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**BERTA'S FOOD STORY:
THE CASE OF A SMALL SCALE GREEN BUSINESS IN YOGYAKARTA**

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Abstract

This study seeks to examine the extent to which micro small and medium scale enterprises (MSMEs) apply Environmental Ethics in their business praxis. The data sources were field observations and in-depth interviews with one catering business in Yogyakarta known for its use of locally-sourced food and zero preservatives. This qualitative narrative research aims to answer how and why this selected MSME has demonstrated environmental awareness. The study looks further at the implications of this business practice toward the sustainability thereof. The data analysis reveals that, first, the business owner, driven by internal motivation, used environmentally friendly products to care for customers' satisfaction and need of healthy food. Secondly, the business, however, did not adhere to such external motivation as cutting no trees for fuelwood. Regardless of its damage for the environment, the use of fuelwood reduced production cost and no prohibition for cutting trees was thus far enacted. This study concludes that more efforts should be made to cultivate ecological concerns as the core of sustainable entrepreneurial skills.

Keywords: MSMEs, environmental ethics, green entrepreneurship

Introduction

The Indonesian government has currently given all firms including micro small and medium scale enterprises (MSMEs) to develop. According to the report of the National Team for the Acceleration of Poverty Reduction, MSMEs make up an integral part of Indonesian economy with approximately 99% firms in total which contribute 97% to the country's employment (Burger, N., Chazali, C., Gaduh, A., Rothenberg, A. D., Tjandraningsih, I., & Weiland, S. , 2015, p. 8). Given the importance of MSMEs, there are a number of policies made by the government to support the development thereof, including those related to taxes for MSMEs. For example, the Minister of Home Affairs Regulation No. 13 of 2006 regulates taxes for restaurants, cafes, canteens and catering, and other catering services. Next is the Regulation Number 23 of 2018 which legalizes the imposition of income tax on MSMEs. After the issuance of the regulation, MSME entrepreneurs only pay a tax of 0.5% of their gross income. With this newer

regulation, the business owners can save costs for tax payment with which they may earn more to develop their business further.

The Yogyakarta Province has the largest proportion of MSMEs among large companies. This is in line with the economic development of the region whereby lower middle class companies are dominant. Central Bureau of Statistics of Yogyakarta Province shows that the growth of MSMEs production in the second quarter of 2018 increased by 6.54% from the second quarter of 2017. This means that the development of MSMEs in Yogyakarta is quite promising. According to their business sectors, types of MSMEs are divided into 7, namely trade and services (52.85%), culinary (27.4%), fashion (8.91%), automotive (5.58%), agribusiness (3.93%), information technology (1.16%), and education (0.17%). As part of trading and service businesses, food catering is one of the business groups with the largest percentage. Catering business is quite attractive to entrepreneurs because the market potential is still wide open as shown by a number of researches on catering business in Yogyakarta areas (Vidianingtyas & Putri, 2014; Sulistyaningsih, Arifin, & Nurhaedi, 2016; Wijaya, Nurhadi, & Kuncoro, 2017).

Despite the tax revenue and ample opportunities brought about by MSMEs, in this case, catering business, sustainability is an important issue to address herein. Catering business is an activity reportedly contributes to the decrease in soil quality resulting from its waste production. Soil pollution causes a decrease in water quality which is a necessity for human life. The sustainability of the groundwater must be pursued indefinitely for which reason the use of water must not result in risks of all kinds – ecologically, economically, and socially (Paradewari, et al, 2018). Some cases related to environmental pollution include toxic waste from the inflight catering service ACS, a subsidiary of the Indonesian aviation company PT Angkasa Pura in 2016 (e.g. Sondakh, et al., 2014). Pollution done by MSMEs is not less worrying (e.g. Anggadwita, G., & Mustafid, Q. Y., 2014; Mariam, S. T., Roma, B., Sorsa, S., Worku, S., & Erosie, L., 2000); and worse still, such environmental damage is often left unreported. To compare, a study of wine firms in rural Africa shows that in the absence of state regulation, the role of managers with environmental responsibility is important in sustainable business in reducing the ecological risks (Hamann, R., Smith, J., Tashman, P., & Marshall, R. S., 2017). Indeed, the waste produced by catering services, to mention but one impact, will cause increased levels of BOD (Biochemical Oxygen Demand), COD (Chemical Oxygen Demand), and phosphorus in water. When water is polluted, the need for oxygen for the life of the microorganisms increases to break down the organic matter in the water. If the oxygen demand is not sufficient, the microorganisms in the water will perish. One study reports that although food waste is only a small part of biodegradable waste, this waste is the most likely contaminating other wastes and has become a major contributor in producing methane in a landfill (Gomez, M. G. C., Grimes, S. M., & Moore, D., 2008, p. 19). As a result, the catering business's waste cannot be decomposed.

The above conditions prove that the catering entrepreneurs' hardly show environmental concerns that help aggravate the pollution problems. The entrepreneurs should realize that their business' waste products have caused detriment to the environment. In addition, the use of chemically processed food materials also causes health problems in the long run. As such, the catering entrepreneurs need to provide wholesome products that are environmentally

friendly whilst preserving the environment. It is thus interesting to find out to what extent the MSME observed in this study shows its commitment to Green Business. By “Green Business”, it means an organization committed to environmental sustainability by way of its operation, use of renewable resources and efforts in minimizing environmental threats to future generation (Čekanavičius, L., Bazytė, R., & Dičmonaitė, A., 2014, p. 76). Meanwhile, the concept of Environmental Ethics used in this research is of transformative kind as proposed by Öhman (2008). It integrates ethical dimension in sustainable development and democratic responsibility characteristic of Education for Sustainable Education (Öhman, 2008, p. 27). This study, therefore, aims to examine Bertha Catering owner’s perception of Green Business by specifically addressing two questions as follows.

1. Is Bertha Catering aware of environmental conservation in doing business?
2. What are the impacts of this business to the environment?

Method

Used as data sources were field observation and interviews conducted in Bertha Catering located in Ngentak VIII RT 006/RW 019, Sendangagung, Minggir, Sleman, Yogyakarta. Data collection was done intermittently between May to July 2019, 2 to 3 hours per visit, by making use of video camera and tape recorder to bring the data together. The main research participant was Ms. Cicilia Rita Estrihartanti (henceforth Ms. Rita), 50 years of age, owner of Bertha Catering whose willingness to participate in this project had been duly authorized. According to Laws of the Republic Indonesia Number 20 of 2008 about Micro Small and Medium Enterprises, Article 6, Paragraph 2 (b), Small Enterprise has annual sales of more than Rp 300,000,000.00 (three hundred million rupiahs) up to a maximum of Rp 2,500,000,000.00 (two billion five hundred million rupiahs). Bertha Catering fits in this category.

Mindful of the fact that culture almost always influence entrepreneurs, non-quantitative ethnographic case study was used as research strategy (Dana, L. P., & Dana, T. E. , 2005) by observing closely the research participant and conducting in-depth interviews (IDI). Here the researchers also acted as observing participants in order to grasp better understanding of the business praxis in question. A set of preliminary questions was prepared to trigger further questions during IDI. The questions include activities related to production, waste management process, and attention to healthy food products (green products). To analyse and report the findings, this study applied naturalistic procedures (Schwandt, T. A., Lincoln, Y. S., & Guba, E. G. , 2007) with which several themes emerged that help the researches to draw conclusion on the business owner’s perception of environmental ethics.

Finding and Discussion

The findings obtained from answers to the research questions, namely the business’ awareness of environmental conservation and its impacts to the environment make up 3 emerging themes, i.e. 1) motivation for entrepreneurship, 2) challenges in entrepreneurship and 3) opportunities in green entrepreneurship.

Theme 1: Motivation for Entrepreneurship

Gast, Gundolf and Cesinger define entrepreneurship as the process of opportunity in innovation, creation and exploitation that involve functions, activities, and actions with which business is based and acted upon. As a result, their delineation of ecological sustainable entrepreneurship includes the whole process of identifying, evaluating, and seizing business opportunities that reduce its impact on the natural environment whilst generating societal and communal welfare (Gast, J., Gundolf, K. & Cesinger, B., 2017).

When Ms. Rita started her business in 2005, this school teacher began with getting food orders for office meetings of her circles of friends and/or colleagues. Luckily, many people enjoyed the food she prepared from which her intention to make a side business started to grow. Ever more customers ordered her nutritious food due to its use of local foodstuffs with no preservatives, although no promotions had then been made until she later put a label onto the snack boxes she catered for her customers. She said the following:

At first it didn't occur to me to become an entrepreneur but rather to go home to accompany my parents while waiting for permanent post as a teacher at the Marsudirini Yogyakarta Foundation. After waiting for so long, I decided to become an elementary teacher in the village and nurture my hobby in cooking.

Ms. Rita's statement partly exemplifies what it means to become an entrepreneur who is quick to respond to any business opportunity while catering to society's need of (healthy) food. From the interviews, it was revealed that the business has taken orders from several institutions through words of mouth, especially in recognition of the food's natural scrumptiousness. Among the customers to this day are RS Klepu, the nearby hospital, and staff from PT Pertanian who often order lunch boxes for their training participants and related events.

Ms. Rita's use of "Berta Catering" label to the snack boxes was more than a small innovation. It helped improve product marketing to the wider community so that her catering gradually grew to its fame. In addition to introducing more products to the public, the label was a necessity in a consumption report to account for BOS (short for *bantuan operasional sekolah*), the funds poured out by the government to advance secondary schools in Indonesia. Since then, the business has become so developed and overwhelming to handle by Ms. Rita all by herself. Having talked over the issue, Ms. Rita and her husband, Mr. Didit, decided that Mr. Didit give up his job to help advance and run a better catering business in 2006 to the present. Besides, Ms. Rita was already appointed as a civil servant and leaving her post as a teacher would not have been advisable.

From the field observation, Berta Catering is quite promising as it has also provided living for the local people. The business sprawls on a land of around 2,000 m² with a building area of around 700 m². There is an asphalt road to Berta Catering which is located near a stretch of rice fields which makes the air fresh. There is also a small ditch on the edge of the house that flows throughout the year and a pond of *gurameh*, small, brightly colored Asian labyrinth fish, to keep fish supply. Two vans are available to buy raw materials and send orders. The average

daily order is 150 boxes priced at @ Rp 20,000. The business employs 5 workers who work every day and get overtime pay. Berta Catering has a legal entity shown by TDP, Company Registration Certificate, and NPWP Daerah, Regional Taxpayer Registration Number. Here we see that Berta Catering has undergone the process of identifying, evaluating and seizing business opportunity as proposed above (Gast, J., Gundolf, K.& Cesinger, B., 2017). While business acumen and societal demand give a boost to the business owner's motivation, environmental concerns are yet to see. The growth of Berta Catering, like any other MSMEs, lends itself to challenges and opportunities to which the discussion now turns.

Theme 2: Challenges in Entrepreneurship

As business grows, the work must be increasingly professional. However, employees cannot always work together professionally. Investigating differing motivations in becoming an entrepreneur, a similar study in Ethiopia concludes that added to their own ambitions, entrepreneurs require family members, friends and personality inclined to entrepreneurial carriers (Krishna, 2013). This is to say the success of an entrepreneur is often contingent on who she or he works with.

Like most MSMEs, Berta Catering employs close neighbors. However, they sometimes have difficulty in finding professional staff. Those who have expertise and skills do not necessarily have discipline in work. This problem has discouraged Ms. Rita to accept large orders. From IDI, it is obvious that she experienced difficulties in dealing with co-worker neighbors who were not committed to the chores because of personal needs such as going to functions, helping out relatives in their family events, to name but two. There are times when the co-worker is of stubborn, smart-alecky type, hence refusing to listen to Ms. Rita's instruction. Another worker is fond of chit-chatting as to slow down the work while more works need to be done. Indeed, Berta Catering has a lot to do for sometimes it takes care of 3 to 4 orders of 50 to 150 rice boxes in a day. (The largest order as culled from this study's early June interview was 1,000 boxes).

In addition to problems with poor quality employees, capital is also another anxiety in business development. At the beginning of the business, Berta Catering did not have catering equipment but it rented from party equipment rentals. Ms. Rita recommended her customers to order in the form of *nasi kotak*, "rice box", because it does not require any tableware for serving. Reservations in the form of a buffet would reduce profits because they had to pay the cost of renting equipment which was then quite expensive, approximately Rp 6,000 per set. Gradually Berta Catering managed to buy cutlery from savings. This small entrepreneur set aside their income to save with the aim of buying tableware so they did not need to rent anymore. Initially there was a thought of borrowing funds from the bank but Ms. Rita and her husband decided not to continue with the plan due to various considerations. This reluctance to increase the capital has also caused Berta Catering to grow unhurriedly.

Another problem related to funding is uncollectible receivables. This happens because many of Berta Catering customers have family relationships so they cannot be billed like most businesses. Expressing her concern about friends or relatives who failed to pay their orders in due course, Ms. Rita, smiling, had this to say: "That's it. Sometimes I don't have the heart [to ask them to pay]. Sometimes we asked them to pay but never come back to pay, 5 million, 3.6

million, 2.4 million. Two hundred thousand unpaid bills are the most frequent to happen.” This then has made Berta Catering’s business capital slow to increase.

Theme 3: Opportunities in Green Entrepreneurship

There are three main issues related to environmental problems, namely internalization of environmental management practices, environmental innovation, and knowledge management (Robertson, J.L. & Barling, J., 2015, pp. 15-16). In the meantime, orientation in becoming green entrepreneurs may be as varied as inherent motivation including emotional attachment, market thrust, and social responsiveness (Jiang, W., Chai, H., Shao, J., & Feng, T., 2018) and therefore becoming a green entrepreneur is not easy to get done (Sonenshein, S., Decelles, K. A., & Dutton, J. E., 2014). Using the above theorization, the data analysis revealed the third theme, that is, Berta Catering’s potentials to continue taking on green entrepreneurship way of life.

In terms of food materials supply, Berta Catering relies on the traditional market, the closet being the Godean Market that stays open for 24 hours selling vegetables, fruit, fish, meat, poultry, spices, and many more. Ms. Rita has made use of the main raw materials from vegetables, meat, and fish to spices and flavorings. No chemicals for food coloring are used as all ingredients are natural dyes, for example, mixture of teak leaves for color, and brown sugar for sweeteners, not to mention other herbs of different flavor and aroma. She said that the quality of food with natural ingredients was wholesome while naming Klepu hospital as one loyal customer who ordered from Berta Catering for almost every single event. Instead of using artificial preservatives, such natural ingredient as lime juice is useful to add to rice or vegetables to be cooked to prevent the materials from being stale far too soon.

Excepting for gourami, other fish and meats are easy to obtain from the market or retailers; hence there is no necessity to be self-sufficient for these raw materials. Speaking of sustainability, the couple entrepreneur’ neighbors raise ducks and chicken fed by Berta Catering’s leftovers and food scraps. Mr. Dudit used to recycle eggshell as bites for mouse trap but it did not last long because mice breed so fast compared to those trapped. What can be inferred here is that Berta Catering finds no difficulty in trashing out the production waste. The question here is: Is the waste disposal system environmentally friendly? When pursued further about waste water, the owners quickly pointed out the ditch running behind the house. They throw away greasy water waste onto a heap of ashes in the backyard. It was only in the researchers’ next visit that a waste oil disposal container was later provided. Apparently, environmental management can only be carried out by implementing policies, codes of ethics, and industrial ecological actions. It is right to say that it takes external motivation to become resolutely ecologically inclined entrepreneurs (e.g. Jiang, W., Chai, H., Shao, J., & Feng, T., 2018; Robertson, J. L. & Barling, J., 2015; Wei, L. K., Omar, R., & Sa'ari, J. R., 2015)

The analysis of data gleaned from both field observation and IDI shows that in terms of production (cooking process), Berta Catering has sooner or later faced ecological problems for its use of fuelwood in reducing the production cost. Berta Catering uses fuelwood to cook food; this means that it has the potential to cause environmental damage because many trees will be cut down for this purpose. According to the Environmental Protection Agency (EPA), “pollution prevention

is reducing or eliminating waste at the source by modifying production processes, promoting the use of non-toxic or less toxic substances, implementing conservation techniques, and re-using materials rather than putting them into the waste stream” (Robertson, J. L. & Barling, J., 2015, p. 15).

Here, Berta Catering stakeholders (owner and customers) argue that cooking using fuelwood will produce more delicious dishes than using an oil stove or gas stove. This is the reason why to date Berta Catering continues to use fuelwood taken from Melinjo tree (*Gnetum gnemon Linn.*) Mr. Didit decided on the use of Melinjo wood because it does not cause much smoke; besides, the wood can still burn when wet, thanks to its oleaginous contents. Ms. Rita and her husband explained that they cut the large trees of which the trunks were also in use by the handicraft and kitchen utensil home-industry to make *parut*, coconut grater. They claimed that their business did not produce waste which could pollute the environment. The smoke generated from the cooking process was reportedly discharged into the air through traditionally made chimneys. They believed that their neighbors did not feel disturbed by the smoke. They once asked one neighbor and the latter declared that they did not feel disturbed. This means that living together in the environment can still be maintained even though every day there is smoke arising from the food processing. The fact that Berta Catering lies on the outskirts of the village seems to lessen the practical problem often occurs among neighbors.

To sum up, Berta Catering has the potentials to operate green business in terms of societal beliefs. Given its current location in Ngentak, one prospective village in Yogyakarta, the spirit of cooperation and harmonious neighboring life easily fit in with environmental ethics practiced within democratic and pluralistic milieu (Öhman, 2008).

Conclusion

This research limited itself on examining Berta Catering as the research participant to find out what factors motivate the entrepreneur to produce environmentally friendly products. Ms. Rita and her husband Mr. Didit as owners of Berta Catering have the motivation to continue serving dishes prepared with natural ingredients because they feel that in so doing they produce meals desirable to their consumers. For this reason, the owners will continue to maintain the business quality.

The results of the study have shown that in the production process, the business stakeholders hardly perceived that Berta Catering disturb the neighbors and their daily activities because of its location by the village near the rice fields, hence fairly far from the settlement. Berta Catering has no concern about production waste either because they recycle the unconsumed food to give to the neighbors for poultry feed. However, the business owners have not had enough information on procuring fuelwood which has the potential to damage the environment.

It has also been shown that driven by internal motivation, Berta Catering owners offer environmentally friendly products to maintain the consumers’ trust that they provide healthy and yummy food without chemically processed ingredients. Meanwhile, such an external motivation as adherence to

environmental and social norms has not been taken into thoughtful consideration because there are no regulations that prohibit people from cutting down trees.

This study recommends 5 ideas for Berta Catering to have a go: (1) continually preparing locally-sourced groceries for the menu while using recyclable tablewares not the disposable ones (2) always updating culinary techniques/skills using sustainable sources or supplies; (3) minimizing the use of plastic bags of all kinds and sizes by replacing them with banana leaves or other innovative, hygienic, and ecofriendly modes of packaging (4) reducing the use of fuelwood to opt for environmentally friendly alternative fuels; and (5) upgrading the workers' professionalism by participating in relevant trainings.

As a final point, it would seem mandatory to have regulations made to reward good ecological practices and to penalize any breach of regulation so that MSMEs may inevitably transform into sustainable business. The success of tax policy enactment on MSMEs as to boost the business growth cited in the beginning of this article is a good example to implement on environmental code of practice for any business.

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