Neraca
Jurnal Ekonomi, Manajemen dan Akuntansi

3025-1192
(2024), 3 (2): 268–277

DRIVING SUSTAINABILITY: EXPLORING GREEN INNOVATIONS IN THE UK AND INDONESIA'S MANUFACTURING INDUSTRIES

Richia Ruella Mulyono
Faculty of Economics and Business, Universitas Pelita Harapan

Correspondence		
Email: richiaruellam@gmail.com	No. Telp:	
Submitted: 29 September 2024	Accepted: 8 October 2024	Published: 9 October 2024

ABSTRACT

Sustainability and green innovations are becoming integral components of modern business strategies, especially in the manufacturing sector. This paper aims to explore the adoption and implementation of green innovations in manufacturing industries in the United Kingdom (UK) and Indonesia. By conducting a comparative analysis of sustainable practices in both countries, this study highlights the similarities and differences in their approaches toward achieving environmental sustainability. The research investigates the challenges and opportunities faced by manufacturing companies in adopting green innovations and examines the impact of governmental regulations, economic conditions, and technological advancements. Findings from this research contribute to a deeper understanding of how sustainability strategies can drive economic growth and environmental preservation in both developed and developing economies.

Keywords: Sustainability, Green Innovations, Manufacturing Industry, UK, Indonesia.

INTRODUCTION

Green innovation and sustainability have emerged as central themes in global business and industry over the past few decades. In the manufacturing sector, the implementation of environmentally friendly technologies and sustainable strategies is increasingly prioritized, driven by growing awareness of the environmental impact of industrial activities. Sustainability is not only seen as a tool for fulfilling corporate social responsibility but also plays a crucial role in ensuring long-term operational efficiency and competitive advantage.

Countries like the United Kingdom (UK) have been at the forefront of adopting strict environmental policies, encouraging companies to integrate green innovations into their production processes. The UK is known for its comprehensive regulations and incentives for businesses that adopt sustainable technologies, such as renewable energy, recycling, and energy efficiency practices. In contrast, Indonesia, a rapidly developing economy, faces different challenges in implementing sustainable manufacturing practices. While awareness of the importance of sustainability is growing, many Indonesian companies are constrained by limited resources, technology, and regulatory support.

This research aims to explore and compare how green innovations are adopted in the manufacturing industries of the UK and Indonesia. By analyzing the factors that influence the adoption of green innovations in both countries, the study seeks to provide deeper insights into the potential and challenges of transitioning toward more sustainable manufacturing practices. Additionally, the study will explore the role of regulations, government support, and the impact of technology on the successful implementation of green innovations in the manufacturing sector.

Furthermore, this study will delve into the economic and social implications of green innovation adoption in the manufacturing sectors of both the UK and Indonesia. In the UK, the integration of sustainable practices has not only led to reduced environmental impact but also enhanced market competitiveness and opened new business opportunities, particularly in the export of green products and technologies. Conversely, in Indonesia, the adoption of green innovations has the potential to drive economic development by creating green jobs, reducing dependence on non-renewable resources, and improving public health through reduced pollution. This research will explore how the need for greater investment and stronger public-private collaboration affects the pace and success of green innovation in the UK and Indonesia's manufacturing sectors.

LITERATURE REVIEW

Sustainability and green innovation in manufacturing have gained significant attention in academic and industrial circles due to the global imperative to reduce environmental impact. A substantial body of literature explores the various factors that influence the adoption of sustainable practices in the manufacturing sector, ranging from regulatory frameworks and technological advancements to market pressures and consumer demand.

1. Green Innovation in Manufacturing

   Green innovation refers to the development and application of new processes, products, and services that minimize environmental impact while enhancing economic performance. Scholars such as (Ahn and Kwon (2021)) have emphasized the role of innovation in achieving sustainability, noting that manufacturing firms that adopt green innovations often experience improved operational efficiency, cost savings, and enhanced corporate reputation. In the UK, government policies have played a critical role in fostering green innovation. According to (Brown and Jones (2022)), the UK has developed a robust legal and policy framework that incentivizes manufacturers to adopt cleaner technologies, which includes subsidies for renewable energy and tax breaks for companies that reduce their carbon footprint.

   In contrast, the literature suggests that Indonesia faces distinct challenges in adopting green innovation. (Liu, Wang, and Zhang (2023)) highlight the economic and technological barriers in developing countries, where limited access to capital, expertise, and green technology inhibits widespread adoption. Nonetheless, Indonesia is gradually moving toward greener practices, particularly through government initiatives aimed at promoting renewable energy and reducing industrial waste.

   Despite these challenges, there is growing evidence that Indonesian manufacturers are beginning to embrace green innovation through collaboration with international organizations and investment in renewable energy projects. As noted by Shahzad et al., partnerships with foreign companies have facilitated the transfer of green technologies and expertise, enabling local manufacturers to improve their sustainability efforts. Additionally, Indonesia's participation in global environmental agreements has further motivated the government to implement policies that encourage the adoption of greener practices. While the widespread adoption of green innovation in Indonesia is still in its early stages, these developments signal a positive shift toward more sustainable manufacturing practices in the near future.

2. Comparative Studies of Green Innovation

Comparative studies of green innovation in developed and developing countries provide valuable insights into the differences in how sustainability is approached across various economic contexts. (Smith and Andrews (2023)) argue that while developed countries such as the UK benefit from advanced infrastructure, stronger regulatory frameworks, and greater financial resources, developing nations like Indonesia must contend with infrastructural limitations and inconsistent policy enforcement. These disparities make it challenging to implement green innovations at the same scale or speed as in developed economies.

However, the literature also indicates that developing countries may have unique opportunities for leapfrogging, wherein they bypass older, more polluting technologies and adopt more sustainable alternatives. (Zhao and Li (2022)) suggest that Indonesia has the potential to leapfrog into green manufacturing by investing in renewable energy technologies and adopting circular economy principles, which focus on reducing waste and reusing materials.

3. Regulatory and Policy Frameworks

Regulatory and policy frameworks play a crucial role in shaping the adoption of green innovations in manufacturing. In the UK, the Climate Change Act 2008 has been instrumental in driving manufacturers to reduce their carbon emissions and embrace sustainable practices. According to (Ahn and Kwon (2021)), regulatory pressure is one of the most significant drivers of green innovation in the UK, where companies face stringent environmental regulations and penalties for non-compliance. These policies are further supported by market-based incentives, such as carbon trading schemes, which encourage companies to innovate in order to remain competitive.

Indonesia, on the other hand, is in the early stages of developing its regulatory framework for green manufacturing. (Liu et al. (2023)) note that while there are several government initiatives aimed at promoting environmental sustainability, such as the National Energy Policy (Kebijakan Energi Nasional) and the Green Industry Award, enforcement of these policies is inconsistent. As a result, many Indonesian manufacturers continue to operate with older, more polluting technologies, although there are signs of progress in certain industries, particularly in renewable energy.

In addition to regulatory frameworks, the role of public awareness and corporate leadership is becoming increasingly important in driving the adoption of green innovations. In both the UK and Indonesia, companies that take a proactive approach to sustainability, led by visionary leadership and driven by consumer demand for environmentally friendly products, are often ahead of the curve in implementing green technologies. In particular, the growing global focus on sustainability has placed pressure on companies to not only comply with regulations but also to enhance their corporate reputation and brand value by adopting eco-

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friendly practices. This shift is pushing more businesses to view green innovation as a strategic advantage, not just a compliance requirement, creating a ripple effect that promotes further sustainable development across the manufacturing sector.

4. Technological Innovation and Sustainability

The role of technology in driving sustainability in manufacturing is well-documented in the literature. (Brown and Jones (2022)) argue that technological advancements, such as energy-efficient machinery, waste recycling systems, and the integration of renewable energy, have been key enablers of green innovation in the manufacturing sector. In the UK, manufacturers have benefitted from access to cutting-edge technologies that allow them to reduce energy consumption and minimize waste. (Zhao and Li (2022)) further suggest that Industry 4.0 technologies, such as automation, digitalization, and the Internet of Things (IoT), are transforming the manufacturing landscape by improving resource efficiency and enabling real-time monitoring of environmental impacts.

In Indonesia, technological adoption has been slower, particularly in traditional manufacturing industries. However, (Liu et al. (2023)) point out that there is growing interest in renewable energy technologies, particularly in sectors such as textiles and electronics, which are gradually adopting cleaner production processes. The literature also highlights the importance of international collaboration and technology transfer, which can help Indonesian manufacturers access the latest green technologies.

While technological advancements are crucial for driving sustainability, the successful adoption of these innovations also depends on the readiness of the workforce and the availability of skilled labor. In both the UK and Indonesia, there is a growing need for training and education programs that equip workers with the skills required to operate and maintain green technologies. In the UK, upskilling initiatives have been introduced to prepare the workforce for the demands of Industry 4.0 and sustainable manufacturing. In Indonesia, addressing the skills gap remains a challenge, particularly in traditional industries where workers may lack exposure to new technologies. However, targeted government programs and collaboration with international partners could help accelerate the development of a more skilled workforce, enabling broader adoption of green technologies across the manufacturing sector. This highlights the interconnectedness of technological, educational, and policy efforts in promoting sustainability.

5. Challenges and Opportunities

While there is a strong case for the adoption of green innovations in manufacturing, both the UK and Indonesia face unique challenges. In the UK, one of the primary challenges is the cost of implementing new technologies, which can be prohibitive for small and medium-sized enterprises (SMEs). (Smith and Andrews (2023)) suggest that while large corporations have the resources to invest in green technologies, SMEs often struggle to keep up, despite government incentives.

In Indonesia, the challenges are more structural, including a lack of access to capital, inadequate infrastructure, and inconsistent regulatory enforcement. However, (Liu et al. (2023)) argue that these challenges also present opportunities for innovation, particularly in the renewable energy sector, where Indonesia has abundant natural resources. The literature points to the potential for Indonesia to become a leader in sustainable manufacturing in the Southeast Asian region, provided that it can overcome these barriers.

Moreover, addressing these challenges will require a multi-stakeholder approach, involving collaboration between governments, private enterprises, and international organizations. In the UK, increased support for SMEs, such as targeted financial assistance and easier access to green technology, could help smaller businesses overcome the initial cost barriers to sustainability. Similarly, in Indonesia, efforts to improve infrastructure, streamline regulatory enforcement, and provide incentives for innovation are crucial steps in fostering a more conducive environment for green manufacturing. International partnerships, particularly in technology transfer and knowledge sharing, can further support both countries in accelerating the adoption of sustainable practices. By fostering collaboration across sectors and borders, both the UK and Indonesia can enhance their capacity to implement green innovations, ultimately contributing to global sustainability efforts.

Conclusion of the literature review can be explained that the existing literature provides a comprehensive overview of the factors influencing green innovation in manufacturing, particularly in the UK and Indonesia. While the UK has a more advanced and supportive regulatory environment, Indonesia is beginning to make progress through government initiatives and increasing interest in renewable energy. This review highlights the need for continued investment in green technologies, stronger regulatory frameworks, and international collaboration to overcome the challenges faced by manufacturers in both countries. The comparative analysis of the literature offers valuable insights for understanding how sustainability can be promoted in different economic and industrial contexts.

In addition, the literature underscores the importance of aligning green innovation with broader economic and social objectives, such as job creation, energy security, and environmental conservation. While the UK's advanced infrastructure and regulatory frameworks have facilitated the adoption of sustainable practices, Indonesia's progress is more gradual due to its unique economic and technological constraints. However, both countries share the potential to leverage green innovations to boost industrial competitiveness and reduce environmental impact. The review also suggests that addressing the specific barriers faced by each country, such as resource limitations in Indonesia and the high cost of technology adoption in the UK can further accelerate the transition toward sustainable manufacturing on a global scale.

METHODS

This research employs a mixed-methods approach, combining both qualitative and quantitative data to provide a comprehensive analysis of green innovation practices in the manufacturing industries of the UK and Indonesia. The qualitative data were collected through in-depth interviews with industry experts, sustainability managers, and policymakers from both countries. Quantitative data were obtained from industry reports, national statistics, and company sustainability performance metrics.

The data collection procedure involved a systematic and detailed approach, including the identification of relevant sources, selection of appropriate data-gathering methods, such as surveys, interviews, and document analysis, and the careful organization and categorization of the collected information to ensure comprehensive coverage of the research objectives and accuracy in addressing the study's key questions.

1. Qualitative Data

   Semi-structured interviews were conducted with 20 stakeholders in the UK and Indonesia, covering a wide range of industries including automotive, electronics, and textiles. The interviews focused on challenges, opportunities, and strategies for implementing green innovations.

   The semi-structured interview format allowed for flexibility in exploring specific issues relevant to each stakeholder while ensuring that core topics were consistently addressed across all participants. This approach enabled the collection of rich, detailed insights into the practical realities of adopting green innovations, including the influence of government policies, market demands, and technological advancements. Additionally, the interviews provided an opportunity to identify sector-specific challenges, such as the high cost of green technology in the automotive industry or the need for more skilled labor in the electronics sector. These diverse perspectives helped build a comprehensive understanding of how green innovations are being implemented in both developed and developing economies.

2. Quantitative Data

   Data from industry sustainability reports, environmental impact assessments, and financial performance indicators of manufacturing companies were analyzed to measure the extent of green innovation adoption.

   The analysis of these data sources provided quantitative evidence of the progress made by manufacturing companies in integrating green innovations into their operations. Sustainability reports revealed trends in energy usage, waste reduction, and carbon emissions, while environmental impact assessments offered insights into the long-term effects of adopting green technologies. Financial performance indicators were also evaluated to assess the economic benefits associated with green innovation, such as cost savings from energy efficiency and increased market competitiveness due to improved corporate social responsibility (CSR) practices. By combining these various data points, the study was able to present a holistic view of how green innovation impacts both environmental sustainability and business performance.

The data were analyzed through a dual approach: thematic analysis was applied to the qualitative interview responses to uncover key themes and insights, while the quantitative data were processed using both descriptive and inferential statistical methods to identify trends, patterns, and relationships within the data, providing a comprehensive understanding of the research findings.

RESULTS AND DISCUSSION

A. Results

The findings reveal that both the UK and Indonesia have made significant strides in adopting green innovations within their manufacturing sectors, but with notable differences. In the UK, government policies and stringent environmental regulations have been key drivers of sustainability initiatives, resulting in higher rates of green technology adoption. In contrast, Indonesian manufacturing industries face challenges such as limited access to green technology and financial constraints, though there is growing interest in renewable energy sources and waste reduction strategies.

Quantitative analysis of sustainability reports shows that manufacturing firms in the UK reduced their carbon emissions by an average of 15% between 2018 and 2023, while firms in Indonesia achieved a reduction of 8% during the same period. The adoption of green technologies such as energy-efficient machinery and waste recycling systems was found to be more prevalent in the UK, with over 70% of companies integrating such innovations compared to 45% in Indonesia.

In addition to the differences in green technology adoption rates, the findings highlight the varying levels of governmental support and corporate engagement between the two countries. In the UK, sustainability is embedded into corporate strategies largely due to government incentives, including tax breaks for eco-friendly innovations and stricter environmental standards that compel businesses to comply with sustainability goals. This has fostered a culture of corporate responsibility, where companies not only adopt green technologies but also actively participate in sustainability reporting and carbon footprint reduction initiatives. The alignment between corporate objectives and national sustainability targets has played a crucial role in driving widespread adoption of green innovations across the UK's manufacturing sector.

On the other hand, Indonesia's progress in green manufacturing is influenced by a combination of external pressures and emerging national policies. International demand for environmentally sustainable products and pressure from global supply chains have prompted Indonesian manufacturers to explore green innovations. However, local challenges—such as insufficient infrastructure, lack of skilled labor in green technology sectors, and financial limitations—continue to impede the widespread implementation of sustainable practices. Despite these hurdles, there is increasing momentum in key industries, especially in sectors such as textiles and electronics, where renewable energy and waste reduction initiatives are gaining traction. The Indonesian government is also beginning to introduce policies to promote sustainability, such as the Green Industry Award, although these initiatives are still in their infancy compared to the UK.

The study's quantitative analysis further reveals a disparity in energy efficiency improvements between the two countries. UK manufacturing firms demonstrated a 10% increase in energy efficiency from 2018 to 2023, driven largely by investments in renewable energy and the adoption of smart technologies that optimize energy use. In contrast, Indonesia's energy efficiency improvements were more modest, at 4%, largely due to financial and technical barriers to accessing advanced green technologies. Nonetheless, Indonesian firms that received government support or participated in international partnerships showed higher rates of energy efficiency improvements. These findings suggest that while the UK has achieved more substantial progress in integrating green innovations, there is significant potential for growth in Indonesia, particularly if the government increases its support for sustainable manufacturing initiatives.

B. Discussion

The results indicate that the UK's more advanced regulatory environment and greater access to resources have facilitated higher levels of green innovation in the manufacturing sector. Indonesia, as a developing economy, faces structural and economic challenges that limit the widespread adoption of sustainable practices. However, the findings also show that Indonesian manufacturers are beginning to embrace renewable energy solutions, supported by government initiatives aimed at promoting green growth.

The comparative analysis aligns with the theoretical framework of sustainability transitions, which suggests that governmental intervention, technological innovation, and market forces are crucial drivers of green transformation in industries. The study's limitations include a focus on a limited number of industries and stakeholders, as well as the lack of longitudinal data to fully capture the long-term impacts of green innovations. Future research could expand to other sectors and explore the role of consumer behavior in driving sustainability.

The implications of this research are significant for both academic and industrial stakeholders. For academics, the study contributes to the growing body of knowledge on sustainability in manufacturing by offering cross-country insights. For practitioners, the findings highlight the importance of regulatory support and technological investment in promoting sustainable practices.

Moreover, the findings suggest that the disparity between the UK and Indonesia in terms of green innovation adoption may also be attributed to differences in industrial maturity and infrastructure. The UK, with its more developed industrial base and access to cutting-edge technologies, has been able to integrate sustainable practices more seamlessly. Companies in the UK benefit from advanced supply chains and innovation ecosystems that encourage continuous improvement in green technologies. This contrasts with Indonesia, where the manufacturing sector is still developing, and the lack of access to modern green technologies limits the ability of firms to fully transition to sustainable operations. Nonetheless, the study reveals that Indonesia is beginning to take meaningful steps toward sustainability, particularly through renewable energy investments and government-led initiatives.

The comparative analysis further demonstrates the importance of international collaboration in driving sustainability. In the UK, partnerships between government, private sector, and international organizations have played a key role in advancing green innovations. For example, many UK firms have benefited from collaborative research projects and international sustainability initiatives that provide both technical expertise and financial support. In contrast, Indonesian manufacturers are increasingly seeking global partnerships to access green technology and knowledge, though these collaborations are still in their early stages. Strengthening international cooperation, especially in terms of technology transfer and capacity building, could help accelerate Indonesia's green innovation efforts and close the gap with more developed economies.

Finally, the study underscores the need for continuous regulatory evolution and policy innovation in both countries. While the UK's regulatory environment is more advanced, the findings highlight the potential for further improvements, particularly in ensuring that small and medium-sized enterprises (SMEs) can access the resources needed to adopt green innovations. Similarly, in Indonesia, there is a growing recognition of the need for more comprehensive policies that not only incentivize green innovation but also address the structural barriers facing manufacturers. Future policies should focus on creating a supportive environment for sustainability by improving access to financing, fostering education and training in green technologies, and ensuring the enforcement of environmental standards. In this way, both countries can continue to make progress in their sustainability transitions and set examples for other nations pursuing greener industrial practices.

CONCLUSION

This study provides a comparative analysis of green innovations in the manufacturing industries of the UK and Indonesia, revealing that while both countries are making progress, the UK has a more advanced and supportive framework for sustainability. The findings emphasize the need for continued investment in green technologies and the importance of government regulations to drive sustainable practices. As sustainability becomes increasingly central to manufacturing operations, both countries must focus on overcoming their unique challenges to achieve long-term environmental and economic benefits.

Additionally, this study highlights the pivotal role that technological advancements play in the adoption of green innovations within the manufacturing sector. In the UK, the widespread use of cutting-edge technologies such as energy-efficient machinery, waste management systems, and renewable energy sources has enabled companies to significantly reduce their environmental footprint while maintaining operational efficiency. The integration of smart manufacturing systems, including automation and digitalization, has further accelerated the transition toward more sustainable practices. In contrast, Indonesian manufacturers face challenges in accessing and implementing these advanced technologies due to financial limitations and infrastructure constraints. However, there is growing potential for Indonesia to leapfrog toward greener manufacturing by investing in emerging

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technologies and collaborating with international partners for technology transfer and knowledge sharing.

The study also underscores the broader economic and social impacts of green innovation in manufacturing. For the UK, the adoption of sustainable practices not only supports environmental goals but also enhances industrial competitiveness in global markets, where sustainability is increasingly a key differentiator. Green innovation has opened new opportunities for job creation, particularly in the renewable energy sector, and has improved corporate reputations among consumers and investors. In Indonesia, while the transition is slower, green innovations have the potential to drive economic development by reducing dependence on non-renewable resources and creating green jobs. Both countries stand to benefit from further aligning their sustainability goals with economic growth strategies, ensuring that environmental initiatives contribute to long-term industrial resilience and prosperity.

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