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Integrating Economic and Social Values in the Home Industries: A Study on the Implementation of Creating Shared Value (CSV) in the Gadingrejo Tofu Center

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Abstract:

This study aims to examine the implementation of the Creating Shared Value (CSV) approach in integrating economic and social values within home industries, specifically at the tofu production centre in Gadingrejo. A qualitative approach was employed to investigate the dynamics of collaboration among tofu industry players, farmer groups, local communities, community leaders, and environmental activists in the management of tofu waste into liquid organic fertilizer (LOF). The research findings indicate that cross-sector collaboration can create solutions that not only address environmental pollution issues but also generate economic benefits for local actors. This process forms an interdependent social ecosystem and supports the achievement of several Sustainable Development Goals (SDGs), such as sustainable production, food security, and strategic partnerships. This research implies that CSV in the context of home industries is not merely a business strategy but also a driving force for value-based social change, community independence, and environmental sustainability.

Keywords: *Creating Shared Value, Home Industry, Organic Fertilizer, SDGs, Tofu Waste*

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1. Introduction

Concern for the obligation to maintain social and environmental sustainability has become a central issue in modern business practices. Climate change, environmental degradation, and social inequality are driving global demands for every entity to not only pursue economic profit but also be socially and ecologically responsible. This obligation is no longer a moral choice but is part of the normative and strategic demands that must be integrated into a company's vision and operations (Rahman et al., 2024).

Social and environmental responsibility is a holistic framework that places a company as part of a broader social and ecological ecosystem. This requires every entity, whether individuals, organizations, or business institutions, to actively make positive contributions to society and the environment in which they operate (García et al., 2025). In this context, social and environmental responsibility includes efforts to

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preserve natural resources, create social welfare, and ensure that business activities do not harm future generations.
Sustainability is not just a normative discourse but a strategic prerequisite for maintaining the continuity of a business (going concern). Companies that neglect social and environmental aspects risk public rejection, loss of social legitimacy, and even legal consequences. Conversely, companies that are able to embrace sustainability principles have a greater chance of creating long-term value and building a strong reputation in the eyes of stakeholders (Boluwaji et al., 2024). In order to maintain operational sustainability and corporate reputation, business entities must adopt an approach that is responsive to the various interests of stakeholders, including local communities, government, consumers, investors, and the physical environment in which the company operates. One relevant strategic approach in this context is Creating Shared Value (CSV), a concept that emphasises the importance of creating economic value and social value through a shared principle that does not sacrifice one for the other (Chihambakwe et al., 2021). Gadingrejo sub-district, located in Pringsewu Regency, Lampung Province, is a region with a developed home industry potential, one of which is as a centre for tofu production. Gadingrejo village, specifically RW 6, has been known as the main area for the tofu industry. The tofu products from this village are of good quality, and the production volume is relatively high compared to other areas in the same sub-district.

Based on data from Saleh et al., (2023), the average daily tofu production volume from each agro-industry unit in Gadingrejo Village reaches 150 to 200 kilograms. However, tofu production activities in the area also pose a significant environmental challenge. The waste generated consists of two types: solid waste and liquid waste. Solid waste, in the form of tofu dregs, is generally used by the local community as animal feed. Conversely, the liquid waste from the soybean washing and tofu production process has not been adequately managed. Based on initial observations by the researcher, it was found that industry players in this area tend to dispose of liquid waste directly into the river without prior treatment. This practice has a direct impact on the surrounding environment, especially on river water quality. The river water becomes polluted, changing colour to murky, emitting an unpleasant odour, and losing its clarity. This condition negatively affects the local community, which still depends on the river for various daily activities, such as washing, bathing, and other domestic activities. This situation highlights the urgency of implementing a CSV approach that can integrate the economic interests of industry players with social and environmental responsibility in a sustainable way.

Based on the observations made by the researcher, the "Tofu Centre Industry" has not been maximally effective in managing the waste it produces. This led the researcher to become interested in utilizing tofu waste into organic fertilizer that can be used by the farmer groups in Gadingrejo village. Through the CSV approach, the tofu industry and farmer groups can build a competitive advantage by creating shared value. In this case, it means transforming social and environmental problems into economic opportunities and benefits, thereby offering a solution to the waste problem. Based on the explanation above, the researcher wants to know how the practice of CSV

contributes to the utilization of tofu waste into organic fertilizer for agricultural and environmental sustainability.

The main view in the Creating Shared Value (CSV) concept emphasizes that social progress is a fundamental and inseparable element of a company's economic success. Within this framework, creating shared value is positioned as a strategic tool to reconstruct the relationship between a company and the local community where it operates (Camilleri et al., 2023). By understanding and responding to community needs more holistically, companies no longer view social aspects as a burden or merely an additional cost for the business, but as an opportunity to create added value that has a positive impact on performance and business sustainability. Through the CSV approach, companies are encouraged to synergistically integrate economic goals with social interests. Yang & Yan, (2020) identify three main approaches that companies can use to create shared value. First, redesigning products and markets to align with relevant social needs. Second, redefining the concept of productivity in the value chain through more inclusive and efficient practices. Third, contributing directly to local community development. In the context of this research, local community development is defined as a collaborative effort between the company and farmer groups to create sustainable mutual benefits, both economically and socially

Based on a number of empirical studies, the Creating Shared Value (CSV) concept has been proven to transform various social and environmental problems into strategic opportunities that provide economic benefits. Several studies by Kim et al., (2020); Laukkanen & Tura, (2020); Menghwar & Daood, (2021); Andrés et al., (2022); Seo et al., (2023) show that the effective application of CSV can bridge business interests and community needs through the creation of collaborative and solution-oriented partnerships in addressing social and economic issues at the local level. The CSV concept is not solely oriented toward increasing short-term profitability, but rather focuses on achieving sustainable competitiveness that considers the balance between economic growth, social welfare, and environmental preservation (Motilewa et al., 2016). Therefore, the implementation of CSV should not be viewed as a short-term burden or cost, but rather as a form of long-term investment aimed at building a symbiotic mutualism relationship between the company and the surrounding social and environmental communities. Furthermore, in facing the dynamics of global and local challenges, businesses are required to make sustainable innovations as a form of real contribution to social and environmental development. In this context, the application of the CSV concept is considered highly relevant to be implemented, especially in managing waste generated by the "Tofu Industry Centre" in Gadingrejo District. Through the innovation of processing waste into organic fertilizer, a circular mechanism is created that involves the community, in this case the farmer groups, as producers, while the tofu industry players act as consumers of the processed waste (Dunn, 2016). This approach not only strengthens collaboration between the industrial sector and the community but also provides an integrated solution to reduce environmental impact and increase economic value in a sustainable manner.

The objective of this research is to deeply explore the potential for the CSV concept to address the waste problem that has been a source of concern for residents due to the

resulting environmental damage. Through this CSV approach, the tofu industry and farmer groups can build a competitive advantage by creating shared value. This means transforming social and environmental problems into economic opportunities and benefits. In addition, this research also has implications as a theoretical contribution to the concept of sustainability innovation, especially in realizing the Sustainable Development Goals (SDGs). The CSV concept can be used as a tool to transform environmental concerns into achieving the SDGs, while still considering business interests.

2. Theoretical Background

Symbiosis Theory: Symbiosis is a term commonly used in biology to describe a reciprocal relationship between two living organisms that live side by side. This concept was first introduced by Lynn Margulis in 1923 (Ling, 2024). In a theoretical context, symbiosis not only refers to a mutually beneficial relationship but also to an essential bond for the survival of both parties involved. The symbiotic model then developed into an evolutionary concept and a strategic approach in collaborative value creation that cannot be realized individually (Themelis et al., 2023). From a business perspective, the idea of a symbiosis between customers and companies reflects a high level of synergy between the two. CSV within this symbiotic framework is realized through a mutualistic relationship, where both parties obtain sustainable benefits based on the principle of shared value (Cook et al., 2023). This research adopts this approach through a study of the tofu industry center and farmer groups, which shows a functional link between producers and consumers. The tofu industry center, which in this case acts as a consumer, is interested in obtaining quality agricultural products from the farmer groups as producers. To achieve this goal, the tofu industry took the initiative to increase the capacity of farmers through training and providing facilities, in order to strengthen their understanding of sustainable farming practices. Thus, a productive symbiotic relationship is formed based on the creation of shared value between the two local economic entities.

Stakeholder Theory: Proposed by Freeman (1984), asserts that companies are not only responsible to shareholders but also to all interested parties, such as employees, consumers, suppliers, local communities, government, and even the environment. This view positions companies as part of a broader social and economic system, so every business decision must consider its impact on these stakeholders. This principle aligns with the Creating Shared Value (CSV) concept introduced by (Kramer & Porter, 2011). CSV emphasizes that companies can create economic value while simultaneously providing social benefits, so business profits do not stand alone but are integrated with community welfare. CSV practices are evident in companies' efforts to develop products relevant to social needs, increase value chain efficiency by considering environmental aspects and worker welfare, and build partnerships with surrounding communities to create stronger industrial clusters. Thus, CSV is a tangible implementation of stakeholder theory, as companies are not only profit-oriented but also focused on creating shared value that provides broad benefits to related parties.

Creating Shared Value (CSV): The concept of Creating Shared Value (CSV) was introduced by Michael E. Porter and Mark R. Kramer in 2011 (Leth & Tonen, 2022) as a strategic approach that aims to integrate the creation of economic value with social value simultaneously. Unlike Corporate Social Responsibility (CSR), which is often philanthropic and outside the core business strategy, CSV places the resolution of social problems as an inseparable part of the core business model. In this case, CSV carries the paradigm that contributing to social issues is not an additional burden but a strategic opportunity to strengthen a company's competitive position (Ferdousi & Abedin, 2023). In the context of home industries, such as at the Gadingrejo Tofu Center, the CSV approach can be implemented through the development of innovations that not only increase productivity and production efficiency but also pay attention to social and environmental issues, such as sustainable waste management and local community empowerment. Through the application of this concept, business actors not only increase their business competitiveness in the market but also make a real contribution to improving social welfare and preserving the environment (Li et al., 2022). The main goal of CSV is to identify the common ground between business interests and community needs, and then build collaborative partnerships to address complex social problems that are at the root of various socio-economic challenges. In this context, innovation becomes a key element to create sustainable solutions. The CSV concept enables a synergy between business actors and the community, where the local community acts as a producer, while the company or business unit functions as a consumer that encourages sustainable production standards (Lippolis et al., 2023).Thus, CSV becomes a relevant and effective model in driving business transformation toward long-term sustainability.

Integration of CSV within the Sustainable Development Goals (SDGs) Framework: The implementation of CSV in home industries also has a strong relevance to the Sustainable Development Goals (SDGs) agenda launched by the United Nations (UN) (Berrone et al., 2023). The CSV approach directly supports several sustainable development goals (Jonsson, 2023). First, CSV contributes to the achievement of SDG 1 (No Poverty) through the creation of economic value that can sustainably reduce poverty, especially through job creation in the informal sector. Second, CSV is closely related to SDG 8 (Decent Work and Economic Growth) by opening access to decent, productive, and inclusive work for local communities. Third, the application of innovation in production processes, such as the use of alternative raw materials, energy efficiency, and waste management, supports SDG 9 (Industry, Innovation and Infrastructure). Fourth, the management of production processes that are responsible and sustainable is in line with SDG 12 (Responsible Consumption and Production). Finally, the implementation of CSV that involves collaboration between business actors and the community (farmer groups) reflects the spirit of partnership that is in line with SDG 17 (Partnerships for the Goals). Thus, CSV is not only a business strategy but also an approach that supports the achievement of global goals in sustainable development (Obaideen et al., 2022). The implementation of CSV in home industries such as the Gadingrejo Tofu Center can be a real practice of business transformation toward comprehensive sustainability.

3. Methodology

This research was conducted using an interpretive paradigm with a qualitative approach. The interpretive paradigm views social reality as a construct formed through the interaction and subjective awareness of individuals in their social environment (Pervin & Mokhtar, 2022). Therefore, this research seeks to understand and deeply interpret the meaning of social reality based on the experiences and perspectives of the actors involved in it (Paranoan, 2015). The qualitative approach was chosen because it provides ample space for researchers to explore and interpret the practice of Creating Shared Value (CSV) amid complex social dynamics. This approach allows researchers to trace how farmer groups and industrial actors understand and internalize the CSV concept not only as a social value but also as an economic value, which mutually reinforces each other. Furthermore, this approach aims to gain a deep understanding of the actual conditions in the field, the perceptions and views of stakeholders, and to formulate alternative strategies for sustainable CSV implementation in the future. This research focused on the "Tofu Industry Center" and farmer groups in the Gadingrejo area, Pringsewu Regency, Lampung Province. The main informants in this study included tofu waste managers at the industrial center, members of farmer groups, community leaders, and environmental activists who have a strategic role in social and environmental development in the area.

Data collection techniques in this study were conducted through interviews (Oranga & Matere, 2023) to explore the perceptions, needs, challenges, and hopes of each stakeholder regarding the possibility of collaboration and sustainable utilization of tofu waste. First, semi-structured in-depth interviews were conducted with flexible question guidelines, allowing for the exploration of new issues that emerged during the conversation. Interview questions focused on business experiences, economic challenges faced, social impact on surrounding communities, and the potential application of CSV in the local context. Interviews were recorded (with informant consent) and transcribed verbatim to maintain data authenticity. Second, researchers conducted participatory observation, participating in daily activities at the tofu center, from production processes, distribution, to waste management. This observation allowed researchers to obtain more tangible data regarding work practices, social interaction patterns, and local economic dynamics. Third, the research also used documentation, in the form of photos of production activities, daily field notes, village reports, and official documents related to MSME development. This secondary data strengthened and complemented the information obtained from interviews and observations.

Data analysis techniques in this study used Thematic Analysis (Morgan, 2022), which consists of three main activity flows: data reduction, data presentation, and conclusion drawing/verification. After interviews were transcribed and field notes collected, researchers performed open coding by identifying initial themes from the data, such as capital challenges, social relations, or environmental issues. The next stage was axial coding, which involved connecting emerging categories to form relationship patterns, such as how capital challenges relate to community collaboration efforts.

The final stage was selective coding, where researchers identified the main themes. The analysis results are presented in the form of a context-rich thematic narrative (thick description), so readers can deeply understand the socio-economic reality of the Gadingrejo Tofu Center. Data validity was carried out using triangulation techniques, member checking, and collegial discussions with experts or fellow researchers to strengthen the objectivity of data interpretation.

Research Informants

This study involved eight informants who were purposively selected based on criteria of relevance and active involvement in CSV practices in the Gadingrejo Tofu Industry Center area, Pringsewu Regency, Lampung Province. The selection of informants was based on the consideration of their ability to provide rich, in-depth information and reflect direct experiences related to social and economic practices in their environment. This strategy is in line with the interpretive paradigm of the qualitative approach, which prioritizes subjective understanding of social reality.

Table 1. Informant Categories

Category	Number (People)	Description
Tofu Industry Managers (IT-1, IT-2)	2	Individuals responsible for the management of both solid and liquid waste from tofu production. They have practical knowledge related to the production flow and the potential for processing waste into productive resources (such as animal feed or organic fertilizer).
Farmer Group Members (KT-1, KT-2)	2	Farmer groups were selected based on their involvement in farming activities within the geographical and social scope close to the Gadingrejo Tofu Industry Center. Although the CSV concept has not been formally applied in this area, farmer groups are one of the potential actors in the partnership scheme designed by the researcher to create shared value.
Community Leaders (TM-1, TM-2)	2	Local figures who are respected and have influence in the social dynamics of the community. Their role is important in building social support, and providing views on social change and solidarity that arise as a result of collaboration between sectors.
Environmental Activists (PL-1, PL-2)	2	Individuals who are active in local environmental advocacy and are concerned with the sustainability of industrial and agricultural practices. They provide critical input on ecological impacts, as well as the potential for strengthening value-based, environmentally friendly practices.

All informants are residents of the Gadingrejo area and have direct involvement in local tofu industry or farming activities. The interviews were conducted face-to-face, with a duration of 45 to 90 minutes each, and were carried out until data saturation was reached, which is when no significant new findings were found from the data

collection process. With a diverse composition of respondents in terms of functional and social roles, this study obtained a holistic picture of the application of the CSV concept and how this concept is internalized as a collaborative strategy that strengthens economic and social values at the community level.

4. Result and Discussion

The Role of the Tofu Industry Center in Promoting the Acceptance and Implementation of CSV

The Gadingrejo Tofu Industry Center, located in RW 6, Gadingrejo Sub-district, Pringsewu Regency, is one of the leading areas for home-based tofu production in the Lampung region. In the context of this research, the tofu industry is positioned as a party with great potential to be involved in the implementation of the CSV concept, especially in relation to the management of production waste and the strengthening of symbiotic relationships with the local agricultural sector. Production activities in this area are mostly managed by small-to-medium-scale businesses with traditional systems but are able to produce a large amount of tofu every day. In practice, the tofu production process at this center generates two main types of waste: solid waste in the form of tofu dregs and liquid waste from the soybean washing and boiling process. Tofu dregs are not a problem because they are already used by the community. This was informed by an informant as follows:

"As for tofu dregs, they are usually taken by residents for animal feed and some are also made into oncom" (IT-1).

Most industry players tend to dispose of liquid waste from soybean washing directly into the river without a filtration or treatment process. This has a negative impact on the surrounding environment, such as a pungent smell, water pollution, and disruption of residents' domestic activities. As explained by the following informant:

"But we do dispose of the liquid waste directly into the ditch or river because we don't know how to manage it" (IT-1). "So far, the liquid waste has not been used for anything, it's just thrown into the river" (IT-2).

The information provided shows that so far, liquid tofu waste has not been used optimally. Most of it is just dumped into the surrounding environment or channeled into waterways without a special treatment process. The industry players realize that the waste still contains nutrients, but limitations in technical knowledge, time, and access to simple technology are the main obstacles to managing it into a useful product. The informant stated in the following statement:

"We know that tofu waste is very disturbing and pollutes the environment, but we don't have the time or tools to take care of it. If someone wants to take it and use it, we would be very happy" (IT-1). "We hope that the government, community, and business partners are willing to work together to overcome the waste problem; it would be great if it could be reprocessed and used for business" (IT-2).

This statement shows a passive readiness from industry players to open up cooperation, while also becoming an opportunity to introduce the CSV approach as a strategic and sustainable solution. In the model offered, tofu industry players can continue to focus on their production activities, while the waste utilization process is carried out by other partners (farmer groups), with facilitation support from external parties, in this case, the researchers or partners. These findings indicate that a complementary, participatory, and contextual CSV implementation strategy has a high chance of being accepted by home industry players. By connecting waste as a resource, not a burden, the CSV model can strengthen the economic sustainability of small businesses while also providing social and ecological benefits for the surrounding community (Andrés et al., 2022).

The Role of Farmer Groups in Promoting the Acceptance and Implementation of CSV

Farmer groups, especially those located around the tofu industry center, are an important part of the local economic supply chain. Most farmers in this area still use chemical fertilizers in their farming activities, both for horticultural commodities and food crops. However, in recent years, they have faced the challenges of rising fertilizer prices and limited supply. This is evidenced by the informant's statement as follows:

"Yes, here the majority of farmers still use chemical fertilizers. That's what we've been used to for a long time. But recently, we've started to feel the burden; the price is getting higher, and sometimes it's also hard to get. Especially during the joint planting season, there's a scramble for it" (KT-1). "If there are other alternatives that are cheaper and safer for plants than using chemical fertilizers, we would be interested in trying them" (KT-2).

This situation has generated interest in cheaper and more environmentally friendly fertilizer alternatives. When the researcher introduced the idea of utilizing liquid tofu waste as the basic ingredient for liquid organic fertilizer (LOF), the farmers welcomed it with high curiosity, but also with caution because they had never used it before. This was informed by an informant as follows:

"To be honest, I've never tried it. But we've heard about it. When a relative told me that tofu waste could be used for fertilizer, we became curious. The waste is abundant, and it's also close to here. But we're still hesitant. We're afraid the plants won't turn out well" (KT-1). "Because tofu waste has been thrown away all this time, even though the smell is quite strong. If it can be used as fertilizer, it would also help the environment. If it can be cheaper than chemical fertilizers and the crop yields are still good, why not give it a try?" (KT-2).

Based on this information, the farmer groups are interested in the idea of utilizing tofu waste as organic fertilizer. They see the economic potential in using the waste as an alternative to the raw materials they have been buying on the market at fluctuating prices. However, they also stated that there is no formal partnership mechanism that

connects them with the tofu industry players, either in terms of waste distribution or training on its utilization. This was informed by an informant as follows:

"There has been no cooperation with the tofu business players, we are also confused about where to start. We would like some assistance or clear cooperation, so that we can use the waste safely and correctly" (KT-2).

This shows a gap between the potential for collaboration and the reality on the ground. The researcher assessed that this gap arises because of the lack of communication space and shared awareness of the collaborative benefits that can be built through the CSV approach. One informant stated:

"If the tofu waste can be used for fertilizer, we are very interested. But so far there has been no formal cooperation, so we don't know how to manage it" (KT-1).

From this statement, there is an openness to innovation, but also a need for assistance and technical knowledge. Therefore, in the context of developing a CSV model, an active role from facilitators (in this case, researchers or supporting partners) is needed to bridge communication between sectors, build trust, and strengthen the capacity of farmer groups in managing industrial waste into productive resources. In addition, interviews also revealed a desire from farmer groups to be involved in collaborative planning, not just as passive beneficiaries. This is in line with the CSV principle that emphasizes the active involvement of local communities in the joint creation of economic and social value (Camilleri et al., 2023). The implication is that the CSV application model in this area must be participatory, responsive to local needs, and sustainable. The role of farmer groups is not only as technical partners but also as strategic partners in building a business ecosystem based on shared values.

The Role of Community Leaders in Promoting the Acceptance and Implementation of CSV

Community leaders have a strategic role in shaping public opinion and encouraging social participation in community-based development initiatives. In the context of implementing the CSV concept, community leaders not only act as a link between residents and the business sector but also as guardians of local social, cultural, and environmental values (Khubana, 2023). Community leaders understand that environmental problems due to industrial waste have started to become a concern for residents, especially because of the disturbance to comfort and the potential for water pollution. However, on the other hand, they also realize that tofu industry players are an important part of the local economy and need to be facilitated so that they can grow sustainably. As explained by the following informant:

"We have started to feel the impact, especially about the waste. Some residents have complained about the pungent smell, especially during the dry season. The ditch water also sometimes becomes murky and smelly. This is a concern for us because it affects the comfort of living and also the health of the community" (TM-1). "These people are an important part of the economic engine here. Many residents work in the tofu

industry, either as employees or have their own businesses. So, we can't just blame or shut down their businesses. There has to be a middle ground" (TM-2).

The solution offered through collaboration between the tofu industry center and farmer groups is considered a positive step that needs to be collectively supported. Community leaders see great potential from the cooperation between industry players and farmers, especially if it is facilitated through a mutually beneficial approach. They emphasize the importance of open education and communication so that there are no misunderstandings between residents and business players. As stated by the following informant:

"If this cooperation can make the environment cleaner and also help farmers, we would be very supportive. But the community also needs to be involved in the conversation so they know what the benefits are" (TM-1). "Waste that was once considered a problem, if it can be processed into fertilizer, then of course the benefits are great. Not only for the environment but also for farmers and business players" (TM-2).

This statement reflects that community leaders are not only moral supporters but also act as social facilitators who can help disseminate understanding about the shared value that is to be built. They also open up the possibility of helping to mediate between industry players and farmer groups if there are communication barriers or conflicting interests. As stated by the following informant:

"As long as it is facilitated properly, this cooperation can work. The key is communication and mutual trust. If the industry and farmers can sit together, be open with each other, and both benefit, I am sure this can be a good example of collaboration for other villages as well" (TM-2).

In the context of CSV, community leaders play an important role in strengthening the social legitimacy of collaborative initiatives, and encouraging the culture of mutual cooperation as a local value that is in line with the principles of sustainability. Their role is key to ensuring that the CSV approach offered is not only technically accepted by business players and farmers. The presence of community leaders ensures that the CSV approach is not solely viewed from a technocratic or economic perspective by business players and farmers, but is also understood and socially accepted by all levels of society, thereby creating harmony and long-term sustainability (Camilleri et al., 2023).

Perspectives of Environmental Activists on the CSV Initiative

Environmental activists are one of the important actors in the context of sustainable development because they actively advocate for environmental protection, and have knowledge and sensitivity to the long-term impacts of production and consumption activities (Lemańczyk, 2023). In this research, the involvement of environmental activists aims to understand their perception of the ecological conditions around the tofu industry center, and to assess the potential sustainability of the CSV initiative that the researcher wants to introduce. Based on in-depth interviews with local

environmental activists, they welcome the initiative to integrate industry players and farmer groups through the utilization of tofu waste as a productive resource. They highlight that so far, home industry activities, although on a small scale, have had an environmental impact, especially in the form of water pollution from liquid waste and the accumulation of solid waste around the production area. One environmental activist stated:

"So far, the liquid waste has been discharged directly into the ditch, and during the dry season, the smell is pungent. But because this is a community business, we can't just forbid it without a solution" (PL-1).

This statement shows a concern as well as a desire to find a solution-oriented approach that does not harm the local economy. The CSV concept, which proposes the utilization of waste as an agricultural raw material, is seen as an appropriate solution because it can reduce the environmental burden while also increasing local economic value. Environmental activists emphasize that the success of this program will be highly dependent on the existence of an organized system, such as a waste collection schedule, technical training, and regular supervision so that the practice remains in accordance with ecological standards.

"I think this can be a common ground between business and the environment. As long as they are trained first on how to process the waste, and not just once or twice, but it has to be sustainable" (PL-2).

Environmental activists also suggest that the surrounding community should be involved from the beginning of the socialization process so that there is no resistance due to miscommunication. By involving the community from the planning stage, this collaborative program will have stronger social legitimacy. From a sustainability perspective, the involvement of environmental activists is very relevant in overseeing the implementation of CSV so that it does not only focus on economic and social aspects but also pays attention to long-term ecological impacts, such as the quality of water, soil, and air around the settlement (Hockey, 2024). Thus, the initiated CSV collaboration will not only create shared value but will also be in line with the sustainable development goals (SDGs), especially SDG 12 (Responsible Consumption and Production) and SDG 13 (Climate Action).

5. Discussion

The implementation of the CSV approach at the Gadingrejo Tofu Industry Center demonstrates that creating shared value is not an effort that can be pursued separately or sectorally. The synergy among local stakeholders is the primary key to building sustainable and inclusive solutions (Pinem & Defrizal, 2025). In this context, players in the tofu industry, farmer groups, local communities, community leaders, and environmental activists form a complex yet constructive social network. The management of tofu waste into liquid organic fertilizer (LOF) becomes a common ground that unites various interests into a mutually reinforcing collaborative action.

In this context, the CSV approach can be applied by building collaboration between tofu industry players as waste producers, farmer groups as users of the processed waste in the form of organic fertilizer, and researchers as initiators and facilitators. With simple technology such as fermentation using natural ingredients like EM4 and molasses, liquid tofu waste can be converted into liquid fertilizer that is beneficial for horticultural crops and vegetables. This collaboration not only addresses environmental issues but also generates new economic value, benefiting both tofu producers who are no longer burdened by waste and farmers who obtain fertilizer at a lower cost. Furthermore, this integration also strengthens social networks and solidarity among local economic actors.

Tofu industry players, who were originally oriented toward production efficiency and economic profit, began to realize the importance of building a harmonious relationship with the surrounding social and ecological environment. This awareness grew through a discussion process facilitated by researchers and supported by community leaders, who acted as trust mediators. They then became willing to divert some of their resources and attention to finding a waste management solution that not only meets environmental standards but also provides tangible benefits to the community. This supports the achievement of SDG 12 (Responsible Consumption and Production) and SDG 9 (Industry, Innovation, and Infrastructure), as it encourages environmentally friendly and innovative industrial practices (Jonsson, 2023).

Farmer groups, who were previously marginalized from tofu industry activities, began to identify economic and ecological opportunities from the utilization of liquid waste as a raw material for organic fertilizer. They not only became beneficiaries but also played an active role in the process of converting waste into a useful product. This involvement strengthens local food security and encourages sustainable agriculture, which is in line with SDG 2 (Zero Hunger) and SDG 13 (Climate Action) through the improvement of agroecological practices and the reduction of emissions from waste (Berrone et al., 2023). Meanwhile, the surrounding community, who were originally resistant to the existence of the tofu industry due to pollution problems, began to experience a change in attitude after feeling the tangible benefits of the waste management program. They enjoyed a cleaner environment, access to free fertilizer for household gardens, and an overall improvement in their quality of life. This social transformation occurred through a deliberative process facilitated by community leaders, who bridged communication and ensured that every resident's voice was heard. This contributes directly to SDG 11 (Sustainable Cities and Communities) and SDG 16 (Peace, Justice, and Strong Institutions) because it encourages citizen participation and collaborative governance (Jonsson, 2023)

Environmental activists play an important role as guardians of sustainability principles. They not only provide technical input in the waste treatment process but also expand community awareness about the importance of preserving the environment through education and advocacy. Their role is vital in ensuring that the spirit of sustainability remains the main foundation of this collaboration, supporting the implementation of SDG 6 (Clean Water and Sanitation) and SDG 15 (Life on Land) (Mallick & Mohanty, 2025).

This cross-sector collaboration creates a new social ecosystem that combines economic, social, and environmental values in a mutually reinforcing whole. This is in line with symbiosis theory, which not only talks about mutual benefit but also how the existence of one actor depends on the support and existence of other actors. At the Gadingrejo Tofu Center, the local community, community leaders, and environmental activists are not passive parties but are part of the social ecosystem system. Industry players benefit by reducing social pressure and environmental pollution (reducing social risk), while farmer groups obtain new agricultural resources. This is a strong form of mutualistic symbiosis. In a symbiotic ecosystem, adaptation to the environment and the formation of collaborative relationships are the keys to survival. A number of studies conducted by Kim et al., (2020); Laukkanen & Tura, (2020); Menghwar & Daood, (2021); Andrés et al., (2022); Seo et al., (2023) show that the effective application of CSV can bridge business interests and community needs through the creation of collaborative and solution-oriented partnerships in addressing social and economic issues at the local level.

CSV encourages business actors to focus beyond profit alone and to adapt to social and environmental demands. This is evident in the changing attitudes of tofu industry players, who are increasingly open to waste management solutions and collaboration with other actors. This is a form of symbiotic adaptation that supports stability and mutual progress. Meanwhile, community leaders act as trust brokers, and environmental activists maintain a sustainability orientation. This coexistence strengthens the resilience of the collaborative system and ensures long-term sustainability. CSV, in this context, is not merely a business strategy but has evolved into a social movement based on values, local innovation, and community independence. When all actors feel a stake in and contribute to the initiative, the program's sustainability is more structurally and culturally assured. This aligns with stakeholder theory, where a company's sustainability and success depend heavily on the ability to balance the interests of various parties involved. Thus, the CSV approach initiated by the researchers successfully transformed potential socio-ecological conflicts into opportunities for inclusive, adaptive, multi-stakeholder collaboration that significantly contributes to the achievement of the Sustainable Development Goals at the local level.

There are several challenges to anticipate when implementing CSV in home industries. Differing interests among stakeholders often lead to conflicts, for example, between community demands regarding waste management and business objections to additional costs. Furthermore, power imbalances tend to disregard the voices of workers and communities, potentially neglecting the principle of participation. Resistance to change also arises because some business actors and workers perceive CSV as increasing workloads and costs. Another obstacle is limited institutional support, such as inadequate regulations, incentives, and funding at the local level. Furthermore, the risk of exclusivity in collaboration can lead to social jealousy if the benefits of CSV are only felt by certain groups. These challenges demonstrate that the success of CSV implementation depends heavily on the active involvement of all

stakeholders, strong institutional support, and equitable distribution of benefits within the community.

This research confirms that CSV has significant potential to drive socio-economic transformation at the household industry level, but its impact can only be realized through concrete steps from business actors, communities, governments, and environmental activists. For industry players, CSV can be a long-term business strategy that links profits with social contributions, for example, through processing tofu waste into animal feed or organic fertilizer, which simultaneously opens new markets and improves business image. Local governments play a crucial role in providing regulations, incentives, and institutional support, including training and access to partnerships with academia and the private sector. Meanwhile, environmental activists can strengthen community participation and provide technical assistance. Thus, CSV should not be viewed merely as an abstract concept, but rather as an applicable strategy that requires active collaboration between various parties to ensure sustainable integration of economic and social values and deliver tangible benefits to the community.

6. Conclusions

The CSV approach shows that creating shared value can only be realized through cross-sector collaboration that is interconnected. Through the management of tofu waste into liquid organic fertilizer, a common ground is created that unites industry players, farmer groups, the community, community leaders, and environmental activists in an inclusive and participatory social ecosystem. This initiative not only solves environmental problems but also opens up new economic opportunities, strengthens social solidarity, and increases local food security. From the perspective of Symbiosis Theory, this collaboration is a form of mutualistic symbiosis, where the existence of each actor is interdependent and mutually beneficial. Industry players are free from social pressure due to waste, farmer groups obtain new agricultural resources, the community feels ecological and economic benefits, while community leaders and environmental activists bridge communication and maintain the direction of sustainability. CSV in this context goes beyond its role as a business strategy and develops into a social movement based on values, adaptation, and local innovation. This initiative also supports the achievement of various Sustainable Development Goals (SDGs), especially in terms of production sustainability, food security, community participation, and partnerships.

The limitations of the CSV implementation lie in the implementation scale, which is still limited and depends on the active assistance of researchers as facilitators. Not all industry players and communities are involved equally, and the waste treatment technology used is still simple, so it is less than optimal for a large scale. In addition, community participation is still varied, with some parties not yet fully active or trusting the program. This program needs to be expanded to a wider scope and involve more local actors. The formation of independent institutions is very important so that the program can continue without dependence on external parties. The development

of more efficient waste treatment technology also needs to be encouraged. On the other hand, continuous education for the community and policy support from the local government will be very helpful in strengthening and maintaining this initiative in the long term. This research confirms that CSV has significant potential for socio-economic transformation of the home industry, provided it is supported by concrete steps from various parties. For business owners, CSV can be a sustainable business strategy, for example, by processing waste into value-added products while simultaneously improving the company's image. Local governments need to provide regulations, incentives, and training that strengthen the competitiveness of home industries. With this synergy, CSV can be realized as an applicable strategy that integrates economic and social values in a sustainable manner.

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