environmental management. Thus, this research will not only provide academic but also practical contributions to the development of more sustainable business policies and strategies in Indonesia.

2 Research methods

This study uses a qualitative approach to explore the integration of blue and green economy in corporate CSR practices in Indonesia. This method was chosen because it allows researchers to gain in-depth insights into the experiences and perspectives of industry players. Data were collected through semi-structured interviews with CSR managers from various companies operating in the fisheries, agriculture, and renewable energy sectors.

Interviews were conducted using a guide that included questions about the company’s CSR strategy, challenges faced in integrating the blue and green economy, and the impact of these initiatives on the environment and society. A total of 15 companies were selected as a sample, taking into account company size, industry sector, and commitment to sustainability. Data obtained from the interviews were then analyzed using thematic analysis techniques to identify emerging patterns and themes.

In addition to interviews, this study also involved analysis of company documents, such as sustainability reports and CSR policies. These documents provide additional information about the company's commitment to sustainability and the steps taken to achieve these goals. By combining data from interviews and document analysis, this study aims to provide a comprehensive picture of CSR practices that focus on the integration of the blue and green economy in Indonesia.

Case studies are also used to explore best practices from companies that have successfully integrated the blue and green economy into their CSR strategies. Through case analysis, researchers can identify key factors that contribute to the success of these initiatives, as well as lessons that can be learned by other companies. With this approach, this study is expected to provide practical recommendations for companies in developing more sustainable CSR strategies.

Finally, this study also considers the social and cultural context in Indonesia that can influence CSR implementation. Factors such as community values, government policies, and local economic conditions become an important agenda to explain the influence of corporate CSR practises. In this study, the description of the analysis will be limited to see how the company's CSR process is influenced by government policies and the role of government support in supporting long-term practises in driving the blue economy. Thus, this study does not only focus on environmental aspects, but also considers broader social and economic dimensions in the context of sustainable development in Indonesia.

3 Research Results and Discussion

3.1 The Concept of Blue and Green Economy in CSR Practice

The integration of blue and green economy in CSR practices in Indonesia shows significant variation between industry sectors. In the fisheries sector, for example, many companies have begun to implement sustainable fishing practices to reduce negative impacts on marine ecosystems. According to data from FAO [5], around 60% of the world's fish population has been overfished, making it important for companies to switch to more sustainable methods. Several companies in Indonesia, such as PT Perikanan Nusantara, have adopted sustainable fishing practices with certification from the Marine Stewardship Council (MSC), which not only improves the company's reputation but also provides long-term economic benefits.

On the other hand, the agricultural sector has also begun to adopt green economy principles by implementing sustainable agricultural practices. For example, companies engaged in the agro-industry sector have begun to use organic farming and agroforestry methods to reduce the use of pesticides and chemical fertilizers. According to a report from the Ministry of Agriculture, the implementation of organic farming in Indonesia has increased by 25% in the last five years [2]. This shows that companies are increasingly aware of the importance of sustainability in their operations and are trying to meet the demands of consumers who are increasingly concerned about the environment.

However, challenges in integrating the blue and green economy remain. Many companies are still trapped in the old paradigm that prioritizes short-term profits, making it difficult to allocate resources to sustainability initiatives. A study by PwC [6], shows that a lack of understanding of the long-term benefits of sustainable practices is one of the main obstacles to effective CSR implementation. Therefore, education and awareness of the importance of sustainability need to be increased among company management.

In addition, government support is also very important in encouraging companies to adopt blue and green economy practices. Policies that support sustainability, such as tax incentives for companies that invest in environmentally friendly projects, can encourage more companies to adopt sustainable practices. According to the Ministry of Environment and Forestry of the Republic of Indonesia, around 30% of total investment in the environmental sector comes from companies committed to CSR [4]. This shows that there is great potential to increase the private sector's contribution to sustainable development.

By adopting the principles of blue and green economy in CSR practices, companies not only contribute to environmental sustainability but also enhance their reputation and competitiveness in the market. In the long run, companies committed to sustainability will be better able to face the challenges posed by climate change and natural resource depletion, and gain support from consumers who are increasingly concerned about environmental issues. The blue and green economy are two complementary approaches to achieving sustainability goals. The blue economy focuses on the sustainable use of marine resources, while the green economy emphasizes reducing the environmental impact of economic activities on land. According to a World Bank report, the blue economy can make a significant contribution to economic growth, with the potential to increase global GDP by US$3 trillion per year [1].

3.2 The Role of Corporate Social Responsibility in the Context of the Blue and Green Economy

Corporate social responsibility (CSR) plays a vital role in driving the integration of the blue and green economy in Indonesia. Through CSR programs that focus on sustainability, companies can make positive contributions to the environment and society. For example, many companies invest in waste management and natural resource conservation projects as part of their CSR initiatives. According to a report by the Sustainable Development Solutions Network (SDSN) [7], companies that are active in CSR have a greater chance of attracting investment and increasing customer loyalty.

One prominent example is the CSR initiatives of renewable energy companies, such as PT Energi Baru Pembaruankan, which has developed a solar power generation program in remote areas. This program not only provides access to cleaner and more affordable energy for communities, but also contributes to reducing carbon emissions. According to data from the Ministry of Energy and Mineral Resources (ESDM), the use of renewable energy in Indonesia has increased by 15% in the past two years, indicating that companies are increasingly committed to sustainability.

However, challenges in implementing CSR focused on the blue and green economy remain. Many companies still face difficulties in measuring the impact of their CSR programs. A study by Deloitte [8], shows that the lack of clear indicators to evaluate the success of CSR initiatives is one of the main obstacles in corporate decision-making. Therefore, it is important for companies to develop an effective measurement system to assess the impact of their sustainability programs.

Support from the government and the community is also very important in encouraging companies to adopt sustainable CSR practices. Policies that support sustainability, such as tax incentives for companies that invest in environmentally friendly projects, can encourage more companies to adopt sustainable practices. According to the Ministry of Environment and Forestry of the Republic of Indonesia, around 30% of total investment in the environmental sector comes from companies committed to CSR [4]. This shows that there is great potential to increase the private sector's contribution to sustainable development.

Thus, the role of CSR in driving the blue and green economy is very important. Companies that integrate sustainability principles into their business strategies not only contribute to environmental preservation, but also improve their competitiveness and reputation in the market. In the long term, companies that are committed to sustainability will be better able to face the challenges posed by climate change and the decline of natural resources, and gain support from consumers who are increasingly concerned about environmental issues.

4 Conclusion

The integration of blue and green economy in CSR practices in Indonesia is an important step towards sustainable development. Companies that implement these principles not only contribute to environmental conservation but also enhance their reputation and competitiveness. Although there are challenges in implementation, support from the government and society can encourage more companies to adopt sustainable practices. This research is expected to provide insights for stakeholders in formulating more effective policies to support sustainable development in Indonesia.

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