

# The Role Of Economic Education In Shaping Environmentally Sound Behavior (Case Study In Small And Medium Enterprises)

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**Abstract:** Education has a big role in shaping individuals who are ethical and moral and have a love and concern for the environment. Economic education also has a mandate to embody education for sustainable development through formal, informal and non-formal education channels. This study aims to obtain a holistic picture of the role of economic education in shaping environmentally sound behavior. The methodology used in this research is qualitative. The result of this research is that economic education obtained by SMEs does not always play a role in shaping environmental economic behavior. Therefore, economic education has a central role through the learning process carried out through the formal, informal and non-formal sectors.

**Keywords:** Economic Education, Environmental Behavior, Role, SMEs

## INTRODUCTION

Education is a method to improve understanding and implementation of the role of small-scale business owners to reduce the negative impact of their business (Redmond & Walker, 2009). According to Minister of National Education Regulation No. 63 of 2009, the paradigm in education is for the development and/ or sustainable development (education for sustainable development), namely education that is able to develop students to be a blessing for all nature. Based on this paradigm, especially economic education should not only be useful for today's life, but still pay attention to life in the future.

In order to achieve development that takes into account the environment, economic behavior that is environmentally sound must be instilled. To instill economic behavior that is environmentally sound requires a direction of education that must be instilled from an early age so that the environment we live in can be sustained without excessive destruction (Syafi'i, AS., et al, 2015).

Economic education has a big role in shaping the knowledge and understanding of students and the community related to environmental aspects in their lives. Sustainable economic education will shape economic actors who have a concern and commitment to manage resources by taking into account of the sustainability of nature and the environment. Through economic education, it is also hoped that human resources, attitudes and business perspectives and economic behavior in managing a business will contribute to the performance of SMEs in overcoming environmental problems faced.

## LITERATURE REVIEW

### *Economic Education In Indonesia*

The function of economic subjects is to develop students' ability to have an economy, by recognizing various economic facts and events understanding concepts and theories and practicing to solve economic problems that occur in the community (Ministry of National Education, 2003). Whereas according to Law No. 20 of 2003 states, "National education functions are to develop capabilities and form dignified national character and civilization in

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order to educate the life of the nation, it aims to develop the potential of students to become faithful and fearful people of God Almighty, noble, healthy, knowledgeable, capable, creative, independent, and become a democratic and responsible citizen.

In Law No. 20 of 2003, states that the education pathway consists of formal, non-formal and informal education. The description of this article states that formal education is education held in schools in general. This education pathway has a clear level of education, ranging from basic education, secondary education, to higher education. Non-formal education is a path of education outside formal education that can be implemented in a structured and tiered manner. The most common non-formal education at an early age, as well as basic education is TPA or Al Qur'an Education Park which is available in mosques and Sunday schools which are found in all churches. In addition, there are also various courses, including music courses, tutoring and so on. Informal education is a family and environmental education in the form of independent learning activities that are carried out consciously and responsibly.

The education quality assurance paradigm contained in Minister of Education Regulation 63 of 2009 states that there are 3 points of paradigm in education. One of them is education for development, development, and / or sustainable development, namely education that is able to develop students to be a blessing for all nature. Based on this paradigm, education should not only be useful for current life, but still pay attention to life in the future.

### ***Environmental Economic***

Soerjani (2009) says that an environmentally sound economy is an economic activity (industry, trade, services, banking, finance) that has a healthy and dynamic balance between the economy and resources so that a balance occurs. Environmental economics learns about the management of existing resources for the welfare of all people or society, so that the objective of the environmental economy is the achieved progress that is based on society, where the environmental economic development agenda must take sides with the interests of the community, realize their welfare more fairly and prioritize environmental sustainability (Rachmawati, RA., et al, 2016). Environmental-oriented economic behavior can be defined as a pattern formed in a person to behave economically (choosing or using goods and services) by paying attention to economic morality that considers the importance of sustainable living and respecting the environment (Nurlaili, EI., et al, 2016).

A substantial part of environmental economics is related to how the economy might avoid inefficiencies in the allocation and use of natural and environmental resources (Perman, Ma, McGilvray & Common, 2003). Environmental economics is the study of how scarce environmental resources are allocated among competing demands. In environmental economics there is a focus on understanding how and why regular markets fail to allocate natural goods to their best social values (Thurston, Heberling, & Schrecongost, 2009). Environmental economics is the application of economic principles to the study of how environmental resources are managed (Field, Barry C; Field, 2017). Environmental economics is the study of how scarce environmental resources are allocated among competing demands. There is a focus on understanding how and why regular markets fail to allocate natural goods to their best social value (Thurston et al., 2009).

### ***Small And Medium Enterprises In Indonesia***

The criteria of small (industry) business based on (Undang-undang RI No 9 Tahun 1995 Tentang Usaha Kecil, 1995) are as follows: (1) Having a net worth of Rp. 200,000,000, - (two hundred

million rupiah) at most, excluding land and building of business premises; (2) Having annual sales of Rp. 1.000.000.000, - (one billion rupiah) at most; (3) owned by Indonesian citizens; (4) Stand alone, not a subsidiary or branch of a company owned, controlled or affiliated directly, or indirectly, with medium or large businesses; and (5) in the form of business of a non-legal entity, business entity or legal entity, including a cooperative.

## METHODOLOGY

This research is a qualitative research. According to (Berg, 2001), in qualitative research try to find answers to research questions by examining various social and individual settings that are in it. Qualitative research is done through intense and / or continuous contact with participants in naturalistic / natural settings to investigate the daily lives of individuals, groups, communities and organizations (Miles, Matthew B., Huberman, A Michael., Saldana, 2014). The type of in this research is a qualitative case study. Case studies are design investigations found in many fields, especially evaluation, where researchers develop an in-depth analysis of a case, often a program, event, activity, process, or one or more individuals (Creswell, 2014).

The study was conducted in 4 Small and Medium Enterprises (SMEs). The SMEs that were the research sites consisted of Batik SMEs, Rambak SMEs, Tapioca Flour SMEs, and tofu SMEs.

## RESEARCH RESULTS

### *Batik SMEs*

There are various training activities, seminars, counseling provided by the government. However, most of these programs aim to increase sales turnover. Not related to an environmentally sound business. For example, there is batik training by inviting instructors from Pekalongan and Solo. The government facilitates of batik product exhibitions outside the city, for example in Yogyakarta, Surabaya, and others, and facilitates product exhibitions within the city of Tulungagung itself. In addition, there are various seminars that are also attended by these SMEs.

Extension activities are often provided by the District Health Office. The material for extension activities is mainly related to employee job security, equipment that must be used by employees, and also standardization of production sites. However, various formal and non-formal education programs do not have an influence on environmentally sound behavior.

At the moment our focus is that this business can go on and on. How to keep sales going up. WW / MR / 02 March 2018, 09.00-12.00

### *Rambak SMEs*

Mr. Heri took formal education until high school. Through formal education, Mr. Heri learned about the dangers of waste for the environment. In addition, he was the third generation running a rambak business, so he also learned about waste and its consequences through his family.

*My family has been running this business for generations. I am the third generation. If education is formal, I will go to high school. So I also understand more about the problem of waste. In addition, the government also provide facilities to us. WW / PH / 20-12-2017 / 13.00-15.30.*

Mr. Heri often takes part in seminars, training, promotions and counseling conducted by various government agencies, such as the District Health Office and the Industry and Trade Office.

*Giving direction, counseling, training, asking to take part in the seminar ... so I added to my understanding about the dangers of waste for the environment. WW / PH / 20-12-2017 / 13.00-15.30.*

### ***Tapioca Flour SMEs***

Mr. Ahmad does not complete from elementary school. He also does not attend to training and seminars related to environmentally sound businesses. Counseling from the District Environmental Office is also rarely followed by Mr. Ahmad.

*If I am not mistaken, during this business, only a few times the government gave a instructions of waste. Rarely. So I don't understand enough. WW / PAS / 22-3-2018 / 08.00-11.00.*

To overcome business constraints that are environmentally sound, SME entrepreneurs tend to be passive. No more effort is done. Business routines, age, lack of access, low desires, costs and time become obstacles for tapioca entrepreneurs to find information on waste treatment. He only hopes that at an increasingly twilight age, the flour business that is carried out can still continue because this business is the main livelihood.

### ***Tofu SMEs***

The formal education taken by Mr. Sumarno is high school. Seminars and counseling have also been followed by Mr. Sumarno. The seminar from *Desperindag* district related to tofu packaging was followed in the middle of 2017. The purpose of this seminar was to improve the business of tofu.

Counseling from the District Health Office was carried out around March 2017. Unfortunately, this extension was only attended by several participants who were selected as counseling samples. The content of this extension material includes (1) well water must not contain chemicals, (2) diesel is given safety, and (3) steam protection.

Hence, counseling was carried out around November 2017 from the District Environmental Office. This extension was not carried out on all entrepreneurs of tofu in the region. Only a few entrepreneurs were taken as samples for counseling. The material given in this counseling is in the form of waste treatment equipment. The requirements given by the Environmental Office are the entrepreneurs of tofu that in this industrial area must be assembled / assembled to jointly agree on the land to be used for the installation of WWTP. Unfortunately, the offer from the Environmental Office has not received a positive response from the entrepreneurs. The busy work is the reason why they do not have time to gather.

*Very little information provided by the government. Especially related to waste. The government should often make events like this. Let us improve our understanding about tofu SMEs. WW / PS / 2 April 2018, at 3:00 a.m. - 4:30 p.m.*

However, formal education and counseling and seminars that have been followed by entrepreneurs of tofu does not correlate with business behavior that is environmentally sound. Entrepreneurs have not thought about environmental production. Mr. Sumarno is still focused on the sustainability of his tofu business.

*It has not been thought about doing environmentally sound production ... for me, the important thing is how to work right now. WW / PS / 2 April 2018, 15.00-16.30*

## DISCUSSION

The results showed that formal, informal and non-formal education did not always play a role in shaping environmental behavior. The findings of the study support the results of research from (Kollmuss & Agyeman, 2002), the longer the education gained by individuals, the wider the knowledge of environmental issues. But the higher education, it does not always affect the improvement of environmentally sound behavior. (Aykol, B & Leonidou, 2014) also argue that the level of education is one of the factors that will play a role in adopting “green” practices by SMEs. The existence of an education program is a chance for the owner / manager of a small company to engage in behavior change for the management of environmental impacts (Walker, Redmond, & Giles, 2010).

Hines, Hungerford, & Tomera (1986) suggest that the complex formation of environmental behavior and the existence of situational factors that always change will make it difficult to predict behavior. However, knowledge, skills and personality can also be influenced by environmental education. Schools must develop learning approaches that provide opportunities for the development of learning experiences, both cognitive, affective and skills aspects needed for environmentally sound behavior. As a general education institution, schools have a responsibility to provide members of the community and students with environmental responsibility, with knowledge and commitment to environmental decisions (Jensen, 2002).

In addition Hines, Hungerford, & Tomera (1986) suggest that teachers in learning at schools must be able to develop focus of internal control of students, positive attitudes toward the environment, and environmental responsibility. (Jensen, 2002) says that schools as general education institutions have a responsibility to give knowledge about environmental knowledge and commitment to the students. (Kollmuss & Agyeman, 2002) suggest that the longer the education, the broader the knowledge of environmental issues. Education about the environment will modify individual behavior (Chawla & Cushing, 2007).

In addition, the low level of training received by SMEs will cause low involvement of SMEs in environmental problems (Brio, JA & Junquera, 2003). Even most SME owners do not have training in environmental management (Redmond & Walker, 2009). (Agan, Fatih, & Borodin, 2013), state that the government must design training programs to increase environmental awareness for SME owners and managers. (Condon, 2004) states that the use of communication in the form of visits to SMEs, face-to-face, network formation, and assistance is more effective in changing the behavior of SMEs compared to conventional methods (seminars, bulletins and the internet). The owner / manager believes that knowledge about waste and recycling is valuable material for training (Redmond & Walker, 2009).

Hence, in providing environmental education for small businesses, there are several things that must be considered, namely: the use of simple language, providing examples of best practices, offering specific industry information, offering solutions that are easy to implement, offering practical content, using trusted sources to deliver programs (Redmond & Walker, 2009).

Improving environmental education among small-scale business owners / managers will provide better social, economic and environmental outcomes (Redmond & Walker, 2009). The goal of education about the environment at school is to develop students' ability to act at the personal and community level (Jensen, 2002). Professionals must be able to fulfill the main objectives of environmental education, to produce citizens who are environmentally responsible

who can maintain a balance between quality of life and environmental quality so that students need to be equipped with knowledge and training on environmental action strategies (Sia, Hungerford, & Tomera, 2010).

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