



The Green Economy Implementation To Umkm Cooking Oils Production At Majene (Syariah Economic Perspective)

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Abstract

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This study aims to determine the application of Green Economy in cooking oil for SMEs and analyze the obstacles to implementing Green Economy in cooking oil for SMEs. Data collection was carried out by conducting in-depth interviews with objects or informants, in this case the village head of Tammeroddo, 4 groups of cooking oil MSME actors and the Karondongan hamlet community. as well as direct observation at the research location. The results of the research found that green economic applications by MSME actors in Karondongan Hamlet are divided into two aspects, namely economic aspects and environmental aspects. Both of these aspects have positive and negative impacts that need to be considered for appropriate solutions both from the MSME cooking oil actors themselves and from the Tammeroddo village government. The view of Islamic economics on the application of green economy in the economic aspect is considered to be in line, but in the environmental aspect it is considered not to comply with the principles of Islamic economics. Some of the obstacles experienced in implementing the green economy for cooking oil SMEs are: (1) the groeng oil SMEs in Karondongan hamlet do not understand in depth about the green economy concept, (2) the application of the green economy concept occurs without them realizing it, and their activities are too profitable. oriented . (3) There is no green economy training available for MSMEs in Karondongan Hamlet (4) There are no village regulations or regional government regulations governing green economy for MSMEs. For this reason, improvement is needed from the MSME actors themselves and the Tammeroddo Village government

1. INTRODUCTION

The people of Karondongan Hamlet have been engaged in producing cooking oil for decades, starting with a consumptive goal and continuing to become productive. Processing of hybrid coconuts into cooking oil is a typical product of UKM (Micro, Small and Medium Enterprises) of Karondongan village which has a unique and delicious taste. This research focuses on 4 (four) cooking oil SMEs, because there are several similar impacts resulting from these activities, namely positive and negative impacts that need to be given a solution.

The huge impact that cooking oil produces has resulted in several countries regulating plantations that produce cooking oil by their country's laws, because they think that cooking oil has almost the same content as

petroleum in general. In short , cooking oil has the following effects:

1. The presence of cooking oil can deplete the oxygen produced. This can make flora and fauna suffocate to death.
2. Its pungent odor can cause pollution and reduce the quality of the air we breathe.
3. Besides being toxic to flora and fauna, cooking oil can be toxic to the environment, such as polluting aquatic ecosystems and aquatic or aquatic creatures that will suffer and be threatened with death.
4. Inhibits the rate of reproduction and growth of flora and fauna. When it reaches the level of scarcity, the ecosystem is unbalanced and triggers a disaster.
5. The resulting carbon dioxide and loss of rainforests can damage the atmosphere and cause global warming. (Wanaswara, 2021)



One of the causes of imbalance in the ecosystem around it is influenced by the presence of micro and small scale industries but has a large number, this will have an impact on the quality of a healthy environment for people's lives (Brilliana, Baihaqi, & Persada, 2020). The negative impact of MSME cooking oil on the environmental quality of the Karondongan hamlet community is often ignored, there is not even a proper handler from the village government. It is considered that the economic benefits are very large for the community. MSME cooking oil should be a business actor whose production has an impact on the surrounding environment and is responsible for managing the surrounding environment. The participation of cooking oil SMEs in this matter will directly make an important contribution to the creation of a healthy environmental cycle for the lives of the surrounding community.

Micro and small cooking oil businesses have a very large role for the Indonesian economy. At the beginning of 2021 there was a scarcity of large-scale cooking oil on the market, resulting in consumers, in this case the general public, finding it difficult to make purchase transactions, apart from the scarcity of products, also because prices had increased significantly. MSMEs producing cooking oil have strong potential to compete in the Indonesian market. Even though the price of coconut oil tends to be more expensive than palm oil, coconut oil has a distinctive taste and aroma that will only be found in cooking oil production in Majene district as well as many benefits for the health of the body cited in Kompas, 2022 the benefits include: (1) coconut oil can increase fat burning, (2) coconut oil may have anti-microbial effects, (3) coconut oil helps reduce hunger, (coconut oil helps improve skin health, (4) coconut oil can protect hair.

According to the results of observations by cooking oil MSME actors, they unconsciously apply the green economy concept to the aspect of increasing income, but not to the aspect of liquid waste

treatment. This means that the awareness of MSME actors is not yet full and they do not even have a deep understanding of the green economy business concept or environmentally sound concept.

The presence of cooking oil SMEs has a positive economic impact, namely the absorption of labor in the Karondongan hamlet in micro and small business groups consisting of the surrounding community. However, it is undeniable that MSME cooking oil also has an impact on the surrounding environment. In other words, pollution due to waste management or waste from the production of cooking oil that is not appropriate.

Some of the problems that the researcher can formulate based on the factual data above are: (1) How is Green Economy implemented in the production process carried out by cooking oil SMEs in Karondongan Hamlet, Tammeroddo Village, Tammeroddo Sendana District, Majene Regency?, (2) What are the obstacles in implementing it? Green Economy on the MSME cooking oil? (3) what is the Islamic economic perspective on the implementation of green economy in cooking oil SMEs?

The purpose of conducting the research is based on the formulation of the problem, namely to find out the application of *Green Economy* and to analyze the obstacles to the implementation of Green Economy on the productivity of MSME cooking oil.

2. LITERATURE REVIEW

2.1 Green economy application

The Green Economy, according to the United Nations Environment Programme, is a concept where the economy can increase welfare and social justice in realizing sustainable development. Besides that, the Green Economy is expected to be able to suppress environmental destruction, including the exploitation of natural resources which is common in the development of a country.

Like any major change, the transition to a green economy will not be completely smooth. Contraction and even resistance is very likely.



Therefore, there are several instruments that the national government can launch to lubricate the green economy transition, ranging from fiscal policy, standardization and certification, to building the capacity of economic actors. (Esa Khaerina, 2022)

According to some experts, the term application is an activity that practices methods, theories, and other things that support achieving certain goals and interests that have been planned and systematically arranged (Tomuka, 2013). While the definition of green economy or green economy according to Akbar Ilham is an economic idea that aims to improve people's welfare and social equality, while significantly reducing the risk of environmental damage.

The above is in line with President Joko Widodo's submission inviting all heads of state members of the G20 to realize a green economy, supported by abundant natural resources in Indonesia. However, if it cannot be used properly then one day it will run out. With a green economy that is low in emissions, it will create better conditions for society and create social conditions in order to minimize ecological damage and environmental risks.

This then means that the implementation of the green economy is not only beneficial for the profit of cooking oil SMEs but also long-term benefits for maintaining the environmental cycle.

2.2 MSME cooking oil

UMKM is an abbreviation of Micro, Small and Medium Enterprises. Basically, UMKM is the meaning of business or business carried out by individuals, groups, small business entities, and households. Indonesia as a developing country makes MSMEs the main foundation of the community's economic sector, this is done to encourage the ability to develop independence in society, especially in the economic sector. (Wida Kurniasih, 2021)

MSMEs can be said to play a role as a provider of means for equal distribution of the economic level of the common people, this is because MSMEs are located in various places

that also reach various regions that can help improve the economic quality of rural communities. (Amir Uskara, 2021)

2.3 Sharia Economic Theory

Protecting the environment is recommended in Islamic teachings. There are many Al-Quran **Verses** About the Importance of Protecting Nature and the Environment. As good people, we should always maintain the balance of nature. We should utilize the resources available in nature as needed and try to use them in moderation coupled with maintenance, so that the balance of nature is maintained. As contained in the verse below

Related *وَلَا تُفْسِدُوا فِي الْأَرْضِ بَعْدَ*

The translation: "And do not make damage on earth, after (God) has repaired it and pray to Him with fear (will not be accepted) and hope (will be granted). Indeed, Allah's mercy is very close to those who do good." (QS Al- A'raf: 56)

3. RESEARCH METHODS

The type of research used is *field research*, namely by conducting direct research on the field to find and collect the required data. This study uses a phenomenological approach starting with paying attention and examining the focus of the phenomenon to be studied, which looks at various subjective aspects of object behavior. Data collection was carried out by conducting in-depth interviews with objects or informants, as well as making direct observations about how research objects interpret their experiences with other people (Sulaiman Saat, 2019).

Qualitative methods provide the position of the researcher becomes very important, where in this research the researcher acts as a planner, executor of data collection, analyst, interpreter of data and finally becomes a reporter of the results of his research. For this reason, we as instruments carry out validation related to readiness to go into the field, understand related to the chosen research method, broaden insights related to green



economy applications, MSMEs and Islamic economics and have previously established communication with the cooking oil MSME group and already know the research locations that we have set. with the implementation of observation as the first stage.

Determination of informants in this study using purposive sampling technique . determine informants according to the criteria including the first informant, namely the Head of Tammeroddo Village as the highest stakeholder in the research location. Next are the 4 actors who are representatives of each cooking oil MSME group in the Karonongan hamlet, Majene district, along with the employees who work for the MSME. The last informant is the community around UMKM who feel the direct impact of MSME cooking oil activities. This technique is carried out by taking the subject not based on strata, random, or region but based on the objectives to be achieved by the researcher.

To analyze the data using the following steps: Reducing data Each researcher will be guided by the goals to be achieved. The main objective of this research is to provide education to the MSME group regarding the importance of the green economy in maintaining the sustainability of life. If there are things that are considered foreign, do not yet have a pattern and are not known, it will be the concern of the research team in conducting data reduction (Sugiyono, 2017) .

Qualitative research can present data in the form of brief descriptions, charts, relationships between categories, *flowcharts* and the like in this study presented in narrative text. The expected conclusions in qualitative research are new findings that have never existed before. Findings can be in the form of a description or description of an object that was previously dim or dark, so that after

research it becomes clear, it can be a causal or interactive relationship, hypothesis or theory.

4. RESULTS AND DISCUSSION

4.1 Profile of coconut oil SMEs in karondongan hamlet

MSME cooking oil in Karondongan hamlet are in a very close location, the distance between each MSME is only around 15-20 meters so that the location is a thematic location to become a hamlet that is identical to typical Mandar coconut cooking oil, until now the 4 groups These MSMEs are still actively producing and even tend to be overwhelmed to meet consumer demands, which are increasingly expanding their market share. What was originally known only among the villagers, now cooking oil MSME actors often receive orders from outside the district and even outside the province.

All cooking oil MSME groups that were established in Karondongan hamlet were initially established independently by housewives, because of their promising prospects, later developed into business groups that recruited workers in the surrounding environment. By maintaining the quality of recipes passed down from generation to generation, consumers trust their products. From this public trust , *mouth to mouth* promotions emerge so that new consumers arrive.

4.2 Research result

Green economy application for cooking oil SMEs in Karondongan hamlet Economic aspect MSME cooking oil unconsciously apply the concept of green economy in their activities. The coconut dregs produced in the manufacture of oil used to be disposed of directly on the beach which could have been a factor in environmental pollution. Currently, MSME actors no longer throw away the coconut dregs but instead recycle the dregs and then sell them by kilograms as animal feed. According to Hasmiara, coconut pulp, whose benefits were initially unknown, instead



became waste polluting the beach and its pungent smell can now become a fairly profitable source of income.

MSME activities continue to grow in line with the high demand for consumers from various regions, this then opens up new job vacancies for the local community because MSME actors need additional workers to meet consumer demand. It can be concluded that the green economy is applied to MSME activities because actors are tempted by additional income outside of the main production, namely cooking oil. However, the actors do not know about the process of recycling cooking oil liquid waste, which has a high economic value.

The addition of the number of workers has also continued to increase for each MSME group due to the high consumer demand for cooking oil which is of good quality and has a distinctive taste and aroma.

Environmental aspects

MSMEs do not pay much attention to the adverse effects of cooking oil liquid waste because they do not understand the long-term impacts that will occur if there is no prevention or serious handling from cooking oil MSME actors and the Tammeroddo Village government.

A total of 4 cooking oil SMEs have locations that are close to one another. The productivity of these MSMEs is relatively high every day with the need for hybrid coconuts of ± 40 kg – 1 00 kg per day to produce cooking oil. Every MSME has a similar production of cooking oil. The high productivity carried out by cooking oil SMEs in Karondongan Hamlet has an impact on the people who live around it. The positive impact is that it can create new jobs so as to improve people's living standards, and the negative impact is the high level of noise pollution and the contamination of sewers and river waste water.

The negative impact that comes as a result of the productivity of MSME cooking oil comes from the coconut factory process and the waste that is generated every day. The decline in the quality of the surrounding air is the result of the energy used to process hybrid

coconuts into oil. Not only that, liquid waste is also the production of MSME which emits a pungent odor and disturbs the community and the health of the surrounding environment. The liquid waste is directly channeled to the hamlet ditch which leads to the river which is more often dry than watery.

Production of cooking oil produces a lot of waste that is disposed of carelessly in Karondongan sub-village, Majene district, as a result, environmental pollution is getting worse as production increases because the government has not found a solution to the problem. In fact, if this waste is recycled, it can provide great benefits for residents and the local government.

The people who live in the surrounding environment have complained that since the operation of cooking oil SMEs, various unfavorable symptoms have begun to appear from the environment, according to Hj. Nuslia has a pungent smell, starting to smell since the disposal of cooking oil liquid waste into the ditch, which flows directly into the river and because the river is often dry, the liquid waste stagnates and settles in the river, not just the smell that stings Wahyunida, M.Pd. stated that the number of mosquitoes was increasing day by day, even though previously the hamlet of Karondongan won several awards from the sub-district as the cleanest hamlet.

It can be concluded that the careless disposal of liquid waste causes environmental damage and can threaten the survival of living things that live around it. Due to the lack of precise handlers from MSME actors and the local government. So it requires socialization and even workshops on environmental preservation and how to recycle waste so that it is worth selling.

Obstacles to implementing green economy Some of the obstacles experienced in implementing the green economy in cooking oil SMEs are:

1. groeng oil SMEs in karondongan hamlet do not understand deeply about the concept of green economy



2. the application of the green economy concept occurs without them realizing it, and their activities are too profit oriented.
3. The unavailability of green economy training for MSMEs in Karondongan Hamlet
4. There are no village regulations or local government regulations governing the green economy for MSMEs.

4.3 Research Discussion

MSME cooking oil in Karondongan hamlet was initially initiated by housewives who took the initiative to help the family economy. The available resource is in the form of hybrid coconut which has been passed down by the ancestors of the processing recipe so that it has distinctive characteristics in terms of aroma and taste.

Cooking oil MSME activities bring a new spirit in the business world, especially in the Karondongan hamlet community. The resulting products are well received by consumers, even though the range is only on a local scale.

The green economy application by MSME actors in Karondongan Hamlet is divided into two aspects, namely the economic aspect and the environmental aspect. Both of these aspects have positive and negative impacts that need to be considered for appropriate solutions both from the cooking oil MSME actors themselves and from the Tammeroddo village government.

The green economy application for MSMEs in the economic aspect is of course in line with the principles of Islamic economics, namely Allah justifies buying and selling and every Muslim is encouraged to prosper. In order to be able to provide social assistance to fellow human beings in the form of zakat or alms. MSME actors provide assistance to improve the welfare of their group members while at the same time stimulating the country's economic cycle.

This environmental aspect is implicitly explained in QS *Al-A'raf*: 56 where every human being is prohibited from destroying what Allah SWT has created, as well as MSME waste which has a negative impact on society

and the environment in Karondongan Hamlet. This MSME activity is not justified as long as a solutive solution has not been made for the Karondongan hamlet environment. Whether it comes from the cooking oil MSME actors themselves, or the Tammeroddo village government.

5. CLOSING

5.1 Conclusion

The cooking oil MSME group in Karondongan hamlet applied the green economy concept accidentally to the economic aspect, but on the environmental aspect they did not have knowledge regarding how to treat cooking oil liquid waste resulting in environmental pollution.

There are several factors that hinder the implementation of the green economy concept in cooking oil SMEs, namely: lack of understanding regarding green economy, never received training, and lack of attention from the local government.

The view of sharia economics regarding the application of green economy to the cooking oil SMEs of Karondongan Hamlet, from an economic perspective is seen as permissible because it has an impact on welfare for members of the business group but on the environmental aspect it is considered a violator because it has a negative impact on the environment.

5.2 Suggestion

For cooking oil MSME actors, they should maintain the cleanliness of the surrounding environment by not disposing of cooking oil liquid waste into the river, but reprocessing it so that it has economic value. The government should provide special regulations regarding the green economy for MSME actors and provide facilities for oil liquid waste recycling workshops

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