



**BACHELOR OF
ECONOMICS**
THAMMASAT UNIVERSITY

**BUSINESS
MANAGEMENT**



ITS
Institut
Teknologi
Sepuluh Nopember

The Role of Entrepreneurship in Supporting Industrial Economics

Assoc. Prof. Berto Mulia Wibawa, PhD
Head of Department – Business Management ITS



Presented at Guest Lecture
Thammasat University
EE489 Seminar in Industrial Economics
16 February 2026

About me!

Berto Mulia Wibawa, Ph.D

EDU BACKGROUND

- S1 Padjadjaran University (UNPAD) – Bachelor of Science
- S2 IPB University (IPB) – Master of Management
- S3 Monash University – Doctor of Philosophy (Ph.D) in Entrepreneurship

PROFESSIONAL EXPERIENCE

Institut Teknologi Sepuluh Nopember

- **Head, Department of Business Management, Faculty of Creative Design and Digital Business, Sept 2024 - Now**
- Deputy Head, Department of Business Management, January 2020 to January 2021
- Head of Undergraduate Program, Department of Business Management, July 2017 to December 2019
- Coordinator, Student Entrepreneurship Development Program, August 2015 to June 2017
- Full-time lecturer, Department of Business Management, May 2014 to present

Yayasan Pendidikan Al-Islah Surabaya (KB-TK-SD-SMP-SMK Al Islah Surabaya)

- CEO/Ketua Yayasan, July 2020 to present

Daya Dimensi Indonesia

- Associate Facilitator of Marketing, July 2017 to present

Insignia Consulting

- Associate Consultant of Marketing and Strategic Management, July 2012 to May 2014



**"While we teach, we learn."
"Ancora imparo – I am still learning"**

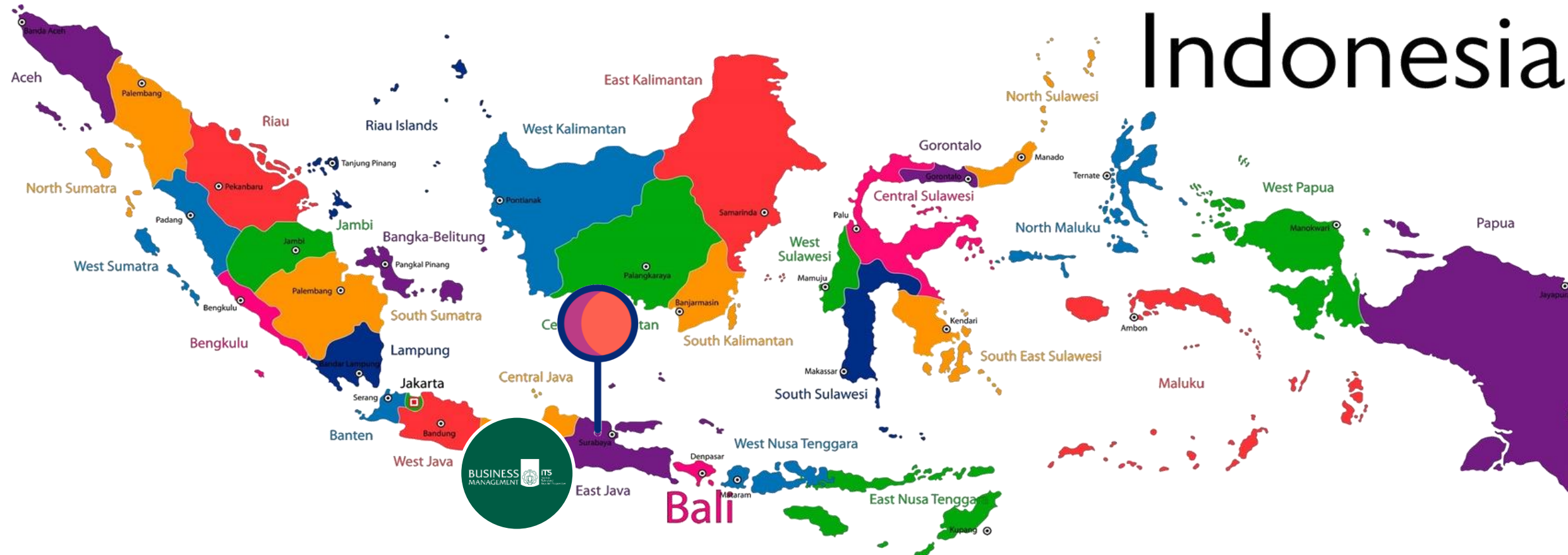
PERSONAL BIO

- Phone/WA +628118250288
- E-mail :berto@mb.its.ac.id/bertomuliawibawa@gmail.com
- LinkedIn : Berto Mulia Wibawa

Introduction

Where am I from?

Location



Direct flight BKK-SUB: Thai Lion Air, AirAsia (4 hours 30 mins),
GMT +7



ITS

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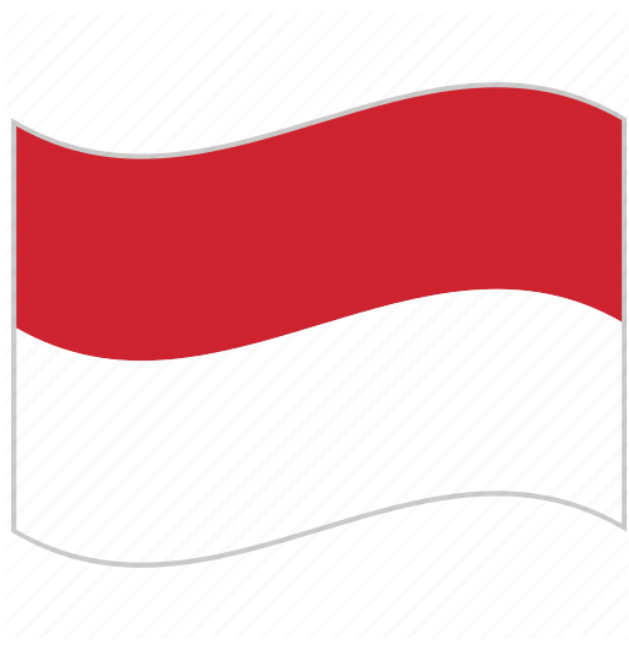


- ❑ Located in Surabaya, East Java, ITS is strategically positioned in Indonesia's second-largest city, providing access to a vibrant industrial and technological ecosystem.
- ❑ Established since 1960
- ❑ Ranked QS #509
- ❑ Ranked 6th in Indonesia
- ❑ 28,000++ students

Visit: www.its.ac.id for more information

We are open for collaboration in terms of academic activities: Student exchange, staff exchange, join research/publication, etc

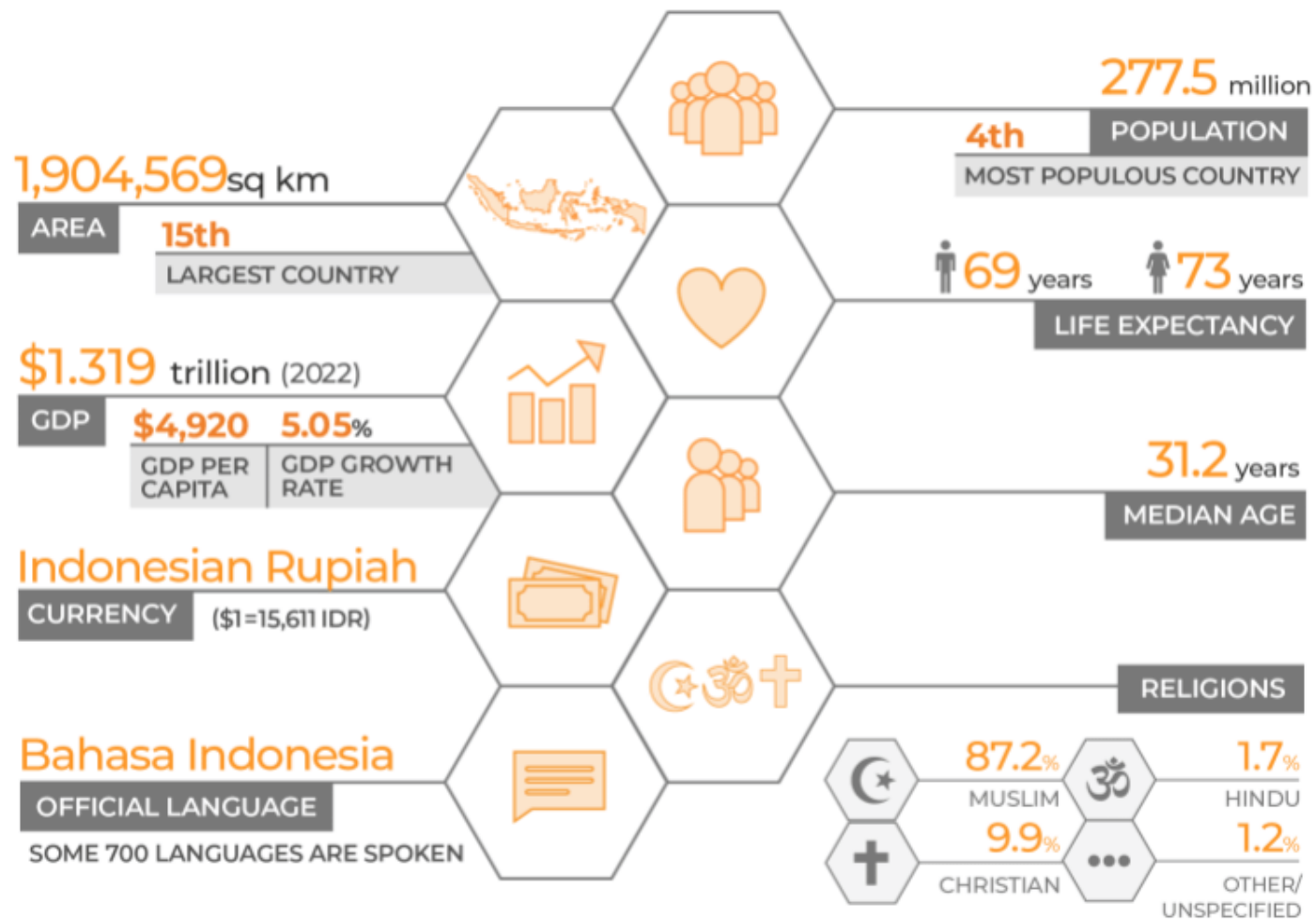




INDONESIA

Indonesia at a glance

Indonesia is the world's third largest democracy and has more Muslims than any other country in the world.



INDONESIA

FLAG MAP



**Please come and visit
INDONESIA!**

Historical Ties: Indonesia–Thailand Relations

The longstanding friendship on Trust, Trade, and People-to-People Connection

- **Shared ASEAN Vision and Diplomatic Friendship**

Indonesia and Thailand have long maintained stable diplomatic relations as key ASEAN members. Both countries actively promote regional peace, cooperation, and economic integration, strengthening Southeast Asia's collective influence in global affairs.

- **Trade, Investment, and Economic Cooperation**

Indonesia and Thailand are important economic partners, with strong trade links across agriculture, manufacturing, automotive, food processing, and tourism-related industries.

- **Tourism and Cultural Exchange**

Tourism plays a major role in connecting the two nations. Indonesians visit Thailand for leisure, medical tourism, and business, while Thai travelers increasingly explore Indonesia's destinations, including Bali, Jakarta, and cultural heritage sites. Cultural similarities also support mutual respect and easy social interaction.

- **Education, Research, and Institutional Collaboration**

Academic partnerships between Indonesian and Thai universities continue to grow through student exchanges, joint research programs, and professional training initiatives.



TODAY'S TOPIC:

**ENTREPRENEURSHIP &
INDUSTRIAL ECONOMICS**

MOTIVATION & IMPORTANCE

- Why entrepreneurship matters for industrial economics?
- Entrepreneurs are key to economic growth, job creation, and poverty reduction (Langowitz & Minniti, 2007; Bahmani-Oskooee et al., 2013; Brush et al., 2017; Hechavarria et al., 2019).
- Economic roles: innovation, productivity, job creation

Highlights from research showing entrepreneurship as an engine of economic growth and structural change (literature consensus summarizing multiple empirical works).



ECONOMIC GROWTH

Why entrepreneurship is key in shaping tomorrow's world

Jun 24, 2025

Why Entrepreneurship Matters for the Future of Industrial Economics

Key Points:

- Entrepreneurship drives economic resilience and growth in turbulent times.
- Entrepreneurs expand opportunity space and industry transformation
- Entrepreneurship shapes economic structures and global competitiveness
- It fosters collaboration across sectors
- Implication for Industrial Economics:
Entrepreneurial dynamism becomes a core engine of industrial evolution, enhancing productivity, structural adaptation, and inclusive growth as the global economy faces deep transformation.

CONCEPTUAL DEFINITIONS

Key terms:

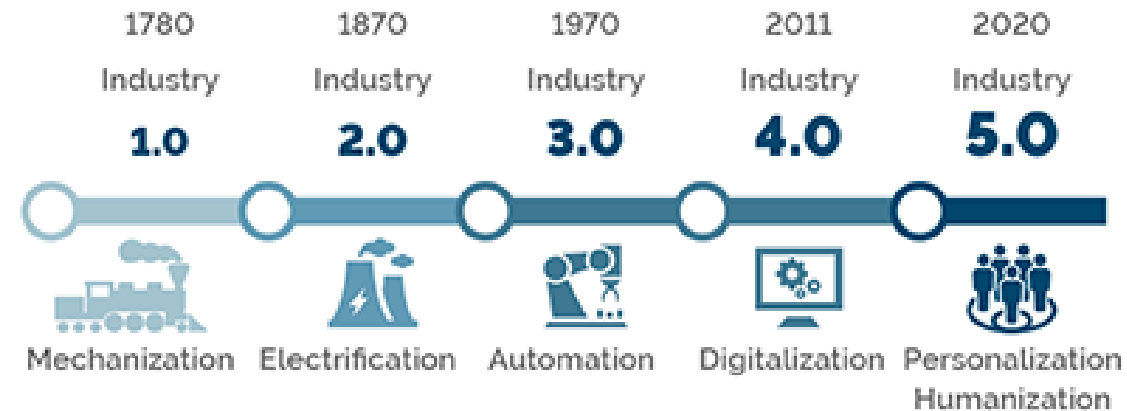
- **Entrepreneurship** – creation of new ventures, innovation, risk-taking
- **Industrial Economics** – study of firm behavior, market structures & industry performance

**These concepts interact:
entrepreneurship
introduces innovations
that shift industry
performance.**

THEORETICAL LINKS

- *Schumpeterian theory*: creative destruction and industry evolution
- Entrepreneurship as a source of innovation that changes industry productivity and competition dynamics — supported in economics research.

Navigating the Evolution



EXAMPLE ANALYTICAL FRAMEWORK A (GLOBAL)



- **Knowledge Spillover Theory of Entrepreneurship** (Acs et al.):
Entrepreneurial knowledge diffusion → positive externalities → industry competitiveness.

EXAMPLE ANALYTICAL FRAMEWORK B (Micro–Macro Linkage)

Multilevel
Framework

Micro

- Entrepreneurial behavior
- Skills

Meso

- Firm performance
- Industry dynamics

Macro

- GDP
- Employment
- Employment
- Competitiveness

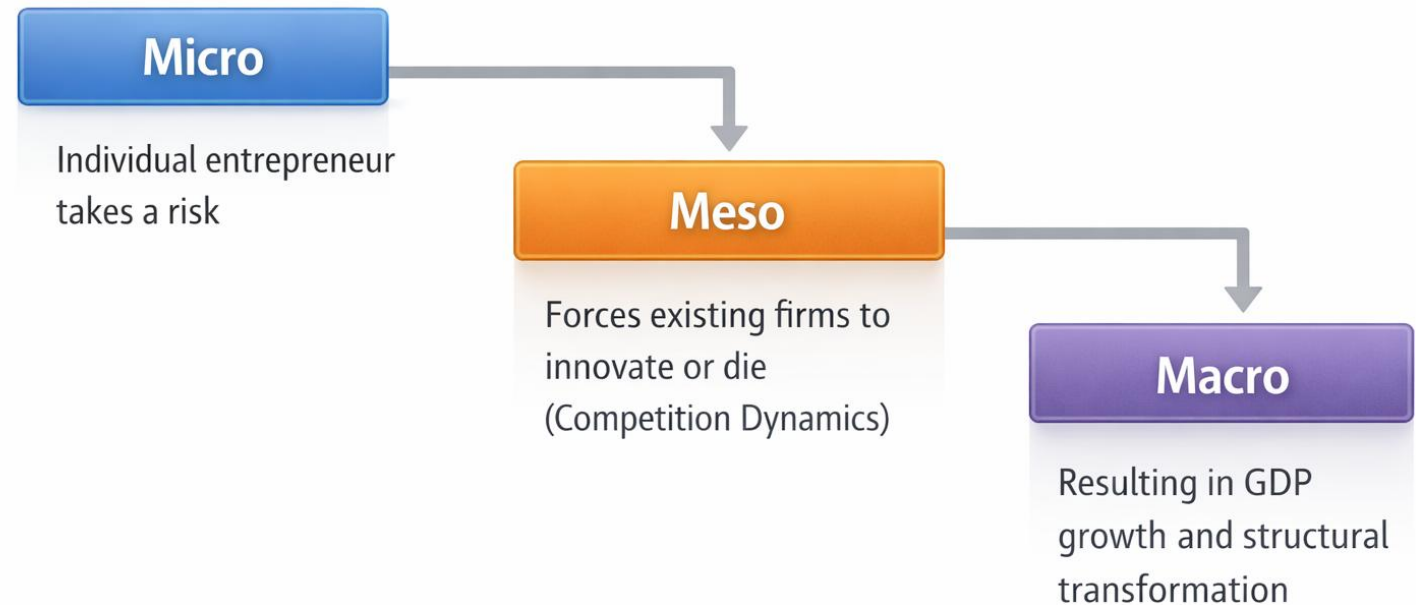
**Connects individual decisions
to macro industrial outcomes
— found in integrative reviews
of entrepreneurship research.**

THE CORE NARRATIVE: "THE ENGINE OF CREATIVE DESTRUCTION"

- Entrepreneurship isn't just "starting a business"; it is the "innovation shock" that prevents industrial stagnation.

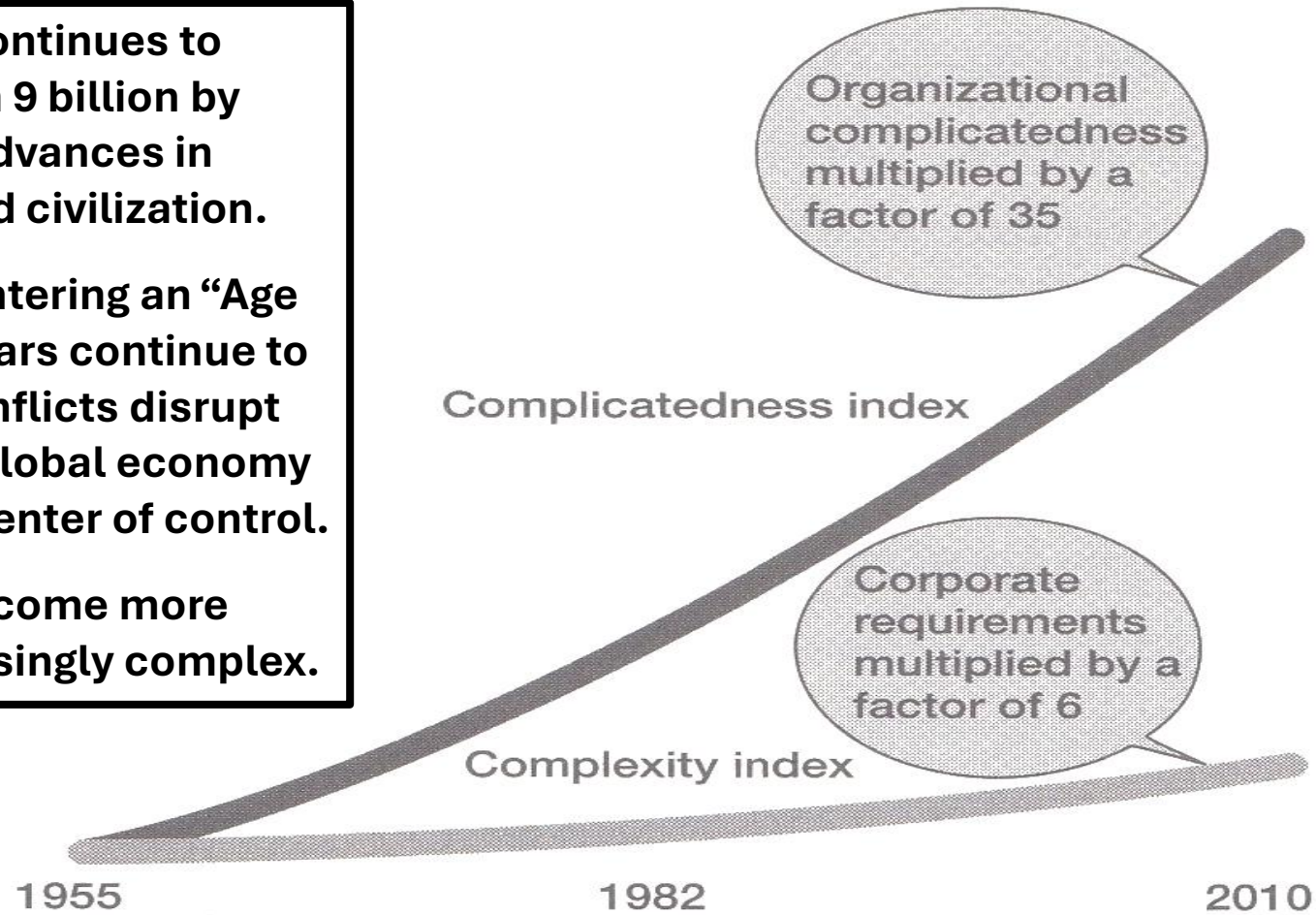
The Micro-Meso-Macro Bridge

How an SME impacts a nation



THE WORLD WILL BE MORE COMPLICATED AND COMPLEX

- The global population continues to grow (projected to reach 9 billion by 2050), alongside rapid advances in science, technology, and civilization.
- The world is currently entering an “Age of Chaos”, where new wars continue to emerge, geopolitical conflicts disrupt supply chains, and the global economy moves without a clear center of control.
- Future problems will become more complicated and increasingly complex.



Source: Six Simple Rules, How to Manage Complexity Without Getting Complicated, Yves Morieux, 2014





VS

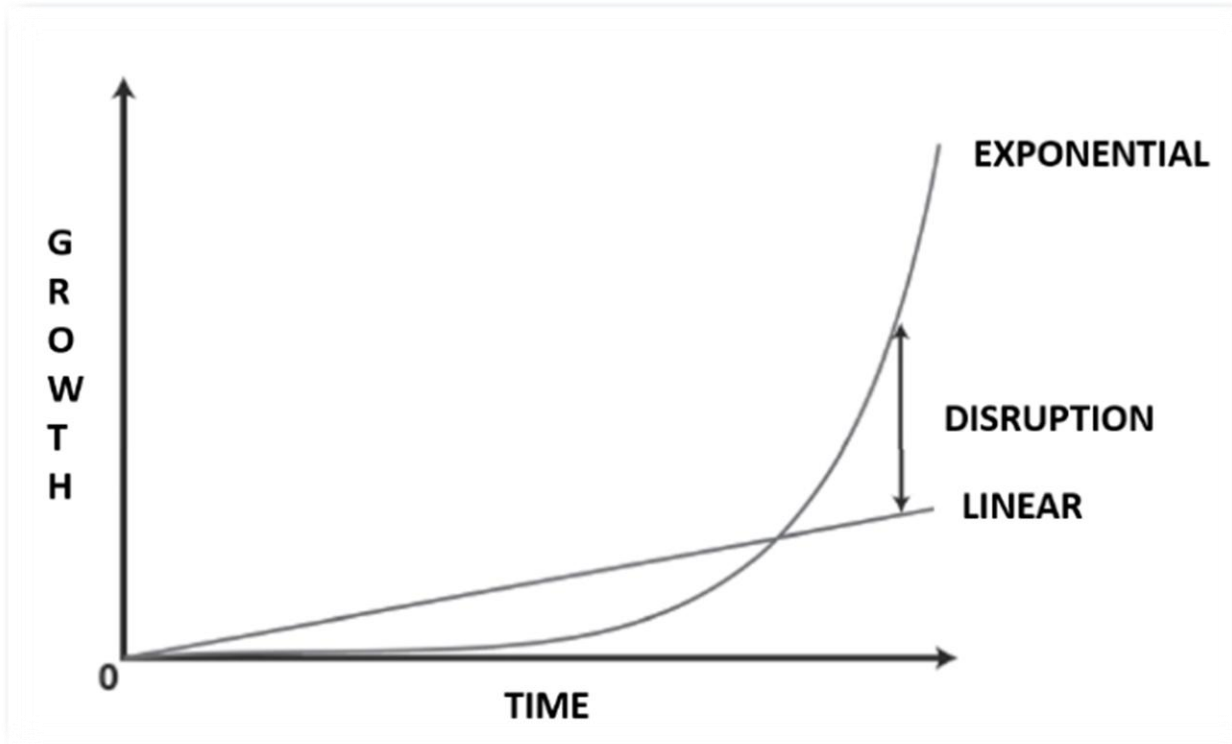


Nokia (Old Generation) vs Smartphone (Modern Era)

- **Which one is more complicated? Which one has more complex features?**
- **When we view complexity and challenges from a positive perspective, they become a source of OPPORTUNITY.**

2026 onwards: Disruption Era + Exponential Situation

Pandemic Effect, We are facing exponential change that we never expected.



In statistics, we recognize two patterns of growth:
Exponential growth (sudden upward acceleration)
versus linear growth (straight-line increase).

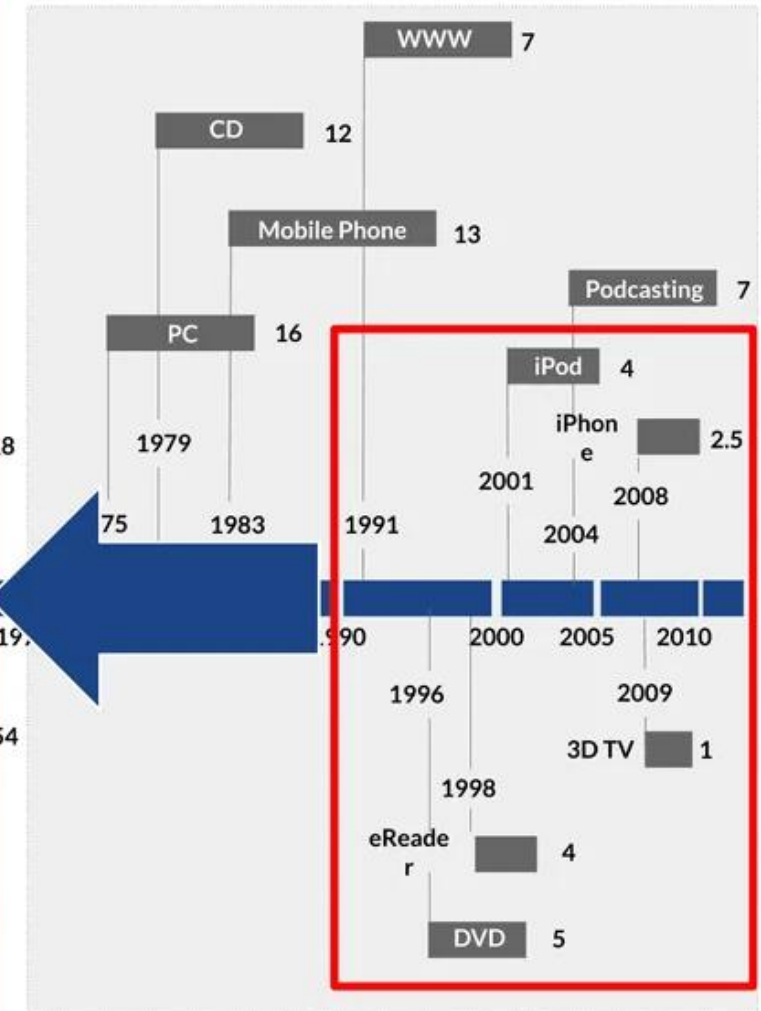
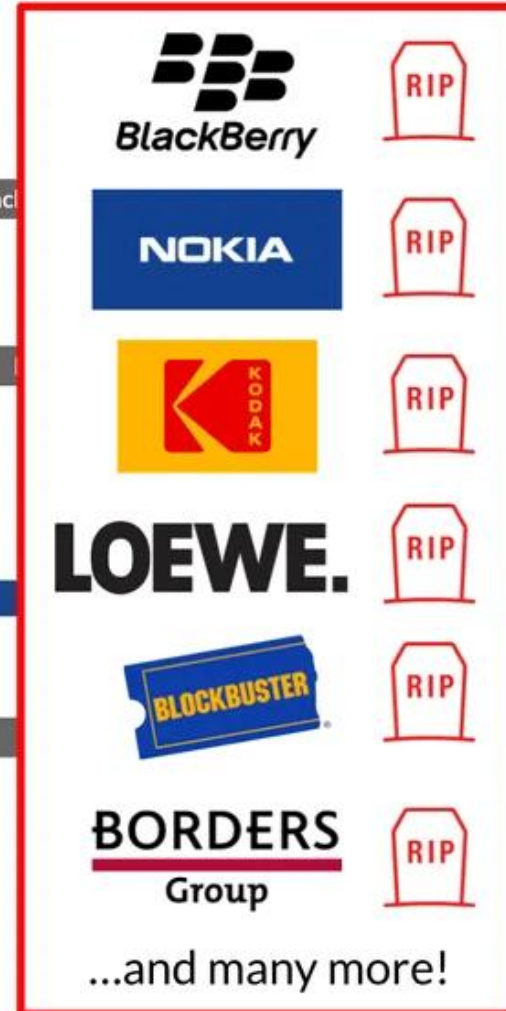
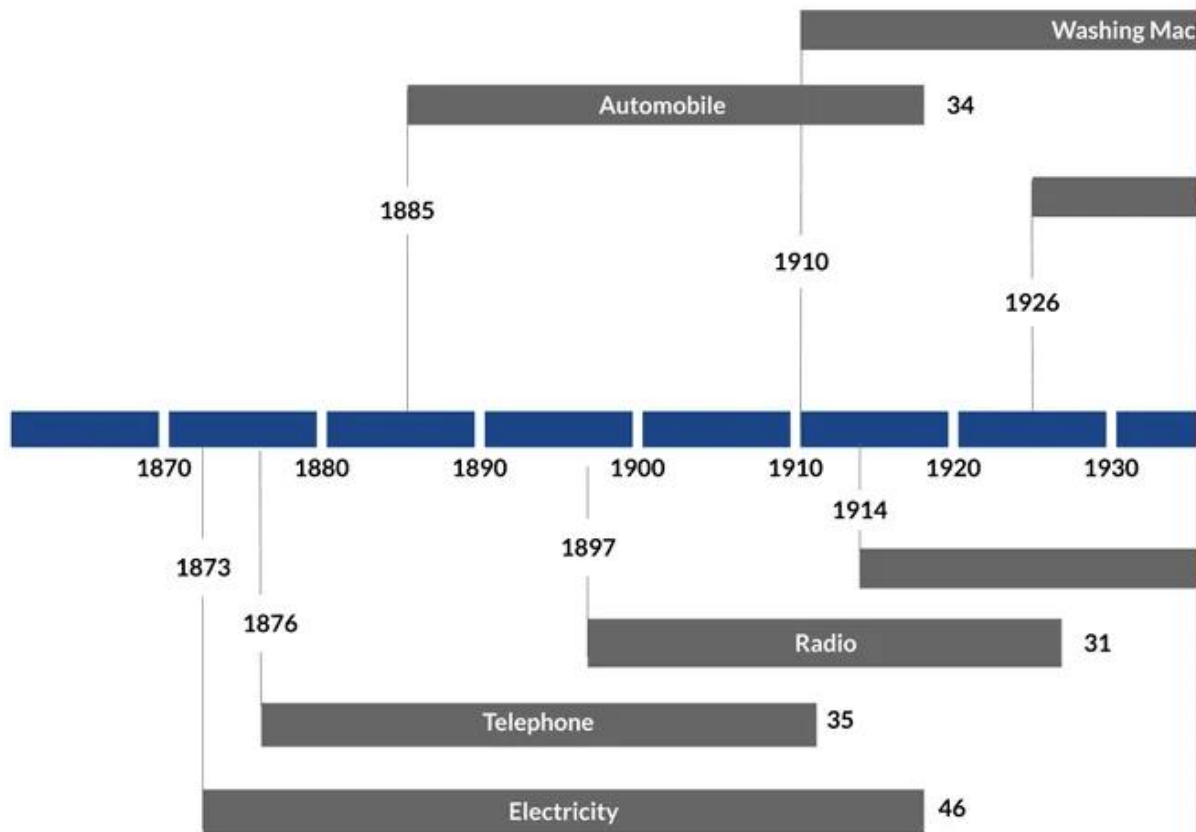
Example:

- **Linear growth**, A retail store grows by adding more branches, increasing staff, and expanding operational capacity step by step (MAKING BETTER).
- **Exponential growth**, E-commerce scales rapidly through digital platforms, automation, logistics networks, and data-driven personalization, enabling growth without proportional increases in physical resources (MAKING DIFFERENT).



Speed of Technology Adoption is Increasing Rapidly

Years of market penetration until an innovation has been used by ¼ of the population.



DIGITALIZATION TRENDS AND THEIR IMPACT

In the world of work



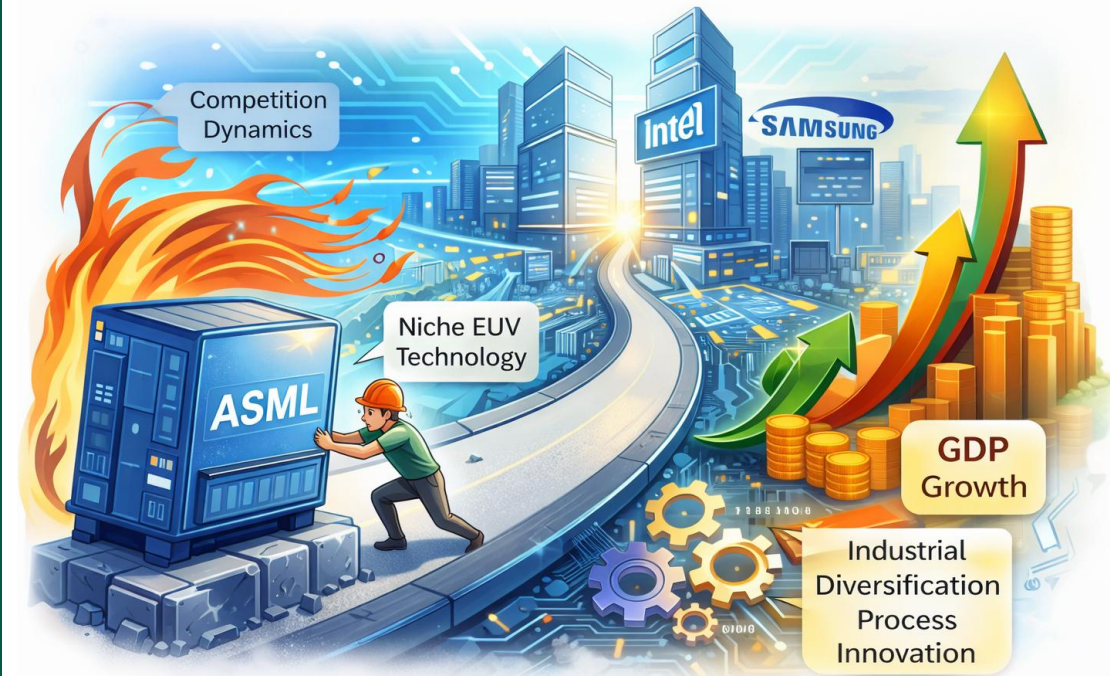
- ❑ Global trend drivers: AI, Big Data, IoT, and automation.
 - ❑ Impacts: Changing work patterns, task automation, and the growing demand for new skills.
 - ❑ Case examples:
 - ChatGPT as an always-available personal assistant
 - AI tools to support a repetitive work
- This digital transformation directly reshapes entrepreneurship and industrial economics by lowering entry barriers, accelerating innovation diffusion, and enabling new business models.



GLOBAL CASE STUDIES: THE IMPACT OF "SMALL" ON "BIG"

- The "Niche to Standard" Shift (ASML & the Semiconductor Industry)
- The Scenario: Modern giants like Intel and Samsung cannot function without **ASML (semi-conductor)**.
- The SME Origin: ASML started as a small, struggling joint venture between Philips and Advanced Semiconductor Materials International.
- Industrial Impact: By focusing on a hyper-specialized niche (EUV lithography), this "small" player became the bottleneck for the entire global electronics industry. It proves that **industrial diversification** and **process innovation** often come from specialized entrants, not the incumbents.

The Impact of 'Small' on 'Big'



ENTREPRENEURSHIP IN INDUSTRIAL ECONOMICS

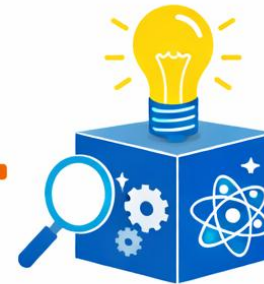
Entrepreneurs:

- Introduce new firms (entry effects)
- Create innovation shocks
- Disrupt dominant firms
- Improve productivity

Modern perspective: Philippe Aghion →
**Competition + innovation =
GROWTH**



Competition



Innovation



GROWTH

RESEARCH DESIGN IN INDUSTRIAL ECONOMICS & ENTREPRENEURSHIP



**Why
Research
Methodology
Matters??**

TYPES OF RESEARCH QUESTIONS

Research Question Type	Suggested Method
Causal impact	Quantitative (Econometrics)
Pattern/trend analysis	Quantitative
Process understanding	Qualitative
Institutional explanation	Qualitative
Mechanism testing	Mixed

Key principle:

👉 **Method follows question — not the opposite**

When to Use Quantitative Methods

Use quantitative when you want to:

- Test causality
- Measure impact
- Generalize to population
- Compare across countries/industries
- Use large datasets

Common tools:

- Regression
- Panel regression
- Difference-in-differences
- Instrumental variables
- Structural modeling

Example:

Method follows the question

- If you want to prove that SME entry causes a rise in regional productivity, use **Quantitative/Econometrics** (like Difference-in-Differences).

When to Use Qualitative Methods

Use qualitative when:

- You study entrepreneurial processes
- You explore new phenomena
- You analyze ecosystems or clusters
- You want deep understanding

Methods:

- Case studies
- Thematic analysis
- Phenomenology
- Narrative
- Grounded theory

Example:

Method follows the question:

- If you want to understand **how** these SMEs survive in a cluster dominated by a giant, use **Qualitative/Case Studies**.

When to Use Mixed Methods

Use mixed methods when:

- You want both measurement and explanation
- You test theory quantitatively
- Then explain mechanism qualitatively

Example:

- Quantitative: Entry increases productivity
- Qualitative: Interviews explain why

Very common in:

Strategic Management Journal (Q1)

SMS | Strategic Management Journal

Edited by: Mary Benner, Sendil Ethiraj, & Vibha Gaba

Online ISSN: 1097-0266

Print ISSN: 0143-2095

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16.8
CiteScore

7.2
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6%
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55 days
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Future Research Directions

(High-Impact Titles, Research Questions, and Methods)

Future Research Title	Predicted High-Impact Research Questions	Recommended Method	Suggested Tools and Designs
Entrepreneurial Entry and Productivity Growth Under Global Disruption	Does startup entry increase productivity and industrial upgrading during geopolitical shocks and supply chain disruptions?	Quantitative (causal inference)	Panel regression, Difference-in-Differences (DiD), Instrumental Variables (IV), event study design, structural modeling, productivity decomposition
	When does entry trigger innovation growth versus destructive price competition?	Quantitative + qualitative mechanism	Panel regression with interaction effects, threshold regression, market concentration measures (HHI), case-based validation, interviews with industry incumbents
The Micro–Meso–Macro Mechanisms of Entrepreneurship-Driven Industrial Transformation	How do entrepreneurial capabilities translate into firm performance and industry competitiveness?	Mixed methods	Quantitative SEM / multilevel modeling, panel regression, cluster analysis; followed by qualitative interviews for mechanism explanation
	What mediates the relationship between entrepreneurship and GDP growth, employment, and structural change?	Quantitative (macro-industrial linkage)	Multilevel regression, mediation analysis, structural equation modeling (SEM), macro panel data (country-industry level), system GMM
From Niche to Global Standard: How SMEs Reshape Industrial Power Structures	How do SMEs become bottlenecks and standard-setters in strategic industries?	Qualitative (deep case-based theory building)	Comparative case studies, process tracing, grounded theory, ecosystem mapping, value chain analysis
	What ecosystems, institutions, and innovation pathways enable SMEs to dominate industrial value chains?	Mixed methods (ecosystem + diffusion lens)	Social network analysis (SNA), patent/bibliometric mapping, qualitative comparative analysis (QCA), interviews, archival analysis, longitudinal ecosystem study

Entrepreneurship supports industrial economics

Entrepreneurship supports industrial economics by:

- Increasing competition
- Driving innovation
- Enhancing productivity
- Enabling structural transformation

And scientifically:

- Industrial entrepreneurship research requires methodological rigor
- Correct method selection is crucial for valid results
- Empirical evidence strengthens policy impact

Key Takeaways

Entrepreneurship as the Engine of Industrial Evolution

- Entrepreneurship is not merely business creation, it is an innovation shock that prevents industrial stagnation through creative destruction.
- Entrepreneurs strengthen industrial economics by increasing competition, accelerating innovation, improving productivity, and enabling structural transformation.

The future of industrial economics depends on entrepreneurship research, because innovation, competition, and structural transformation increasingly emerge from new entrants rather than incumbents.

THANK YOU

About Us

-  Raya ITS Sukolilo, Keputih, Surabaya, Jawa Timur 60117
-  (031) 5994251
-  mbisnis@its.ac.id
-  its.ac.id/mb
-  [@mb.its](https://www.instagram.com/mb.its)
-  [manajemen bisnis its](https://www.youtube.com/manajemenbisnisits)

