Integrating Local Wisdom Into Sustainable Entrepreneurship Models: A Conceptual Approach For Climate Action

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Abstract : *Climate change is a critical global challenge that demands innovative, cross-sectoral solutions. Sustainable entrepreneurship integrates social, environmental, and economic dimensions, fostering long-term positive impacts. However, many business models overlook the strategic potential of local wisdom to enhance sustainability. This study addresses this gap by developing a conceptual framework that incorporates local values into sustainable entrepreneurship, offering a novel approach to climate change mitigation. Using a conceptual methodology based on extensive literature analysis, the framework integrates the Triple Bottom Line (TBL)—People, Planet, Profit—and the Business Model Canvas (BMC) while embedding local wisdom, such as ecological harmony, community-based resource management, and cultural preservation. These elements are mapped onto BMC components like Value Proposition, Revenue Streams, and Key Activities, providing actionable strategies to align business operations with local traditions and global sustainability goals. This framework enhances community resilience and directly supports climate action while promoting sustainability in sectors like agribusiness and tourism. By bridging traditional knowledge systems and modern practices, it offers a practical and scalable solution for advancing global sustainability efforts. Further empirical validation is recommended to assess its feasibility across diverse contexts.*

Keywords: local wisdom, sustainable entrepreneurship, climate change, triple bottom line.

Introduction

Climate change is one of the most pressing challenges globally, with profound impacts on ecosystems, economies, and social stability. The IPCC (2023) reports that greenhouse gas emissions have reached a record high of 57.1 gigatons CO_2 equivalent, a 1.3% increase compared to the previous year. Without immediate intervention, global temperatures could surpass the critical 2°C threshold above pre-industrial levels, leading to irreversible consequences for biodiversity, food security, and human well-being. This crisis disproportionately affects local communities in developing countries, which heavily depend on natural resources for survival.

Sustainable entrepreneurship, guided by the Triple Bottom Line (TBL) framework—People, Planet, and Profit—offers a transformative approach to balancing economic growth with sustainability (Karadayi et al., 2024; Rosário & Figueiredo, 2023). Through innovations in resource management and community-based initiatives, it enables businesses to reduce carbon footprints and enhance environmental stewardship (Kothari, 2024; Villavicencio et al., 2023). However, the lack of integration of local wisdom limits the contextual relevance of many modern business models, despite its potential to create culturally aligned and impactful practices (Prabakaran & Renish, 2024). Embedding local values into these models can deliver competitive advantages and long-term societal benefits while

addressing environmental challenges (Rizwan Ul Haque, 2024; Yetunde Adenike Adebayo et al., 2024). Overcoming barriers like funding shortages and market acceptance requires participatory approaches that combine modern innovation with traditional practices, ensuring holistic sustainability (Prabakaran & Renish, 2024; Yetunde Adenike Adebayo et al., 2024).

Local wisdom, such as the Subak system in Bali and the Sasi tradition in Maluku, integrates traditional knowledge with ecological practices, offering valuable lessons in sustainability. Subak, rooted in the *Tri Hita Karana* philosophy, promotes harmony among humans, nature, and spirituality, ensuring equitable water use and community solidarity (Kamakaula, 2024). Similarly, Sasi applies temporary resource bans to allow ecosystem regeneration, reflecting advanced ecological understanding (Sudjarwo et al., 2018; Utari et al., 2024). Despite their potential, these practices are often excluded from modern business frameworks due to limited recognition of their relevance. Efforts like integrating *Tri Hita Karana* into CSR programs and sustainable river management through Lubuk Larangan demonstrate the applicability of local wisdom in modern contexts ((Permatasari et al., 2024; Purwanti et al., 2024)). Community empowerment and collaboration are key to bridging traditional practices with modern business needs, fostering sustainability across ecological, social, and economic dimensions (Kurniawan et al., 2023; Putu et al., n.d.).

The Business Model Canvas (BMC), traditionally focused on economic efficiency, can be enhanced by integrating cultural and ecological values, aligning business strategies with global sustainability goals (Millaningtyas et al., 2023). The Triple Layered Business Model Canvas (TLBMC) incorporates environmental and social dimensions, enabling businesses to balance profit with environmental protection and social fairness, as shown in the Spanish fruit and vegetable industry (Mili & Loukil, 2023). Novel methods like Business Model Life Cycle Assessment (BM-LCA) further connect environmental performance with financial flows, identifying opportunities for sustainable innovation. These frameworks support the integration of local wisdom and ethical perspectives, empowering hybrid organizations and social enterprises to address environmental and social objectives (Painter et al., 2019).

This research aims to develop a conceptual framework that combines local wisdom with a sustainable business model. By integrating BMC elements with TBL dimensions, the framework prioritizes ecological harmony, cultural preservation, and community empowerment. It seeks to support climate action while enhancing the social and economic resilience of local communities.

Theoretically, this study bridges a gap in the literature by connecting local wisdom to sustainable entrepreneurship. Practically, it provides actionable guidance for entrepreneurs, policymakers, and communities. Ultimately, this research contributes to global efforts for a sustainable and inclusive future.

Method

This study employs a conceptual approach grounded in systematic literature analysis to develop a framework for integrating local wisdom into sustainable entrepreneurship (Hossain, 2024). This method facilitates the identification, organization, and synthesis of theoretical and empirical insights at the intersection of local wisdom, sustainable business models, and climate change mitigation.

Data Collection and Sources

The study involved an extensive review of scientific literature, global reports, and case studies. High-impact academic journals indexed in Scopus and Web of Science were prioritized for credibility, while global reports from the Intergovernmental Panel on Climate Change (IPCC) and the United Nations Development Programme (UNDP) provided insights into sustainability policies and trends. Case studies, both local (e.g., *Subak* in Bali, *Sasi* in Maluku) and international, illustrated practical applications of local wisdom in promoting sustainability.

Literature Analysis Process

The analysis followed a structured three-step process:

1. **Identifying Relevant Literature**: Keywords such as "local wisdom," "sustainable entrepreneurship," "Triple Bottom Line," and "Business Model Canvas" were used to search databases like ScienceDirect and Springer.
2. **Selecting Studies**: Inclusion criteria ensured relevance to the research focus, methodological rigor, and recent publication (within the past five years).
3. **Synthesizing Themes**: Key concepts, relationships, and elements critical to sustainability and local wisdom integration were identified.

Case Studies and Triangulation

Local examples such as *Subak* and *Sasi* were analyzed alongside international cases to identify patterns relevant to the proposed framework. Data triangulation enhanced reliability by comparing insights from academic literature, global reports, and empirical evidence.

This methodology aims to produce a conceptual framework applicable across diverse contexts, offering both theoretical contributions and practical guidance for entrepreneurs, policymakers, and communities.

Results and Discussion

Conceptual Framework

This study introduces a conceptual framework that integrates the Triple Bottom Line (TBL) dimensions—People, Planet, and Profit—with key elements of the Business Model Canvas (BMC), namely Value Proposition, Key Activities, and Revenue Streams. By embedding local values such as ecological harmony, community-based resource management, and cultural preservation, the framework provides practical guidance for entrepreneurs to develop sustainable business models that directly contribute to climate change mitigation.

(a) People Dimension and Social Community Values

The People dimension of TBL emphasizes social welfare and community empowerment, which align with the Key Activities element of the BMC. Activities based on local values, such as cultural preservation and traditional practices, support sustainability while fostering community solidarity.

For instance, the *Subak* irrigation system in Bali operationalizes social harmony through collective labor in water management. This system ensures equitable water distribution while strengthening community ties (Kamakaula, 2024). Businesses adopting such practices can create significant social impacts and achieve a competitive edge by aligning their strategies with local contexts.

(b) Planet Dimension and Ecological Harmony

      The Planet dimension addresses environmental sustainability, integrated into the Value Proposition element of the BMC. Businesses can offer unique environmentally friendly products rooted in local wisdom, creating a strong appeal in sustainability-conscious markets.

      For example, the *Sasi* tradition in Maluku exemplifies community-driven conservation efforts, enabling resource regeneration and promoting sustainable production systems (Sudjarwo et al., 2018). By incorporating these principles, businesses not only enhance their environmental credentials but also meet global market demands for sustainable practices.

(c) Profit Dimension and Economic Sustainability

      The Profit dimension extends beyond financial gains to prioritize long-term economic sustainability. The Revenue Streams element of the BMC plays a key role by incorporating innovative approaches such as eco-labeling and community-based ecosystem payments.

      For example, traditional products sourced through sustainable resource management can gain broader market appeal through green certifications, attracting environmentally conscious consumers (Puspitarini et al., 2021). This integration enables businesses to align profitability with social and environmental responsibility, ensuring holistic sustainability.

Conceptual Framework Diagram

The following diagram illustrates the conceptual framework, showing the relationships between **TBL**, **BMC**, and local values:
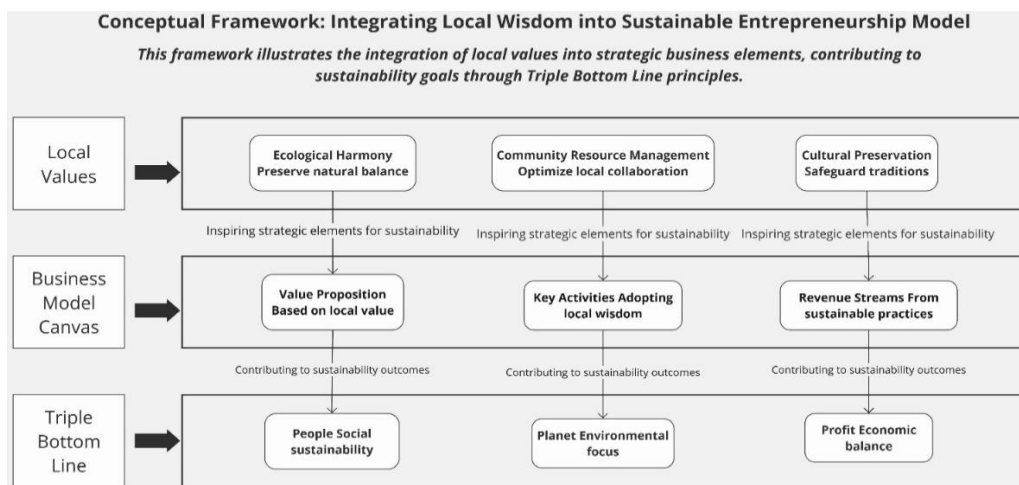
Figure 1. *Conceptual Framework Diagram*

Conceptual Framework: Integrating Local Wisdom into Sustainable Entrepreneurship Model
This conceptual framework integrates local wisdom, the Business Model Canvas (BMC), and the Triple Bottom Line (TBL) to create a sustainable entrepreneurship strategy. It is structured hierarchically with three interconnected layers: **Local Values (top layer) → BMC (middle layer) → TBL (bottom layer)**. This flow aligns traditional practices with modern business strategies, contributing to sustainability goals.

Top Layer: Local Values

Local Values form the foundation for sustainable entrepreneurship, categorized into three dimensions:

1. **Ecological Harmony**:
   a. Promotes balance between humans and nature.
   b. Example: The *Subak* irrigation system in Bali ensures equitable water distribution and ecological balance (Kamakaula, 2024).

2. **Community Resource Management**:
   a. Focuses on collaborative efforts to manage resources sustainably.
   b. Example: The *Sasi* tradition in Maluku uses temporary bans to allow resource regeneration (Sudjarwo et al., 2018).

3. **Cultural Preservation**:
   a. Safeguards traditional arts, rituals, and practices that strengthen community identity.
   b. Example: Cultural festivals attract tourism while preserving traditions.

Middle Layer: Business Model Canvas (BMC)

The BMC translates Local Values into actionable business strategies:

1. **Value Proposition**:
   a. Offers unique, sustainability-oriented products or services.
   b. Example: Eco-tourism combining cultural heritage and environmental conservation.

2. **Key Activities**:
   a. Incorporates local practices into operations, such as organic farming.
   b. Example: Agribusiness leveraging traditional agricultural techniques.

3. **Revenue Streams**:
   a. Generates income through innovative, eco-friendly approaches.
   b. Example: Eco-certified products appealing to environmentally conscious consumers (Puspitarini et al., 2021).

Bottom Layer: Triple Bottom Line (TBL)

The TBL defines the goals of sustainable entrepreneurship:

1. **People**: Enhances community welfare through empowerment and inclusivity.
   - Example: Cooperatives improving smallholder farmers' livelihoods.

2. **Planet**: Promotes environmental preservation and eco-friendly practices.
   - Example: Minimizing waste through recycling initiatives.

3. **Profit**: Focuses on long-term economic resilience.
   - Example: Reinvesting profits into community development.

This integration flow ensures that Local Values inspire the BMC's operational strategies, which align with TBL outcomes, creating measurable impacts across social, environmental, and economic dimensions.

Critical Discussion

Global and Local Relevance of the Conceptual Framework

The proposed conceptual framework demonstrates significant relevance in both local and global contexts. Locally, it integrates cultural and traditional values, providing a foundation for entrepreneurship that creates tangible impacts within communities. For example, *Subak* in Bali and

Sasi in Maluku exemplify community-based sustainability solutions that not only promote environmental preservation but also strengthen local cultural identities ((Asrial et al., 2021).

Globally, principles derived from these local wisdom practices can be adapted to address sustainability challenges in diverse regions. For instance, community-based traditions in the Pacific Islands have successfully conserved ecosystems while empowering local populations. The framework also provides practical guidance for private sector businesses aiming to align with global sustainability goals, such as the Sustainable Development Goals (SDGs). By embedding Value Propositions rooted in local values, businesses can gain competitive advantages while addressing environmental and social challenges holistically.

Challenges in Cross-Cultural Implementation

While the framework offers numerous benefits, its application faces significant challenges, especially in cross-cultural contexts:

1. **Differing Perceptions of Local Values**:
   Business stakeholders and communities may interpret local values differently, leading to conflicts or resistance. For example, misinterpretation or exploitation of traditions such as *Subak* or *Sasi* could result in rejection by local communities (Fithriyah et al., 2021). To overcome this, participatory approaches that engage communities in business model design are essential for fostering trust and cooperation.

2. **Resource Limitations**:
   Many communities with rich local wisdom lack infrastructure or technological support to implement sustainable business models effectively. Entrepreneurs may also be unaware of the strategic potential of local values. Collaborative efforts involving governments, private sectors, and NGOs are necessary to provide education, infrastructure, and financial incentives.

3. **Reconciling Traditional Values with Modern Business Needs**:
   Incorporating local practices like *Subak* or *Sasi* into revenue models requires careful negotiation to balance cultural preservation with market demands (Kamakaula, 2024). Participatory governance models, such as those used in community-based tourism, offer insights into aligning local traditions with global standards.

4. **Cross-Cultural Differences**:
   Aligning local values with global business practices can be challenging, particularly in regions with varying cultural norms. Misinterpretation or commodification of cultural values may lead to resistance, eroding trust and cooperation (Lee & Huruta, 2022). Ensuring stakeholder engagement and community alignment through participatory approaches is critical to address this issue.

Green Economic Approaches and Scalability

Green economic strategies, combined with capacity-building initiatives, empower local communities to achieve sustainability goals while enhancing economic resilience (Schiappacasse & Müller, 2015).

1. **Agribusiness**: Innovative technologies aligned with traditional practices have promoted sustainable farming, resulting in long-term economic benefits (Belgacem, 2023).

2. **Renewable Energy**: Local wisdom has guided community-based solutions, such as integrating traditional knowledge into energy conservation programs or small-scale renewable projects.

3. **Technology Sector**: Leveraging local expertise helps adapt innovations to specific environmental and cultural contexts, showcasing the scalability and versatility of this framework across industries.

These examples demonstrate how the framework can be applied across diverse sectors, bridging local traditions with modern sustainability goals.

Theoretical Implications

This study makes significant contributions to the literature on sustainable entrepreneurship, business models, and the integration of local values. It expands the Triple Bottom Line (TBL) concept by connecting it directly to the Business Model Canvas (BMC) through local values, demonstrating how social, environmental, and economic dimensions of TBL can be practically translated into BMC elements like Value Proposition, Revenue Streams, and Key Activities. This integration addresses a gap in the literature, which has often separated normative sustainability frameworks from operational tools like BMC.

Moreover, the study enriches discourse on the global relevance of local wisdom. While prior research has emphasized local wisdom in natural resource management (Kamakaula, 2024; Sudjarwo et al., 2018), this framework links such practices to modern entrepreneurship, showcasing their potential as sources of innovation. It also highlights how cultural values enhance business competitiveness, particularly in a global economy increasingly valuing local diversity.

This framework paves the way for empirical testing, hypothesizing that values like ecological harmony, cultural preservation, and community-based management enhance business sustainability. Future research in sectors such as agribusiness, tourism, and creative industries can provide stronger empirical evidence, expanding the theoretical and practical understanding of sustainable entrepreneurship.

Finally, the study challenges the assumption that global business models must be homogeneous. By demonstrating that cultural diversity and local traditions are strategic assets, it offers a new perspective on creating adaptive and relevant business models. This contribution strengthens sustainability theories while providing guidance on balancing global homogenization with local uniqueness.

Conclusion

Integrating local wisdom into sustainable entrepreneurship models offers a transformative approach to addressing global sustainability challenges, including climate change. This study developed a conceptual framework combining local values, the Business Model Canvas (BMC), and the Triple Bottom Line (TBL), providing a structured method for creating locally rooted and globally impactful business strategies.

The findings demonstrate that local wisdom—ecological harmony, community-based resource management, and cultural preservation—can be effectively operationalized through BMC components such as Value Proposition, Key Activities, and Revenue Streams. These components align with TBL dimensions (People, Planet, and Profit), bridging traditional knowledge with modern business practices to guide entrepreneurs in designing innovative, sustainable strategies.

Theoretically, this study expands the application of TBL and BMC frameworks by emphasizing their relevance in diverse cultural and environmental contexts. It highlights the importance of integrating cultural and ecological values into business operations and underscores the role of community engagement in achieving sustainability.

Practically, the framework provides actionable guidance for entrepreneurs and policymakers. In sectors like agribusiness and tourism, integrating local wisdom—such as organic farming or eco-tourism—can create competitive advantages while promoting community empowerment and addressing environmental challenges. The framework also holds potential for sectors like renewable energy and healthcare, where local knowledge can drive innovative, community-focused solutions for sustainability.

However, this study acknowledges its conceptual nature and the need for empirical validation. Future research should test the framework in specific industries or regions to refine its application and address potential challenges. Exploring its adaptability in diverse sectors, such as

renewable energy and healthcare, could further expand its relevance across economic and cultural landscapes.

In conclusion, this framework provides a foundation for designing business models that merge tradition with innovation, aligning local relevance with global sustainability goals. It emphasizes the need for cross-sector collaboration among governments, businesses, and communities to achieve a sustainable future and invites further exploration to advance the discourse on sustainable entrepreneurship.

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