Article

The Sustainability of Small Industries Thriving across Generation in Rural Areas

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Abstract: This study investigates the sustainability level of small industries that have persevered for up to three generations in rural areas of Indonesia, addressing the significant issue of high failure rates among small industries. Utilizing the Triple Bottom Line framework, this study examined the economic, social, and environmental performance of four small industries that have thrived for multiple generations in Indonesia. Data collection involved semi-structured interviews, focus group discussions (FGDs), and secondary company data. Thematic analysis principles using N-Vivo 12 software were applied to analyze qualitative data, while the RAP 2016 software version R was used for assessing the sustainability index and status. The research findings revealed that the sustainability status of small industries that survived for up to three generations in rural areas was predominantly unsustainable. Economic performance exhibited variability, some falling into the less sustainable category, while social and environmental performances were deemed moderately sustainable. The practical implications of the findings are as follows: the level of competition, government policy, and market access are the most sensitive factors that should be considered to improve economic performance. Meanwhile, small industries must maintain and enhance their social and environmental performance to ensure stability. In addition, the theoretical implication of this finding suggests that the concept of “sustainability” cannot solely be represented by the company’s longevity. Long-lasting small industries may not necessarily be economically, socially, and environmentally sustainable.

Keywords: small industries; business performance; longevity; sustainability; rural areas

1. Introduction

Indonesia is a developing country with abundant small industries flourishing in rural areas. This phenomenon becomes increasingly evident with the continuous growth of small industries, at approximately 27% per year [1]. Unfortunately, an equal number of small industries fail to survive. Most newly established small industries can only sustain themselves for 5–10 years [2]. Small industries, thus far, are considered vulnerable and face numerous limitations, such as capital, labor, networks, infrastructure, and other factors [3–6]. Hence, the presence of long-lasting small industries that survive across generations in rural areas becomes a compelling and significant subject for investigation.

In rural East Priangan, Indonesia, numerous small industries owned by local Sundanese entrepreneurs have thrived for three generations, amassing over 60 years of operational history. These industries use forest resources to specialize in traditional food products such as tofu, crackers, dodol (a sweet treat made from glutinous flour), and woven handicrafts using forest resources. Initially, their businesses may not appear to exhibit significant year-to-year growth. However, existing studies in the literature portray the “longevity” or “survivability” of small industries as integral components of “sustainability.” Consequently, this research raises interesting questions: “What is the performance of small industries that have survived across generations?” and “Can these small industries, which
have demonstrated long-term viability and resilience for three generations, be categorized as sustainable small industries?“.

Small industries cannot rely solely on longevity as a symbol of business success. In the new perspective, placing an emphasis on sustainability in business is crucial. Sustainable entrepreneurship has become highly important as it can provide significant benefits to companies, society, and the environment [7]. This is achieved through improving financial, social, and environmental performance. Sustainability has evolved from a mere “keyword” to a core concept seeking a new balance between ecosystems and humans. To achieve this goal, all stakeholders must make significant efforts to create sustainability, particularly in the case of small industries [8]. Thus, it is essential to emphasize that sustainability in small industries means balancing needs and generating profits while safeguarding the environment and all relevant stakeholders. This concept is derived from the principles of sustainable development, mapped to the domain of small-scale businesses.

Applying the concept of sustainability to small industries is challenging. Small industries are widely acknowledged to be susceptible to failure due to inherent limitations, including restricted resources, capital, and infrastructure [9]. Consequently, achieving sustainability for small industries is considered difficult, if not unattainable. However, focusing on critical factors significantly influencing business performance can facilitate sustainability. Hence, small industries with long-term viability can also strive for business sustainability, characterized by favorable economic, social, and environmental performance. By adopting this approach, we believe that this study will contribute to the theory of development and practical issues.

Interestingly, some of the literature has equated the “longevity” or “survivability” of small industries with the concept of “sustainability.” Hence, this research addresses the following questions: “How do small industries surviving across generations perform?” and “Can small industries thriving for three generations be classified as sustainable?” To bridge these gaps, the research is structured as follows: We begin the discussion by presenting our introduction and research approach, a comprehensive literature review, and a description of the data collection and analysis method. Subsequently, we elaborate on the research findings, followed by a discussion and conclusion.

2. Literature Review

2.1. Business Sustainability in Small Industries

In business or entrepreneurship studies, sustainability is translated as something that “meets the needs of stakeholders without compromising its ability to meet the needs of future generations” [10]. Savitz and Weber stated that a sustainable company is “one that creates value for shareholders while protecting the environment and enhancing the lives of people involved in it.” Thus, sustainability emphasizes balancing needs and profits while protecting the environment and all related stakeholders [11].

The concept of sustainability highlights the importance of aligning human and business needs with their natural and social environment. Nature provides essential resources such as food, beverages, and shelter, while industries produce goods to meet human requirements. Companies, acting as suppliers of goods and services, aim to generate profits, while society contributes labor in exchange for wages and salaries. Customers consume products and services for their livelihood, and investors provide funding for favorable returns. The interaction between companies and their natural and social environment is called the Triple Bottom Line (TBL). Researchers [10,11] have utilized this concept to evaluate the sustainability of companies, measuring their economic performance, social performance, and environmental performance. Elkington emphasized the need to balance the interests of shareholders with the needs of the government, suppliers, trade associations, employees, communities, customers, and political groups. The Triple Bottom Line framework recognizes that the economic dimension focuses on the well-being of the company [12,13], while the environmental dimension emphasizes resource consumption and waste management. Furthermore, the social dimension concentrates on a company’s impact on stakeholders.
such as employees, communities, and customers. Consequently, a company’s success today must encompass not only economic but also environmental and social aspects [10]. Research concerning sustainability in small industries includes [2], which suggests that traditions or cultural values are one of the factors influencing the sustainability of small industries in developing countries. Furthermore, other studies have demonstrated the significance of tradition and innovation as strategies for family business sustainability in Japan; similarly, in Italy, local traditions and succession planning were also identified as crucial factors for small business sustainability [2]. Research on ethnic Chinese revealed that certain Chinese cultures and traditions, such as guanxi, play a vital role in the sustainability of their businesses [2]. A study by Lawrence, et al. in New Zealand compared sustainability practices among small, medium, and large enterprises. Small businesses showed relatively good social concerns, particularly towards employees and the community [9]. In another study, Borga, et al. argued that the lack of sustainability reporting guidelines is one of the main barriers for small businesses to implement sustainability. Important reporting guidelines include corporate identity, economic, social, and environmental impact. The key economic impacts include equity and profit/loss; social impacts include relationships between the business and employees, customers, suppliers, the local community, public authorities, and other stakeholders; meanwhile, environmental impacts are identified in terms of raw material usage, energy consumption, water consumption, air emissions and noise levels, waste management, and environmental impacts of products [9].

Indeed, several experts argued that there is no standardized measurement tool to assess sustainability, especially for small industries. The measurement of sustainability is highly subjective. Often, the definition of success for small industries is highly personal. Therefore, creating a measurement tool for sustainability in small industries can only be individually developed following the company’s specific conditions [14–17].

2.2. Small Industry Sustainability Index

The sustainability index for measuring sustainability in small industries generally is determined based on the Dow Jones Sustainability Index (DJSI). The calculation method for sustainability provides the foundation for computing the diversification index. The sustainability index variables vary for each specific project, employing indicator levels for each sub-index and deriving scores accordingly. Subsequently, an overall level and value for the parameters are summarized and subjected to further analysis to facilitate decision-making.

A precise definition with a specific purpose is essential for a sustainability index. For instance, Esty, et al. emphasized that the Environmental Performance Index (EPI) focuses on a country’s impact on the environment and comprises 25 indices [17]. The weight assigned to the index is also significant. It can be determined through various approaches, such as the adaptive weightage system, knowledge-based weightage system, and expert-based weightage system. Moreover, an appropriate method to aggregate the indicators and generate the index should be employed.

Indonesia has developed the Corporate Sustainability Index for Indonesia (CSII) with reference to the DJSI, established by Bapenas. However, sustainability index reporting in Indonesia, particularly for small industries, is currently lacking. The main problem lies in the lack of understanding and information concerning sustainability reporting, thus hindering the reporting in the country.

3. Methods

3.1. Data Collection

We adopted a case study design to gain an in-depth understanding of the sustainability level in small industries that have survived across generations [18]. The sample comprises small industries owned by the Sundanese ethnic group, selected through a purposive sampling. It necessitates strategically selecting small industries that have sustained operations for at least three generations in the rural East Priangan, West Java Province. Given the
limited number of small industries meeting the three-generation criteria in the research location, only four selected small industries fulfill the specified criteria. These selected industries encompass traditional food production and craft manufacturing within rural East Priangan (Table 1).

Table 1. Characteristics of small industries as analytical units.

<table>
<thead>
<tr>
<th>Company</th>
<th>Small Industries</th>
<th>Product Description</th>
<th>Established</th>
<th>Location</th>
<th>Number of Employees</th>
<th>Output (Average Production/Year)</th>
<th>Average Turnover/Year (Rupiah)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Pancarasa</td>
<td>Crackers</td>
<td>1961</td>
<td>Ciamis</td>
<td>17</td>
<td>96 ton</td>
<td>IDR 210,000,000</td>
</tr>
<tr>
<td></td>
<td>Kerupuk</td>
<td>as the main ingredient mixed with fish seasoning. Kerupuk, also known as crackers, is a popular snack in Indonesia and is commonly consumed as a side dish with rice. It has become a staple food in daily meals.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Dodol Sarinah</td>
<td>Dodol is a traditional food specialty from the city of Garut. It is a type of cake with a sticky texture made from glutinous rice flour, palm sugar, and coconut milk.</td>
<td>1964</td>
<td>Garut</td>
<td>11</td>
<td>36 ton</td>
<td>IDR 152,000,000</td>
</tr>
<tr>
<td>3</td>
<td>Binangkit Woven</td>
<td>The distinctive handicraft from Tasikmalaya is made from pandan or rattan, woven with specific motifs. The resulting products include woven bags, wallets, kitchen utensils, and others.</td>
<td>1960</td>
<td>Tasikmalaya</td>
<td>10</td>
<td>750 products</td>
<td>IDR 148,000,000</td>
</tr>
<tr>
<td>4</td>
<td>Sari Bumi Tofu</td>
<td>Tahu or tofu is a food made from coagulating soybean milk residue. Tofu is a typical food from Sumedang Regency. It is sold in the form of fried tofu.</td>
<td>1971</td>
<td>Sumedang</td>
<td>12</td>
<td>55,000 pc</td>
<td>IDR 215,000,000</td>
</tr>
</tbody>
</table>

Source: Company data output, 2020 (Notes: USD 1 in 2020–2021 = IDR 14,050).

This research was conducted between August 2020 and February 2021, employing two data collection methods. Primary data were collected through two means: (1) semi-structured interviews conducted with entrepreneurs from multiple generations within the small industry sector, and (2) focus group discussions involving various stakeholders, including small industry entrepreneurs, workers, suppliers, local authorities, and the surrounding community as consumers. A total of 114 participants were involved in this FGD. These interviews and FGDs aimed to gather data for analyzing the economic, socio-cultural, and environmental performance of the small industries based on predetermined attributes sourced from relevant references. Additionally, secondary data for assessing sustainability in terms of economic, social, and environmental aspects were obtained from various company reports. This research consolidated a range of attributes suitable for measuring the performance of small industries, drawing upon relevant references [14–16,19,20].

3.2. Data Analysis

The data analysis was divided into two parts. The first part involved the analysis of secondary data, consisting of quantitative data obtained from company reports to measure the sustainability index and status. These data were analyzed using RAP software. To measure the sustainability index of small agro-industry management, this research utilized Rapid Appraisal Analysis. Rapid Appraisal (RAP) is a multidisciplinary method for evaluating comparative sustainability based on easily scoreable indicators. This method is relatively simple and flexible, accommodating creativity in its approach to a problem. In Rapid Appraisal Analysis, resources can be defined as an entity within a broad or narrow scope. Several attributes of resources can be compared. Attributes from each dimension to be evaluated can be selected to reflect sustainability based on relevant research [17].
A depiction of small industry management sustainability will be presented as a diagram that displays the index values and sustainability status of each assessed dimension. The analysis results will be accompanied by sensitivity analysis. Sensitivity analysis (leverage) will be conducted to identify sensitive attributes contributing to the resulting index values. The influence of each attribute will be observed in terms of changes in the root mean square (RMS) ordination, particularly on the x-axis or the sustainability scale. The larger the value of RMS change resulting from the loss of a particular attribute, the greater the role of that attribute in shaping the sustainability value of a dimension on the sustainability scale. In other words, the attribute becomes more sensitive regarding small industry management sustainability in the research location.

The second part involved the analysis of primary data collected through interviews and focus group discussions (FGDs), consisting of qualitative data used for triangulation to strengthen the findings obtained from the RAP software analysis. Thematic analysis principles were applied to analyze the qualitative data, focusing on identifying recurring themes from the interviews. Thematic analysis is an approach that identifies and analyzes patterns or themes within data sources [21]. The analysis process included initial coding, where the data were thoroughly read, and codes were assigned to the transcriptions. Themes were then generated based on these initial codes, followed by a review of the themes to gain a deeper understanding. Finally, each theme was named and defined to clarify its meaning, distinctions, and connections between different themes [21]. NVivo 12 software was utilized to facilitate this process. Key statements, including direct quotations from participants during the interviews, were incorporated to support arguments and enable readers to comprehend the original text [16].

4. Result
4.1. Sustainable Level of Small Industries That Have Survived across Generations in Rural Areas

Overall, the results of measuring the sustainability index and status for the four small agro-industries indicated that Pancarasa Crackers (sustainability index 59.72) and Sari Bumi Tofu (sustainability index 52.77) were categorized as moderately sustainable, while Dodol Sarinah (sustainability index 43.88) and Binangkit Woven (sustainability index 26.64) were considered less sustainable (Figure 1).

![Figure 1. Analysis of sustainability index and status in small industries.](image-url)
These findings are significant in this research, as they reveal that long-standing small industries that have survived across generations do not guarantee sustainability. This study emphasizes that “longevity” and “sustainability” are not identical. A small industry with a long history does not necessarily imply economic, social, and environmental sustainability. Therefore, these long-standing small industries can only be categorized as “surviving” or “enduring” rather than truly sustainable. Next, this study elaborates on the economic, social, and environmental performances of the four small industries being examined.

4.1.1. The Sustainability of Economic Dimension in Small Industries

The analysis of the sustainability index and status in small industries in terms of economic dimension and the sensitive factors influencing economic performance is presented in Figure 2.

The calculation of the RAP IK (sustainability performance index) for the economic performance in Pancarasa Crackers (sustainability index 55.09) and Sari Bumi Tofu (sustainability index 51.76) industries showed that their economic sustainability status fell under the category of “moderately sustainable.” On the other hand, Dodol Sarinah (sustainability index 43.80) and Binangkit Woven (sustainability index 37.20) industries had an economic sustainability status categorized as “less sustainable.” This condition is quite concerning, especially for small industries categorized as less sustainable. Although profit and loss are common challenges faced by small industries, economic performance plays a crucial role in determining the success of small business industries in the present and future. The improvement of economic performance can be achieved through an analysis of the assessment of the sensitive influencing attributes (see Figure 3).

Based on the results of the leverage analysis measurement for economic sustainability, it is evident that five attributes were analyzed. These attributes were represented as index values derived from data obtained from various relevant agencies. The compilation of the index was based on the applicable sustainability index in Indonesia, as compiled by BAPENAS. Each of these attributes contributes to economic performance. Leverage analysis based on each attribute’s score determined each attribute’s position regarding economic performance. Among the attributes examined, three have shown to be particularly sensitive to the economic performance of small agro-industries in East Priangan: (1) Number of
small industries per 1000 population; (2) Ratio of government development expenditure to total expenditure (government policy); and (3) Number of traditional markets/mini markets per 1000 population. These attributes demand attention and effective management to enhance the value of the economic dimension index in the future.

![Leverage of Attributes](image)

**Figure 3.** Sensitive factors shaping economic performance in small agro-industries.

The first attribute sensitive to economic performance is the number of small industries or competitors within the same market. The presence of a large number of similar industries, regardless of their scale, intensifies competition and directly influences the economic performance of small industries (Table 2).

<table>
<thead>
<tr>
<th>Business Type</th>
<th>Location</th>
<th>Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crackers</td>
<td>Ciamis district</td>
<td>224</td>
</tr>
<tr>
<td>Dodol</td>
<td>Garut district</td>
<td>43</td>
</tr>
<tr>
<td>Tofu</td>
<td>Sumedang district</td>
<td>147</td>
</tr>
<tr>
<td>Woven</td>
<td>Tasikmalaya district</td>
<td>322</td>
</tr>
</tbody>
</table>


Based on the interviews, Pancarasa’s main competitors in the kerupuk (crackers) industry were Mirasa and Putra MHD. The entrepreneurs of Pancarasa considered these two competitors as their rivals. On the other hand, the entrepreneur of Sari Bumi Tofu mentioned that they had numerous competitors. These included small-scale tofu producers like Bungkeng Tofu, H. Ateng, Sari Kedele, and home-based tahu producers without a specific brand. Similarly, Dodol Sarinah stated that their toughest competitors were home-based dodol producers. Binangkit Woven also declared that their competitors were mainly home-based artisans, especially in the village of Sukurasas. The exact number of home-based industries for Sumedang tofu, Dodol Garut, and Rajapolah woven is unknown as they belong to the informal sector, and data for such industries are unavailable.

Notably, the number of competitors has a direct correlation with economic attributes, such as profitability. This finding is reasonable because profitability is a crucial element in the operational activities of a company to ensure its survival in the present and future. Every company aims for maximum profitability. In this research, the profitability ratio was measured using the Net Profit Margin, one of the profitability ratios a company needs to determine the percentage of net profit obtained after tax deduction. This ratio measurement aims to assess how effectively the company operates. The available data used in the analysis
covers the period from the end of 2018 to 2019. A higher Net Profit Margin indicates better (more efficient) company operational activities.

Table 3 shows that the profit margins for Pancarasa Crackers and Sari Bumi Tofu were relatively stable, while Dodol Sarinah and Binangkit Woven experienced a downward trend. From the available data, this can be attributed, in part, to low product sales. Low sales may result from intense market competition, products that are less in demand, or ineffective sales promotion strategies [22].


<table>
<thead>
<tr>
<th>Small Industries</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Sales (in IDR)</td>
<td>Production Costs (in IDR)</td>
</tr>
<tr>
<td>Pancarasa</td>
<td>175,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Sari Bumi</td>
<td>160,000</td>
<td>135,700</td>
</tr>
<tr>
<td>Sarinah</td>
<td>136,000</td>
<td>125,000</td>
</tr>
<tr>
<td>Binangkit</td>
<td>119,000</td>
<td>110,000</td>
</tr>
</tbody>
</table>


“Our sales volume has been declining over the past four years. We need to reevaluate, perhaps our market is saturated with our products, and we should be more innovative.” (Second-generation entrepreneur of Dodol Sarinah).

“Since the construction of the Cihaurbeuti overpass, to be honest, the sales in my store have been consistently declining. Our products should also be more up-to-date to match market preferences.” (Third-generation entrepreneur of Binangkit Woven).

Innovation is also important in relation to competition, because several studies in various countries also prove that small, innovative industries have good economic performance [23]. Technological innovation is considered the second most significant attribute, as various studies conducted in different countries have demonstrated that innovative small industries tend to exhibit strong economic performance [23]. Conversely, non-innovative small industries often encounter disruptions in their economic performance. Innovation is the “introduction of something new, whether it be processes, products, or improved services based on knowledge or technology” [24]. There are various types of business innovation, including the development of new products or services, the implementation of new production processes, the adoption of new marketing techniques, and the establishment of new organizational or managerial structures [25]. Innovation can encompass technology, intellectual property, business strategies, or physical activities [26] (Table 4).

Table 4. Sales growth in four small industries owned by people of Sundanese ethnicity (2016–2019).

<table>
<thead>
<tr>
<th>Economic Performance Attribute</th>
<th>Year</th>
<th>Pancarasa Crackers</th>
<th>Binangkit Woven</th>
<th>Dodol Sarinah</th>
<th>Sari Bumi Tofu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Growth</td>
<td>2016</td>
<td>4.3%</td>
<td>3.7%</td>
<td>3.2%</td>
<td>4.2%</td>
</tr>
<tr>
<td></td>
<td>2017</td>
<td>3.3%</td>
<td>−20%</td>
<td>−27%</td>
<td>3.7%</td>
</tr>
<tr>
<td></td>
<td>2018</td>
<td>2.5%</td>
<td>−12%</td>
<td>−19.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>3.4%</td>
<td>−14%</td>
<td>−20.1%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>


Unfortunately, the findings indicated that the level of technological innovation in the small industries of Sarinah, Binangkit, and Sari Bumi was low. According to [27], the level of innovation is categorized as high if the business units can improve both their business processes and the use of technological tools, resulting in new products. Based on interviews, it was acknowledged by the second-generation entrepreneur of Dodol Sarinah
that the product and production process was “not significantly different” from the dodol produced by their parents, who were first-generation entrepreneurs. The third-generation entrepreneurs of Sari Bumi Tofu and Binangkit Woven expressed a similar sentiment. This suggests that the level of innovation in Dodol Sarinah, Binangkit Woven, and Sari Bumi Tofu, in terms of tool/machine usage, is low.

“To be honest, our level of innovation remains limited. The dodol I produce is not significantly different from what my father produced” (Third-generation entrepreneur of Dodol Sarinah).

“Our innovation progress is slow, perhaps because it requires significant costs and creativity. There may only be a slightly larger product variation during my time compared to my father’s time” (Third-generation entrepreneur of Binangkit Woven).

“I don’t like the packaging of Dodol Sarinah. If you compare it to the packaging of Dodol Picnic or Chocodot, the difference is significant” (Consumer—Local community around Dodol Sarinah factory).

“With the same price, the packaging of Dodol Bestory is much better compared to Sarinah” (Consumer—Local community around Dodol Sarinah factory).

“The products at Binangkit Woven’s store are not very appealing; it seems like they have old stock. For example, the woven bags are not updated, and there are only a few models available” (Consumer—Local community around Binangkit Woven factory).

Production consistency is another critical factor that must be considered concerning competition. This is one of the challenges faced by Dodol Sarinah and Binangkit Woven, small industries. According to the second-generation entrepreneurs, Dodol Sarinah has experienced inconsistencies in production since early 2017. Similarly, Binangkit Woven acknowledged that their production has been inconsistent since 2018. Conversely, Pancarasa Crackers and Sari Bumi Tofu remained consistent regarding the timing and quantity of production until this research.

“Even before COVID, in 2017, I had already started reducing my production. It became uncertain, and when the COVID pandemic hit, my business stopped for more than six months. In 2016–2017, I could still produce around 15,000 kg of dodol per year, but by 2019–2020, I could only produce around 6000 kg of dodol per year.” (Second-generation entrepreneur of Dodol Sarinah).

“The production remains, and the demand for babanggi (a type of cracker) remains stable. For one production cycle, I use around six quintals of tapioca. It has remained around the same range from year to year.” (Third-generation entrepreneur of Pancarasa Crackers).

Another attribute sensitive to economic performance is cost efficiency. Every company must implement efficiency to achieve maximum profit with low operational costs. The expenditure on operational costs (fixed costs, variable costs, depreciation) is the most crucial aspect of any business. Operational cost efficiency is reducing expenditure budgets to achieve optimal results. It is also an important variable that small industries must implement. High operational costs can erode company profits and hinder business growth. Conversely, well-managed and efficient operational costs can help businesses grow faster.

Efficient cost control is crucial for companies to effectively manage their operational expenses. Even if operations are running smoothly, failure to minimize costs can lead to increased operational expenditures. Companies must focus on diligently controlling costs, particularly those directly associated with their operations, to achieve this. Efficient control of operational costs enables small industries to reduce their expenditure budgets, allowing them to allocate resources to more critical areas that enhance company performance.
Regrettably, based on financial data and interview findings, small industry entrepreneurs encountered challenges in achieving cost efficiency (Table 5).


<table>
<thead>
<tr>
<th>Companies</th>
<th>Fixed Cost (in IDR)</th>
<th>Variable Cost (in IDR)</th>
<th>Depreciation and Interest Cost (in IDR)</th>
<th>Total (in IDR)</th>
<th>Fixed Cost (in IDR)</th>
<th>Variable Cost (in IDR)</th>
<th>Depreciation and Interest Cost (in IDR)</th>
<th>Total (in IDR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pancarasa</td>
<td>12,000</td>
<td>129,600</td>
<td>8400</td>
<td>150,000</td>
<td>12,100</td>
<td>132,000</td>
<td>8500</td>
<td>152,600</td>
</tr>
<tr>
<td>Saribumi</td>
<td>9500</td>
<td>119,450</td>
<td>6750</td>
<td>135,700</td>
<td>9700</td>
<td>121,000</td>
<td>7000</td>
<td>137,700</td>
</tr>
<tr>
<td>Sarinah</td>
<td>10,000</td>
<td>107,000</td>
<td>8000</td>
<td>125,000</td>
<td>11,500</td>
<td>110,000</td>
<td>9800</td>
<td>134,500</td>
</tr>
<tr>
<td>Binangkit</td>
<td>8000</td>
<td>96,000</td>
<td>6000</td>
<td>110,000</td>
<td>9800</td>
<td>100,700</td>
<td>6500</td>
<td>117,000</td>
</tr>
</tbody>
</table>


“To be honest, we still face difficulties in controlling cost efficiency. The operational costs in the factory tend to remain the same each year, with minor adjustments. It is challenging to achieve efficiency.” (Third-generation entrepreneur of Pancarasa Crackers).

“In times like these, it is difficult to achieve efficiency; everything is becoming more expensive.” (Second-generation entrepreneur of Dodol Sarinah).

The second attribute that holds substantial importance is government policy. Certain government policies are perceived as burdensome for small industries, particularly in terms of the high costs associated with PIRT certification and complicated administrative processes, especially for small industry players in rural areas. Equally vital is the significance of traditional markets as essential venues for selling small industry products.

The attribute of demand for products also influences economic performance. Data on product demand was observed for the years 2018–2019. For dodol, the demand level was from the data on the quantity of dodol requested by agents. Meanwhile, for crackers, the data were derived from the data on the amount of processed (e.g., fried) crackers ordered by shops regularly selling Pancarasa Crackers, as well as the demand for babanggi from crackers factories in Bandung, Garut, and Lembang. The demand level for woven products was calculated based on the quantity of woven products ordered by handicraft stores that were regular customers of Binangkit. The demand level for Sumedang tofu was determined by the quantity of tofu Sumedang requested by Sari Bumi restaurants. An increase in demand compared to the previous year indicated a positive demand level for the product. The demand for Pancarasa Crackers remained stable, while Dodol Sarinah and Binangkit Woven experienced a significant decline. Although it had decreased, Sari Bumi Tofu showed only a slight decline.

Promotion is also an essential attribute of economic performance. The presence of numerous competitors is a consideration for business owners in devising sales strategies. Appropriate marketing strategies and media are needed to reach the target market and increase sales volume and profits. Digital marketing is a popular medium today, widely embraced by the public to support various activities. According to Kartika, et al., transactions can be conducted anytime/in real time with digital marketing communication and have a global reach. The increasing number of users on chat-based social media platforms opens up opportunities for small industries to expand their market within the grasp of smartphones. Throughout 2021, it was found that 132.7 million people in Indonesia were connected to the Internet. Unfortunately, during this research (2019–2020), the small industries of Pancarasa Crackers, Sari Bumi Tofu, Dodol Sarinah, and Binangkit Woven had not yet utilized digital media for promoting their products.

“I already have plans for promotion on social media. I’m waiting for my son to be available because he understands it better.” (Second-generation entrepreneur of Dodol Sarinah).

“I am working on it. I have already created Facebook and Instagram accounts.” (Third-generation entrepreneur of Binangkit Woven).
Traditional markets as a place to sell small industrial products are very important. According to [28], several indicators can assess market accessibility. The most important indicator is that the market should be easily accessible for companies, with criteria such as affordability, ease of access, and minimal barriers. For Pancarasa Crackers and Sari Bumi Tofu, their products were predominantly sold in the local market (kerupuk was marketed in Ciamis and Tasikmalaya districts, while tahu was marketed in Sumedang district), so market access was not an issue for them. However, Dodol Sarinah and Binangkit Woven had markets that extended beyond their cities. Before the pandemic, Dodol Sarinah’s products could be marketed directly to areas outside Java, such as Medan and Lampung. Similarly, Binangkit Woven’s products were sold to several cities in Java and Bali. Therefore, market access became a significant issue during the COVID-19 pandemic, significantly impacting their economic performance.

“Entering the month of May 2020, many of my shipments did not reach their destination. There were many police officers on the road who instructed us to turn back and not enter the red zone area.” (Third-generation entrepreneur of Binangkit Woven).

“My dodol cannot enter areas outside Garut. There are multiple checkpoints everywhere due to the lockdown.” (Second-generation entrepreneur of Dodol Garut).

Other attributes, such as access to raw materials and raw material prices, also play a role in the economic performance of small industries. So far, Dodol Sarinah used raw materials from the local area as the sources, making it easy for the company to access them. Garut district is the largest producer of black glutinous rice in West Java. The average productivity of black glutinous rice in this area reaches 5.5 tons per hectare (ha). The black glutinous rice is planted twice a year, and farmers can produce around 4675 tons of Harvested Dry Grain (GKP) per year, with current prices ranging from approximately IDR 9000 to IDR 11,000 per kilogram. In Garut, 3000 hectares of agricultural land is used for planting black glutinous rice, distributed in the districts of Pasirwangi, Bayongbong, Sukaresmi, and Cisurupan (Gatra.com). Therefore, access to raw materials for Dodol Sarinah is relatively easy to obtain. Meanwhile, Saribumi Tofu Company used imported soybeans from the USA for its production, considering that processed imported soybeans yield cleaner-looking tofu. The supplier of imported soybeans is located in Sumedang Regency. Local soybeans are widely grown in Sumedang, particularly in the districts of Jatigede and Surian. Sumedang Regency produces 542 tons of soybeans per month. Saribumi entrepreneurs admitted they were not interested in using local soybeans because the resulting tofu was less clean and tended to have a more rigid texture. The same situation went for crackers, as the raw material, tapioca flour, was not available in Ciamis and must be imported from Lampung.

As for the raw materials for weaving in Binangkit, they purchased pandan leaves from Gombong, Karang Anyar district. Meanwhile, bamboo was sourced from Singaparna, while mendong (timbri stylis umbellaris) came from Manonjaya district and Cibeureum. Among the raw materials, only Panama leaves could be obtained in the local area in Rajapolah. Pandan leaves were acquired from outside Tasikmalaya due to their excellent quality and abundance. In Tasikmalaya itself, the production of pandan leaves is very limited. The demand for pandan leaves as raw materials for the industrial sector in Tasikmalaya is estimated to reach 15,540 tons annually, while the local production is only 2870 tons annually. In Tasikmalaya Regency, the scarcity of raw materials is a major constraint in meeting market demand. Therefore, artisans import approximately 65 percent outside Tasikmalaya to meet the raw material requirements.

Additionally, studying the attribute of the number of small industries that have successfully persisted for more than 50 years is crucial. Based on preliminary studies conducted by the team, it was found that only 4% of small industries have managed to survive beyond 50 years in East Priangan [2].
4.1.2. Sustainability of Social Dimension in Small Industries

Unlike the fluctuating nature of economic performance, the social performance of small industries is relatively better (Figure 4).

![RAP-IK Ordination](image)

**Figure 4.** Analysis of index and status of social sustainability in small industries.

Based on the analysis of the index and status of social sustainability, Pancarasa Crackers (sustainability index 63.56) classified the social and cultural sustainability status as “moderately sustainable.” The same applied to Sari Bumi Tofu (sustainability index 59.84), Binangkit Woven (sustainability index 52.02), and Dodol Sarinah (sustainability index 50.06), with their social performance falling under the “moderately sustainable” status. In achieving social performance, small agro-industries in Indonesia are strongly motivated by normative aspects, which refer to the business owners' belief in religious values. All small agro-industry actors are Muslims who believe that engaging in social activities that benefit others is a duty for a Muslim, as explained in the Qur’an and the Hadith of the Prophet Muhammad SAW.

“It is our obligation to allocate 2.5% of the company’s profits to be given to those less fortunate. We hope that this business not only benefits us but also the community surrounding the factory.” (Case of Pancarasa Crackers).

“By sharing, I am confident that my business will survive. One way I do this is by recruiting the local community as the workforce in my company.” (Case of Binangkit Woven).

The percentage of local employment within small industries is notably high, highlighting the significance of community involvement in business as the most sensitive attribute related to social performance. This aspect serves as a tangible representation of the benefits provided to the community, which is a fundamental focal point in assessing social performance. Interestingly, all small industries have scored high in community involvement in their businesses. Most employees working in their companies are residents living around the factory. It is one form of community involvement in their business. They also maintain close and personal relationships with employees, suppliers, customers, and the local community. The friendly, sociable, and amicable nature of Sundanese entrepreneurs enables them to have strong relationships with all stakeholders (Figure 5).
The relationship between entrepreneurs and their employees is familial, as employees often borrow money for personal purposes from the entrepreneurs. This circumstance fosters loyalty among the employees. The entrepreneurs acknowledge that most employees have worked in the factories for over ten years. Similarly, the relationships with suppliers and customers are also vital. The ability of Sundanese entrepreneurs to establish close relationships with customers results in having many loyal customers.

The next sensitive attribute is the rural poor index. The large number of poor people in rural areas will also contribute to social performance. The frequency of social activity is also the most important attribute in social performance. The frequency of social activities is also the second most crucial attribute of social performance. This is reasonable, considering that social activities must be conducted regularly, or they may lose their impact and significance if performed only once. The field observations showed that all small agro-industry entrepreneurs allocated a portion of their business income for social purposes, as taught in Islam. They allocated a minimum of 2.5% of their business income to be donated to those in need to benefit the community. They have regularly engaged in these activities at least once a month.

Succession planning is also the third sensitive attribute that plays a role in the social performance of small industries. In [29], Ward indicates that the failure to strategically plan for the future of a family-owned business is a primary reason for its demise. Ideally, succession planning should always be openly discussed. Effective indicators of the succession process are suggested in the literature. The selection and grooming of the best candidates are crucial in the planning process. Among the most important factors are the owner’s timing, effort, and capacity to delegate. The skills of the next-generation family members and their overall ability to perform the job are also important [30].

Regarding compliance with the Manpower Law, specifically Law Number 13 of 2003 concerning manpower, all four analyzed small industries acknowledged that they strive to fulfill their obligations towards their employees to the best of their abilities. Social security is performed by companies by providing fair wages, granting leaves, and offering health protection facilities. These are some of the obligations that small industry entrepreneurs pay close attention to in ensuring the well-being of their employees.

“I also help my employees pay their BPJS contributions; it is one of the forms of social security that we provide.” (Third-generation entrepreneur of Pancarasa Crackers).
The business association is also an attribute that supports social and economic performance. However, it holds the lowest position in conjunction with the community attribute. This is because most Sundanese entrepreneurs sampled in this study are not part of any associations. Yet, associations can be utilized by entrepreneurs to develop their businesses. There are numerous benefits that entrepreneurs can gain through networking, such as increasing sales, marketing strategies, expanding relationships and connections, and personal development. Unfortunately, the number of small industry associations in the research locations is still limited. For example, in Garut Regency, only the Dodol Entrepreneur Cooperative Association and the Refined Sugar Association are relevant. In Tasikmalaya, there is the Tasikmalaya Artisan Association. In Ciamis Regency, there are two Kerupuk Cooperatives, while in Sumedang, there is the Tahu Tempe Association. Only two of the four small agro-industries studied have joined associations. Pancarasa Crackers is a member of the Association and Cooperative for Kerupuk in Ciamis Regency, while Sari Bumi Tofu is a member of the Tahu Tempe Association. Dodol Sarinah and Binangkit Woven have not yet joined associations or other business communities.

“I haven’t joined any associations or business communities, maybe because I’m not interested, and I also don’t know much about the community information here.” (Second-generation entrepreneur of Dodol Sarinah).

“We haven’t joined any communities; I’m not sure about the benefits.” (Third-generation entrepreneur of Binangkit Woven).

Community is often perceived as a socio-economic function and a unity of values and norms in a particular place. Communities consist of various elements, ranging from individuals, families, groups, associations, and interactions with other members of society within a specific framework. Communities are composed of interconnected actors who share common identities, language, values, norms, roles, morals, and social relationships that are relatively similar to one another [30]. By joining a community, members can benefit from various opportunities in the market, character building, quality enhancement of human resources, building brain trust, and assistance in obtaining funding from financial institutions. Joining a business or entrepreneur community allows small industries to meet other entrepreneurs from various industries and backgrounds. Apart from expanding business networks, these networks, associations, and communities offer opportunities for exchanging information and ideas about business and all aspects that can help business development. Regrettably, small industry entrepreneurs in East Priangan acknowledged that they were not actively involved in business networks or communities.

In the social performance of small industries, this research aligns with a study conducted by [31]. The results of interviews and data analysis using Nvivo demonstrated that strong values among entrepreneurs were essential factors in creating socially and environmentally conscious businesses in small industries. This research indicates that normative interests drive social motives in small industries, often influenced by religious regulations. Small agro-industries motivation to achieve social performance in Indonesia is predominantly driven by normative aspects, including the owners’ belief in religious values and their understanding of social norms, such as the desire to help others and engage in virtuous acts.

4.1.3. Sustainability of Environmental Dimension in Small Industries

The following is an analysis of the index and status of environmental sustainability in small agro-industries and the sensitive factors influencing environmental sustainability (Figure 6).
Small agro-industries such as Pancarasa Crackers (sustainability index 59.54), Sari Bumi Tofu (sustainability index 59.75), Dodol Sarinah (sustainability index 50.21), and Binangkit Woven (sustainability index 54.57) attracted an environmental sustainability status classified as “moderately sustainable.” In terms of environmental performance, these industries are driven by the awareness and knowledge of entrepreneurs regarding the importance of “environmental safety and health” in society.

Based on the measurement of leverage analysis on six environmental performance attributes, the three most sensitive factors shape it: (1) Percentage of Chemical-Free Material Usage, (2) Percentage of Natural Disasters (Floods) in 1 year, and (3) Number of Product Certifications/Standardizations (Figure 7).

Sundanese entrepreneurs have carried out environmental care activities since the first generation, including maintaining the health and safety of the factory environment and using chemical-free materials in the production process. These activities have continued until the current third generation. The educational background of the third-generation entrepreneurs (graduates of a bachelor’s degree) has provided them with an understanding of the importance of environmental safety, which they acquired during their academic studies.
Using chemical-free materials is the first and most sensitive attribute to environmental performance, which is understandable. Sundanese entrepreneurs understand environmental safety and health, which drives them to engage in activities relating to food safety, particularly concerning the use of chemical-free materials, waste management, and obtaining certifications for their products. In entrepreneurs’ eyes, using chemical-free materials is crucial, making this attribute the most important in environmental performance.

“My product is food, so I must use safe ingredients for consumption, as well as ensure a safe processing method.” (Case of Dodol Sarinah).

“I never use food preservatives for my products because people of all ages enjoy the crackers I produce. I am fully aware of the long-term negative effects of food preservatives, so I do not use them.” (Case of Pancarasa Crackers).

Waste management is the second most sensitive attribute to environmental performance, and it is also crucial in economic performance. Small industries generate significant amounts of waste from their production processes. These wastes can harm the environment and negatively impact the surrounding community if left unaddressed.

“The impact of preserving the environment is significant as it involves collective safety. I strive to ensure the safety and comfort of my employees in the factory. The waste from crackers is mainly broken pieces of babanggi, which we usually recycle by incorporating them back into the dough mixture.” (Case of Pancarasa Crackers).

“Actually, since my father’s generation, we have been conscious of waste management in our company. We have a habit of preventing production waste from polluting the environment, and we have implemented a safe smokestack. This way, the factory’s smoke does not pollute the environment.” (Case of Dodol Sarinah).

Then, the third sensitive attribute to environmental performance is product certification. This attribute is important because it relates to product safety and marketing processes. From interviews and environmental observations, it is evident that small industrial entrepreneurs understood the procedures and the importance of food safety and environmental health. They already have PIRT (Food and Drug Supervisory Agency) and Halal certifications for food products. Ensuring food safety and environmental health enables them to demonstrate commendable environmental performance in the view of stakeholders, contributing to a favorable company image among the general public. Moreover, product certification has gained significance as government regulations necessitate certifications, particularly in the food industry, such as PIRT, Halal, and SNI (Indonesian National Standard), to gain access to supermarket channels.

The uses of natural resources, fuel, and factory certification represent the attributes with the lowest scores regarding environmental performance. According to the assessment of the four small industries sampled, water and fuel use did not pose any problems or obstacles. Water resources were available in sufficient quantities and of good quality, and fuel for production was considered relatively safe. Factory certification, such as ISO, is not yet necessary for small industries, especially considering the high costs.

Environmental health in the factories was maintained by Pancarasa Crackers, Sari Bumi Tofu, Dodol Sarinah, and Binangkit Woven by consistently ensuring the cleanliness of the factory, equipment/machinery, and the workers themselves. They also handled tools and materials in the factory with care to ensure safety. As their industries were still small scale, these four companies stated that their factory designs were very simple, using existing facilities.

Environmental safety and health are key components of environmental performance in achieving sustainable small-scale industries. Meanwhile, the awareness and knowledge of the importance of environmental dimensions for achieving sustainability in small agroindustries are driven by the awareness and knowledge of environmental health in society. The movement for environmentally friendly practices has recently become a new trend,
especially among educated individuals. The public is becoming more sensitive to the importance of environmental safety and health, especially in the industrial sector. Small-scale industries often generate waste from their production processes, which, if left unaddressed, can harm the environment and adversely affect the surrounding communities [32].

Most business owners, especially those from the second and third generations, graduated from universities. They learned about the importance of environmental safety and health during their academic years. This has led to a higher understanding among them regarding environmental aspects of business sustainability. Therefore, this research indicates that education plays a crucial role in developing the cognitive level of entrepreneurs, particularly regarding the environmental safety and health of their companies. This research is supplemented with the measurement of S-Stress values for each dimension and for multidimensional analysis (see Table 6).

Table 6. Statistical parameters of index analysis and sustainability status of small agro-industries in each dimension and research location.

<table>
<thead>
<tr>
<th>Statistical Parameters</th>
<th>Multidimensional</th>
<th>Economic Dimension</th>
<th>Social Dimension</th>
<th>Environmental Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>S-Stress</td>
<td>0.125</td>
<td>0.135</td>
<td>0.138</td>
<td>0.134</td>
</tr>
<tr>
<td>R^2</td>
<td>0.956</td>
<td>0.927</td>
<td>0.935</td>
<td>0.932</td>
</tr>
</tbody>
</table>

The S-Stress values, both in the multidimensional measurement and in each dimension, were smaller than the threshold value 0.25. The smaller the value is below 0.25, the better it is. Meanwhile, the R^2 values in each dimension and the multidimensional analysis were high (close to 1). Therefore, these statistical parameters indicate that all the attributes used in each dimension of the four small agro-industries are sufficient to explain the sustainability of small agro-industries.

On the other hand, the Monte Carlo analysis measurement above showed that the sustainability index values of small agro-industries within a 95 percent confidence interval yielded results that were not significantly different from the MDS (Multidimensional Scaling) results (Table 7). The small differences indicated the following: (1) the relatively small errors in scoring each attribute; (2) the relatively small variation in scoring due to differing opinions; (3) the analysis process conducted repeatedly was quite stable; (4) errors in data input and missing data could be avoided. Overall, the RAP-IK method is considered effective as a quantitative and efficient analytical tool for evaluating the sustainability of small agro-industries.

Table 7. Monte Carlo multidimensional analysis results for RAP-IK values with 95 percent confidence interval.

<table>
<thead>
<tr>
<th>Small Industries</th>
<th>MDS</th>
<th>Monte Carlo</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pancarasa Crackers</td>
<td>59.72</td>
<td>58.74</td>
<td>0.98</td>
</tr>
<tr>
<td>Sari Bumi Tofu</td>
<td>52.77</td>
<td>51.96</td>
<td>0.81</td>
</tr>
<tr>
<td>Doi Doi Sarinah</td>
<td>43.88</td>
<td>44.82</td>
<td>0.94</td>
</tr>
<tr>
<td>Binangkit Woven</td>
<td>26.64</td>
<td>27.40</td>
<td>0.76</td>
</tr>
</tbody>
</table>

5. Discussion

Measurement of sustainability in durable industries using RAP analysis revealed findings that the economic performance of small industries was still lacking in sustainability, while their social and environmental performance was relatively sustainable. Based on the results of the leverage analysis measurement for economic sustainability, five attributes were analyzed, generated by the index values from various relevant agencies, and compiled based on the applicable sustainability index in Indonesia, as compiled by BAPENAS. All attributes contribute to economic performance. Employing leverage analysis and scoring each attribute determined the position of each attribute concerning economic
performance. Among these attributes, three have shown to be particularly sensitive to economic performance in small agro-industries in East Priangan: (1) number of small industries/competitors; (2) government policy; and (3) market conditions. These attributes require careful attention and effective management to ensure an increase in the value of this economic dimension index in the future [2].

The number of small industries or competitors operating at similar or different business scales stands out as the most sensitive attribute influencing economic performance. The significant presence of similar industries contributes to a highly competitive environment, impacting the economic performance of small industries. Consequently, to succeed in this competition, industries must prioritize innovation, production consistency, and cost efficiency to achieve favorable profitability ratios. Profitability depicts the “company’s ability to generate profits through all available resources such as sales activities, cash, capital, number of employees, number of company branches, and so on” [32]. This attribute plays a crucial role in shaping the economic performance of companies, including small industries. The higher the ratio value, the better the company’s condition based on profitability ratios. Therefore, profitability ratios can improve by focusing on and enhancing sales growth to enhance economic performance [2].

Innovation becomes the second crucial attribute that needs to be enhanced to improve economic performance, as several studies in various countries have also demonstrated that innovative small industries exhibit good economic performance [23]. On the other hand, small industries that lack innovation often experience disruptions in their economic performance. Innovation is the “introduction of something new, be it processes, products, or improved services based on knowledge or technology” [24]. There are various business innovation types, including new products or services, new production processes, new marketing techniques, and new organizational or managerial structures [25]. Innovation can involve technology, intellectual property, business models, or physical activities [26].

Government policies also warrant consideration in supporting small business actors, ensuring they are not burdensome and instead facilitate the diverse needs of small industries to grow and develop. Moreover, market conditions, where small industries market their products, must also be considered. Crucially, the market should offer easy accessibility to companies, affordability, and minimal barriers, making it a pivotal indicator for the success of small industries. Meanwhile, small industries must maintain and enhance their social and environmental performance to ensure stability [33,34].

**Limitations and Future Research**

The main limitation of this research is the relatively small sample size due to the limited number of small industries that have survived for three generations in Indonesia. The findings of this study cannot be generalized. Therefore, future research with a larger sample size will be necessary to test hypothetical propositions through surveys to generate stronger conclusions.

**6. Conclusions**

This research highlights that long-established small industries in rural East Priangan Indonesia may not necessarily exhibit sustainability. Among the four studied small industries operating for more than 60 years, it was discovered that not all demonstrated sustainable performance. Economic concerns persisted, resulting in subpar economic performance. The level of competition, government policy, and market access are the most sensitive factors that should be considered to improve economic performance. Interestingly, even in rural areas, the social and environmental performance of these four small industries is quite sustainable. Their good social performance is motivated by the normative and religious aspects of entrepreneurs, while their good environmental performance is supported by the knowledge they obtain from education. Meanwhile, small industries must maintain and enhance their social and environmental performance to ensure stability. Thus, sustainability cannot solely be represented by the ability to survive across generations or
the longevity of a company. Small industries must consider the critical factors influencing their economic, social, and environmental performance to achieve sustainability. By maintaining these sensitive factors, it is hoped that small industries will be able to achieve a good economic, social, and environmental performance, so that the sustainability of small industries will be realized.

This research aims to complement the existing indicators commonly utilized in measuring business sustainability in Indonesia (Bapenas version). Hence, this study provides both theoretical and practical contributions to the sustainability of small industries in the country. The findings of this study can offer valuable insights for each small industry and stakeholder in the observed regions, encouraging them to implement necessary policies and measures to enhance their sustainability status.

Small industry development should be guided by the principle of sustainability, involving earnest and balanced consideration of the three main pillars: economic, social, and environmental. Strategic measures are essential at all management levels, including the organizational and governmental domains. Furthermore, fostering collaboration, coordination, and synergy among all stakeholders and relevant institutions is crucial for devising and implementing programs that effectively utilize and manage available resources. To cultivate sustainable small industries, efforts must commence in the form of policy formulation, program development planning, and institutional change.

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