

Environmental Sustainability: An Overview from Policy and Society

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Abstract

Economic development occurs in every corner of the world. As it does so, patterns of economic consumption also increase the level of energy and material usage, which affects the sustainability of the environment. This scenario also leads to an increasing amount of waste, whether solid, liquid, or hazardous. In contrast, the rising on environmental concerns among the society, could help to prevent this problem from prolonged. Altogether with the introduction of green policy by the Malaysian government, this initiatives could be benefits not only to the industry, but also to the community as a whole. This paper focus on the green policy that have been introduced and implemented by the Malaysian government. In addition, this paper also discusses the role play by the society as a catalyst for environmental awareness action. The integration between existing policy and concern by the society could help to better future. Further research in how to develop the sustainable environmental development within national level is suggested.

Keywords: Green society; green policy; Sustainable; Malaysia

Introduction

Global economic and physical development has contributed to environmental deterioration. These circumstances have led to an increasing amount of hazardous waste which affected the sustainability of the environment. The average per capita generation rate is about 1.5 kg/day, and even though 17,000 tonnes/day of solid waste is being generated; only 5% is currently being recycled (Green Manual, 2017). Hazardous waste, in the form of solids, liquids or gases, is also endangering the environment's sustainability.

In response to the environmental issues and to generate prospects for a better future life, there have been efforts in both developing and developed countries to tackle these challenges such as the Kyoto Protocol 1997 agreement. After 20 years of its establishment, the results still below par. However, the collective efforts continues during the Copenhagen Climate Change Conference 2009 which attempt to hammer out a comprehensive, fair and ambitious treaty to replace the mechanisms of the Kyoto Protocol. With 110 world leaders present at the conference, there has never been meeting like this. All the delegates including Malaysia agreed that green growth prevailing economic model for modern era. Countries from both developed and developing countries have announced low-carbon economic plans.¹

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The main objective of this paper is to discuss on Malaysian government efforts in overcome the environmental sustainability problem. Then it continue with discussion on green society especially in local context. Followed by brief discussion on the proposed conceptual model and suggestion for future research.

Malaysian Experience

In national level, environmental issues have become a priority for the government and public communities (Eltayeb et al. 2010). Both industries and individuals are the main causes of environmental deterioration. This is because individuals depend on industry's products to sustain their standard of life. However, many industries produce polluting emissions due to the products they manufacture to fulfil consumer needs and demands.

Awareness of the importance of environment sustainability can be seen to be improved over time. In Malaysia, the government is serious about dealing with environmental issues within the country. Following the trends, and mindful of the need to manage green environmental issues, the Ministry of Energy, Green Technology and Water was established on 2009.

After the establishment of this Ministry, more attention has been focused on green technology aspects in business. As one of the initiatives, the Ministry through its agency, Malaysian Green Technology Corporation (GreenTech Malaysia) launched the National Green Technology Policy aimed at accelerating the national economy and promoting sustainable development (Kettha, 2017). GreenTech Malaysia also provides training and funding for businesses that are interested in supporting the development of green technology in Malaysia known as the Green Technology Financing Scheme. This scheme was introduced by the government in an effort to improve the utilization of green technology for the benefits of the business and society. With the initial allocation of RM 1.5 billion when it was started, the Malaysian government show their commitment by approving RM 5 billion for this scheme up to year 2022.

The aim of this ministry to promote high impact research and development of green technologies in Malaysia. Thus, the Green Technology Financing Scheme was set up by the government to this end. Government efforts in leading green initiatives will not be successful however without private and corporate participation. Nowadays, most large multinational corporations (MNC) include a Corporate Social Responsibility (CSR) component into their activities as reported in their Annual Reports. However, few Small and Medium Enterprises (SME) practice the same approach.

Seeking to attract more foreign investors and reduce the environmental impact of manufacturing industry, a number of incentives have been offered by the Malaysian government. Activities that are eligible for government incentives are storage, treatment and disposal of toxic and hazardous wastes, waste recycling activities, energy conservation and energy generation activities using renewable energy resources. For these types of activities, the basic incentive offered is pioneer status with income tax exemption of 100% of statutory income for ten years.

Unabsorbed capital allowances as well as accumulated losses incurred during the pioneer period can be carried forward and deducted from the post pioneer income of the company; or investment tax allowance of 100% on the qualifying capital expenditure incurred within a period of five years. This allowance can be offset against 100% of the statutory income for each year of assessment. Any un-utilized allowances can be carried forward to subsequent years until fully utilized (MIDA, 2010).

Besides that, the government also enforces rules and regulations that relate to environmental pollution by the manufacturing industry. For example, between 2006 and 2010, 46 factories were fined by the Department of Environment (DOE) for effluent emissions to rivers over the allowed standard (Norizan, 2010). These 46 factories were also prosecuted in court with a maximum amount of penalty equal to RM 500 000 for each case. Apart from legal action, Malaysia also could learn lesson from the developed country in promoting green practices among the business in a different ways:

For instance, the British government has undertaken the energy-efficiency best practice campaign, "Making a Corporate Commitment," which provides free advice and technical support to SMEs through the Environmental Technology Best Practice Programme (Holt & Ghobadian, 2009). The US EPA utilizes a more indirect way in comparison with the UK. The EPA focuses on developing the best practices of green activities and raising awareness of those practices through guidebooks and manuals (e.g., US EPA, 1999). In Korea, a similar government-driven initiative started in 2003. This national project was designed to encourage SME suppliers to develop their own environmental management system by utilizing the relationship between large-sized buying firms and their suppliers (Lee & Jang, 2003).

The role played by the government in environmental protection is undeniable. In promoting environmental practices among Malaysians, the Malaysian government publicized various strategies to implement sustainable consumption and in addition, to educate and foster environmental awareness among the public, The Malaysian government also opted for social advertising (Azizan et al. 2005). Furthermore, regulatory institutions may provide inducements for firms that behave in a certain way as expected by the institutions (Grewal & Dharwadkar, 2002).

In Malaysia, the government introduced two types of regulatory mechanisms in order to encourage firms to adopt environmental initiatives or avoid harmful impacts to the environment in their operations. The Malaysian government offers various environmental incentives to the manufacturing sector such as exemption on import duties and sales tax for machines. The second mechanism is the provision of pioneer status, which includes tax exemptions to any company that conducts activities like paper storage, treatment and disposal of toxic and hazardous waste, and conservation of energy (KeTTHA, 2017).

What is Green Society?

Market or consumer pressure is also known as normative pressure (Zhu & Sarkis, 2006). This type of pressure normally comes from external stakeholders that have a vested interest in organizations. For example, in Japan, corporate social responsibility and company image are the main normative pressures, especially for the large company (Zhu et al. 2007). The absence of a good environmental image and social acceptance will cause large companies to lose market share within the global market because the society there are very concern on the environmental matters.

This is related to the institutional theory (Di Maggio & Powell, 1983) which stated that firms adopt initiatives to gain legitimacy. The definition by Suchman (1995) on legitimacy asserted that:

“Legitimacy is a generalized perception or assumption that the action of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs and definitions” (p. 573).

Thus, it is important for firms to act properly to enhance their market value since legitimacy is a type of acceptance within society (Zhu et al. 2007). This normative pressure has the capability to influence firms’ actions towards the adoption of new innovations within their operations. In today’s competitive environment, consumers are becoming more aware in their behavioral intentions to purchase a product in order to fulfil their needs and satisfaction.

Nowadays, there is an increasing demand from customers for green products and services. Thus, many organizations have urged sustainable development and corporate environmental responsibility within their business activity. This has gradually and consistently extended far beyond just complying with environmental regulations to proactive initiatives by a few world class companies (Sarkis, 2003). Thus, organizations are continuously trying to come out with initiatives which can help them to achieve environmental sustainability. Success in handling environmental management issues may provide new opportunities to increase competitiveness and new ways to add value to core business programs in the eyes of their consumers (Hansman and Claudia, 2001). Moreover, According to Wisner et al. (2005), customers are increasingly demanding to know where the products come from, how they are made and distributed, and what impacts future legislation will have on the products they buy. Aligning with the Industrial Revolution 4.0, all information are accessible and news can be spread in a blink of eyes.

In response to that, a number of companies in developed countries have come up with green product ideas especially the one which can be reuse, recycle, remanufactured, reassemble or at least made by natural sources. Also, in many such countries, firms are expected to invest heavily to make such green products a reality. While, thus far, this has not happened extensively in South East Asia, customer pressure is felt when a company and its entire supply chain have got to conform to world-class standards, not only in product or service quality, but also in the environmental and social sense (Rao, 2007).

Meanwhile, consumers who are aware of and interested in environmental issues are called green consumers (Soonthonsmai, 2007). These green consumers often organize petitions, boycott manufacturers and retailers and actively promote the preservation of the planet (Fergus, 1991). He reported that consumers accepted green products when their primary need for performance, quality, convenience, and affordability were achieved, and when they understood how a green product could help to solve environmental problems. Consumers' perceived level of self-involvement towards the protection of the environment may nevertheless prevent them from engaging in environmentally friendly activities such as recycling (Wiener & Sukhdial, 1990).

According to Tanner and Kast (2003), green food purchases are strongly facilitated by a positive attitude of consumers towards environmental protection. Personal norm is the feeling of moral obligation of consumers. It is a powerful motivator of environmental behaviour (Stem & Dietz, 1994; Vining & Ebreo, 1992). The extent to which people feel obliged to recycle is related to conservation-related product attributes (Ebreo et al. 1999). Consumers feel morally obligated to protect the environment and to save the limited natural resources on the earth. Sustainable consumption brought about by the general acceptance and great concern on climate change (Seifi et al. 2012).

Discussion and Future Research

This paper provide a review of Malaysian green policy and the development of green society in the international and national level. The overview of the scenario found that Malaysia has established solid framework for Green Policy through numbers of initiatives introduced. This initiatives were in form of monetary (tax reduction on green based business), technical assistance and training (Green Label MyHijau) and national guidelines. Numbers of government agencies were responsible to ensure the aim of environmental sustainability can be achieved. At the same time, society has increases their awareness and concerns on the importance of green environment. The integration on both; green policy and green society could improve the environmental sustainability. Figure 1 shows the developed framework which incorporates both elements of green policy and green society within the context of Malaysian environmental sustainability.

As with any study, research limitations exist such as time, data or information; but these limitations can provide guidance for future research directions. An initial limitation is that the model and characteristics would require further validation. Broader evaluations through numerous in-depth case studies and/or broad-based survey applications are required to identify specific and acceptable relationships between these variables.

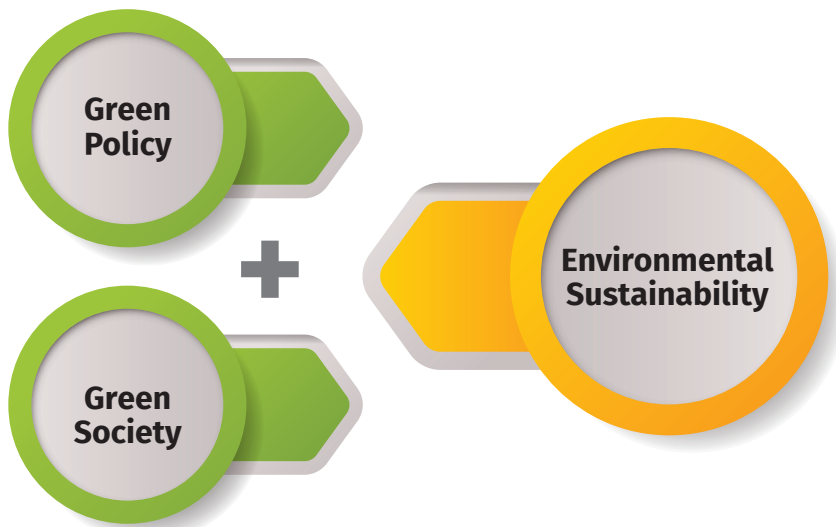


Figure 1: Framework of integration of green policy and green society towards environmental sustainability

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