THE SENSE OF GREEN ACCOUNTING IN MICRO BUSINESS TRANSACTIONS

Yudhi HERLIANSYAH[1*], Apollo DAITO[2], MARSYAF[3], Khozaeni bin RAHMAD[4], Ismaanzira ISMAIL[5]
[1,2,3] Universitas Mercu Buana, Jakarta, INDONESIA
[4] PERMAI, Pulau Pinang, MALAYSIA
[5] University of Science Malaysia, Pulau Pinang, MALAYSIA
[*]yudi.herliansyah@mercubuana.ac.id

ABSTRACT

Green accounting is an accounting approach that integrates environmental aspects into transaction recording, financial reporting, and business decision-making. `In the context of microenterprises, the application of green accounting is still very limited, even though microenterprises have great potential to contribute to sustainable development. One of the green activities in microenterprises is proper waste management, so that waste management supports the government's program for sustainability and the sustainability of microenterprises themselves.
According to data, micro businesses contribute 15% of waste, a condition that is highly concerning. Although the amount of managed waste is quite large, accounting for 60% of total waste, the amount of unmanaged waste reaches 40%. This figure is very large, and in the future, the amount of unmanaged waste will continue to increase if not accompanied by improvements in public behavior and micro-businesses' commitment to caring for and managing waste independently. Therefore, it is crucial to provide education on how micro-businesses can reduce waste production from daily activities and how to manage waste effectively, thereby bringing benefits to their businesses, such as a cleaner, odor-free, and aesthetically pleasing business environment. Such conditions can attract customers to visit and make purchases, ultimately increasing business income or economic growth.
The implementation of education and awareness on green accounting has been carried out alongside other educational programs such as tax understanding and product design for business owners within the PERMAI community. PERMAI is an official community organization that assists Indonesian expatriates in Malaysia in conducting business or trade activities. Indonesian expatriates who are members of PERMAI engage in business activities with relatively limited knowledge. Waste management from their business processes is not yet fully understood in terms of its benefits, so educating them about green accounting can open up opportunities for greater benefits. After the education program, participants have begun to understand the importance of green accounting and its impact on their businesses.

Keywords: Green Accounting, Micro Business Transactions, Benefits, Waste, PERMAI.

1. INTRODUCTION

In the era of globalization, increasing environmental awareness is one of the concepts of green accounting that is gaining attention from the public and literature, especially in the context of micro businesses. Green accounting is an approach that integrates environmental considerations into traditional accounting practices. This is very important for micro businesses, which are often considered to lack the resources to implement sustainable practices. According to data from the Central Statistics Agency (BPS) in 2021, there are more than 64 million micro businesses in Indonesia, which contribute significantly to the national economy. However, many of these businesses have not implemented green accounting, so the potential positive impact on the environment and economic sustainability has not been fully explored (BPS, 2021).
Green accounting is not only focused on financial reporting but also takes into account the environmental costs and benefits of business activities. In the context of micro businesses, the implementation of green accounting can help business owners understand the environmental impact of their operations and take steps to reduce their carbon footprint. A study by the Global Reporting Initiative (GRI) shows that companies that implement green accounting can improve operational efficiency and reduce long-term costs (GRI, 2020). Thus, understanding green accounting is crucial for micro-enterprises to survive and thrive in an increasingly competitive market.
The importance of green accounting for microenterprises is also reflected in existing regulations. The Indonesian government, through the Ministry of Environment and Forestry, has issued various policies that encourage businesses to adopt sustainable practices. For example, the Company Performance Rating Program in Environmental Management (PROPER) provides incentives for companies that demonstrate good environmental performance. Micro

businesses that adopt green accounting can meet these criteria and gain recognition and support from the government (Ministry of Environment and Forestry, 2021).

However, the challenges faced by micro-enterprises in implementing green accounting are significant. Many business owners still lack an understanding of the concept and benefits of green accounting. Additionally, limited resources and knowledge pose barriers to its implementation. According to a survey conducted by the Association of Micro, Small, and Medium Enterprises (UMKM) in 2022, approximately 70% of micro business owners admitted that they were unfamiliar with green accounting practices (UMKM Association, 2022). Therefore, education and training on green accounting are crucial to enhance the understanding and capabilities of micro businesses.

This paper further discusses the introduction of green accounting concepts to micro business owners, its benefits for micro businesses, and the challenges faced in its implementation. By understanding green accounting, it is hoped that micro businesses can contribute more to environmental sustainability and the economy, while also improving their competitiveness in the market. This education aims to provide deeper insights into how micro businesses can implement green accounting in their daily practices. This understanding

2. METHOD

The event was held in the meeting hall provided by PERMAI as a partner, where green accounting was introduced as an important alternative for raising awareness of the importance of green insights in sustainable microbusiness activities and growing into larger businesses. The presentation was conducted using slides and interactive dialogue with the audience, followed by a discussion or question-and-answer session. The event was attended by over 150 participants representing micro-business owners under the guidance of PERMAI.

3. RESULTS AND DISCUSSION

1. Understanding green accounting in micro-business activities.

Educating about green accounting in micro-business activities is not just about teaching new skills but also about empowering small business owners to make changes. By increasing awareness, providing practical training, and building a supportive ecosystem, we can help micro-entrepreneurs leverage the potential of green accounting. In doing so, we pave the way toward a more sustainable future where small businesses thrive while protecting the planet. Waste disposal activities by separating organic and non-organic waste are very helpful for the environment by reducing air pollution. Additionally, a clean environment helps attract customers.

Green-oriented activities can be recorded as green assets, such as green fixed assets when cash expenditures are made to create green equipment. Expenditures for creating equipment do not need to be recorded as period costs, as this can reduce the calculation of business profit margins. During discussions explaining green accounting, it was found that micro-business operators do not fully understand the concept of green accounting, but they generally practice green activities such as maintaining cleanliness, planting trees, reducing pollution by not burning waste, and others.

2. Understanding common green activities in micro businesses

Understanding green activities in micro businesses is the first step toward integrating sustainability into business operations. By identifying, measuring, and implementing these activities, micro businesses can reduce their environmental impact, improve efficiency, and contribute to a more sustainable economy. With the right tools, training, and commitment, even the smallest businesses can play a significant role in protecting the planet. Without realizing it, micro-businesses have already implemented green concepts, but they are merely following government regulations. Green accounting is not applied by them to address the financial consequences of the green concepts they unknowingly implement; they only record them as expenses, thus directly understanding the decrease in cash flow received and the decrease in profits earned.

3. An overview of green accounting implementation in small and medium-sized enterprises.

The technical implementation of green accounting in SMEs is a powerful tool for achieving sustainability and improving business performance. By systematically integrating environmental data into their accounting systems, SMEs can gain valuable insights, reduce their environmental footprint, and contribute to a more sustainable economy. Although this process requires effort and resources, the long-term benefits make it worthwhile and sustainable.

The increasing impact of a green business environment, as micro-enterprises practice cleanliness, reduce pollution by complying with bans on burning waste, sorting waste into organic and non-organic categories, and promoting the proper disposal of waste according to these categories, even though the concept of green accounting is not yet fully understood by them

4. CONCLUSION

Based on the discussion above, the conclusion regarding the implementation of green accounting understanding among micro-business operators is as follows:

1. Micro-business operators do not understand the concept of green accounting.
2. Micro-business operators only carry out green activities based on intuition and comply with government regulations.
3. Micro-business operators implement green concepts based on health principles, i.e., avoiding activities that cause pollution.
4. The consequences of their green activities are acknowledged as a decrease in cash receipts and a decrease in profits from business activities.

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