

## Accounting Reality Behind Waste Scales

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**This Article is Available in:**

<https://journal.umsida.ac.id/index.php/jati/article/view/24902>

**DOI:**

<https://doi.org/10.18196/jati.v8i1.24902>

**Citation:**

Paranoan, S., M. Yusuf, R., & Yamin, N. Y. (2025). Accounting Reality Behind Waste Scales. *Jati: Jurnal Akuntansi Terapan Indonesia*, 8(1), 16-31. <https://doi.org/10.18196/jati.v8i1.24902>

**Article History**

**Received:**

23 November 2024

**Reviewed:**

13 December 2024

**Revised:**

23 January 2025

**Accepted:**

25 February 2025

**Topic Article:**

Green Accounting

**Abstract:**

*This research is based on the rampant scattering of waste, which is no longer considered valuable, so it ends up in landfills. This research focused on the accounting reality of the waste business in the Kawatuna landfill area. This research used a qualitative method with an ethnomethodology approach and data collection techniques in the form of observation, interviews, and documentation to observe the professional behavior of waste pickers and collectors in practicing waste transactions. The results showed that accounting practices in waste transactions support sustainable business relationships in the Kawatuna landfill area. Mutual trust is the main key to building a waste business with the recognition of waste as a valuable asset. The practice of debt and credit that occurs supports simple accounting practices in the waste business. This finding is relevant to the concept of circular economy; the application of the concept supports business processes that involve economic, environmental, and social spheres in forming sustainable businesses.*

**Keywords:** Accounting Practices, Ethnomethodology, Waste Business

## INTRODUCTION

The rampant scattering of garbage has caused many problems in the environment. Not a few people ignore waste, but many people have an awareness of managing waste into items that have value. According to data from the National Waste Management Information System, the Ministry of Environment and Forestry (2023) shows that Indonesia is one of the largest waste contributors in the world, with the amount of waste generated of 34,599,396.49 tons throughout 2023. Of this amount, 22,029,289.49 tons, or 63.67%, have gone through the management process, while the rest have not or are not managed. Meanwhile, in 2024, the achievement of waste management was 18,090,227.92 tons of managed waste out of a total of 29,373,851.86 tons per year in 2024, or about 61.59% per year 2024 or about 61.59% (SIPSN, 2024).

The comparison of the two data shows the importance of implementing a circular economy that encourages producers to create innovations related to the utilization of production packaging without causing an increase in waste so as to support the achievement of sustainable goal 12 regarding responsible consumption and production in Indonesia (Badan Pemeriksa Keuangan RI, 2022; Soesanto, 2022; Tapaningsih et al., 2022; V & P, 2024).

Waste handling in Indonesia is managed through a series of processes to provide selling value; in this case, there is a waste buying and selling transaction that is usually carried out by the community and then built into a profitable business. A series of waste management processes related to the 4Rs (recycle, re-use, reduce, and replace) to the 10Rs, which include refuse and reject, rethink, reduce, re-use, repair, refurbish, remanufacture, repurpose, recycle, and recover to provide new product value for waste (Yang et al., 2015; Zorpas, 2020). Transaction practices that occur based on a series of 4R or 10R processes can be seen in the realization of waste banks, handicrafts in recycling waste so that it has more selling value, and many more activities carried out with creativity in waste management to obtain an appropriate selling price (Budiarto et al., 2024; Kurniawan et al., 2022, 2023). However, not all people conducting waste transactions go through the 4R or 10R process. Transactions without going through the 4R or 10R process are often carried out by scavengers who collect waste by bypassing the waste sorting process.

Waste transactions, known as the waste business among waste pickers, refer to the buying and selling of raw waste that has not been processed in a factory. This business is often found in landfills, which are the target locations for obtaining waste of various types and shapes (Schindler & Demaria, 2020). In this business, the types of waste collected are based on government regulations contained in Law Number 18 of 2008 concerning Waste Management, Government Regulation Number 81 of 2012 concerning Household Waste Management, and Waste of Household Type, which is specifically regulated in Government Regulation Number 27 of 2020 concerning Specific Waste Management. The collected waste then goes through a sorting process aimed at classifying the type of waste to be traded. In this case, the concept of the circular economy becomes the basis for minimizing waste, sustainability of the product cycle as well as sustainable resource utilization (Aranda-Usón et al., 2024; González-Moreno et al., 2024).

The waste business that occurs in the profession of waste pickers and collectors requires simple basic business knowledge, such as building peer communication. According to Cannon & Jr. (1999), building a business requires good management to maintain relationships between sellers and buyers. Good interaction is able to build a business so that it produces good performance (Agarwal & Narayana, 2020). Accounting is an important part of building business performance. Accounting, known as the language of business, is said to be a series of arts that function in identifying, recording, classifying, processing, and presenting data to produce information in financial statements (Tempomona et al., 2023). Accounting has an essential value that is important in the operation of the business world because every transaction that occurs has an impact on the ups and downs of business profits (Irwansyah, 2022; Sayidah & Assagaf, 2018). The application of simple accounting knowledge in the waste business of waste pickers is no exception, helping to create an environmentally, socially, and culturally sustainable business today and contributing to policy development in waste management.

Several previous studies have raised the issue of accounting practices in environmental, social, and cultural businesses and found interesting things. Research by Nurhalimah et al. (2019) examines management accounting practices in the Madura fraternity culture-based scrap metal business, which shows that business capital is obtained from other parties in the form of loans based on family ties and high mutual trust. Then, Research by Jessica & Rusliyawati (2023) revealed that guanxi culture has roots in social traditions and values that show contradictions in accounting and business practices commonly adopted in modern business environments. Research by Latifah & Soewarno (2023) found that environmental accounting strategies affect sustainability performance and waste management, which has been proven to mediate the effect of environmental accounting strategies on business sustainability. These studies represent many previous studies that raise the issue of accounting practices in managing environmental, social, and

cultural businesses. However, research on accounting practices in waste buying and selling transactions in the profession of waste pickers and collectors at Kawatuna Landfill is still rarely researched. This research raises interesting issues that provide novelty in accounting practices in the profession of scavengers and collectors in the Kawatuna landfill area by reviewing community activities in conducting non-entity or traditional transactions and displaying waste management that has selling value through an ethnomethodological approach that assesses the daily implementation of the implementer.

Based on the description above, this research aims to reveal the accounting reality behind the scales of waste scavengers at Kawatuna Landfill, Palu City, Central Sulawesi, through an environmental, social, and cultural approach, with the issue of accounting practices that occur behind the scales of waste by collectors and scavengers at Kawatuna Landfill in developing a sustainable business through waste utilization. This research is expected to contribute to the accounting research literature and provide an overview of accounting practices in the social life of the community in the landfill area, specifically the Kawatuna area.

## RESEARCH METHOD

This research focused on the reality of accounting practices among waste pickers in the Kawatuna landfill, which is one of the landfills in Indonesia located in Palu City, Central Sulawesi Province. The qualitative method with an ethnomethodology approach is an approach that has the most appropriate substance in exploring information in the process of accounting practices (Lovita et al., 2020; Taherdoost, 2022). Ethnomethodology focuses on real studies that have practical interpretations. That is, meaning is obtained through real behavior in the approach to human nature. In this concept, situations are local and organized, and certain stereotypes and ideologies include race, social level, and gender in each community. In context, ethnomethodology focuses on self-knowledge and everyday life experiences (Paranoan et al., 2022; Sari et al., 2024).

Table 1. List of Research Informants

No.	Informant	Profession	Duration
1.	Mrs. ND	Collectors	1 Hour, 45 Minutes
2.	Mrs. MS	Scavengers	1 Hour, 13 Minutes
3.	Mrs. MT	Scavengers	1 Hour, 13 Minutes
4.	Mrs. FT	Scavengers	37 Minutes
5.	Mrs. PT	Scavengers	23 Minutes

*Source: Processed by Researchers (2024)*

Ethnomethodology is considered appropriate in the context of the research because it highlights the habits of collectors and scavengers in conducting waste transactions at Kawatuna Landfill, so the application of the ethnomethodology approach can provide extensive findings in understanding the daily context of waste transactions. The research was conducted through several stages, including data collection by applying observation, interview, and documentation techniques, which became the basis for the triangulation of methods by comparing the results of interviews, along with documentation and observation in increasing the validity and reliability of research on collectors and scavengers at Kawatuna Landfill, then the data that has been collected is reduced to find the main themes in the research findings so that the themes obtained can be interpreted into the results and discussion as research findings and comparing them with the theory which ultimately presents research conclusions.

In this research, the informants were scavengers and collectors in the Kawatuna landfill area listed in Table 1 under pseudonyms. The selection of informants was done randomly, but by considering the aspects of collectors and scavengers who live in the Kawatuna landfill area, conduct waste transactions in the Kawatuna landfill area, and understand the language context used in waste sorting in the Kawatuna landfill area. Data collection through interviews, observation, and documentation was conducted from December 2023 to June 2024. Semi-structured interviews were applied, and they provided abundant in-depth information for researchers into the business model run by the Kawatuna landfill scavengers and collectors. The informants involved have been in their profession for many years, the youngest being MS and FT, who have been doing it since Covid-19 hit. The Ethnomethodology approach has been widely used in accounting and business practice research, as has been done by Nurhalimah et al. (2019), Paranoan et al. (2023), Sari et al. (2024), Campbell (2021), Lovita et al. (2020), and Paranoan et al. (2022).

## **RESULTS AND DISCUSSION**

Based on the researcher's initial research, the waste business in the Kawatuna landfill area is a chain that links several parties who take part in it. These parties act as factories, mediators or brokers, warehouse managers, collectors or contractors, and scavengers or suppliers. This research focuses on the functions of collectors and scavengers in the Kawatuna landfill area. The main activity of the waste business is the buying and selling of raw waste that goes through the sorting process, from scavengers to suppliers, who are then sold to collectors. The waste business in the Kawatuna landfill area is one of the most common waste businesses in Palu City. Several people in the Kawatuna area and its surroundings pursue this profession. Both collectors and scavengers live in the area.

### **Waste Separation (*Ba Pisah Sampah*): A Valuable Asset in Building Income for Collectors and Scavengers**

In the context of accounting, assets are defined as all wealth owned, individually or in groups, tangible or intangible, that has economic value for individuals and entities. Assets owned by individuals and entities reflect the income earned in running their businesses (Petchrompo & Parlikad, 2019). The main thing to have in starting a business is assets that have the same value as liabilities and equity, which is none other than the basic accounting equation that is generally practiced in running a business but is poorly understood by business people (Kianto et al., 2020). Assets are often crucial in determining the sustainability of a business as stated in the Statement of Financial Accounting Standards (PSAK) No. 16 regarding Fixed Assets applicable in Indonesia in its implementation shows a whole series of classifications to reporting assets that need to be assessed by the company (El-Tawy & Abdel-Kader, 2013; Gunawan & Yunia Hapsari, 2018; et al., 2022; Wuisang et al., 2023).

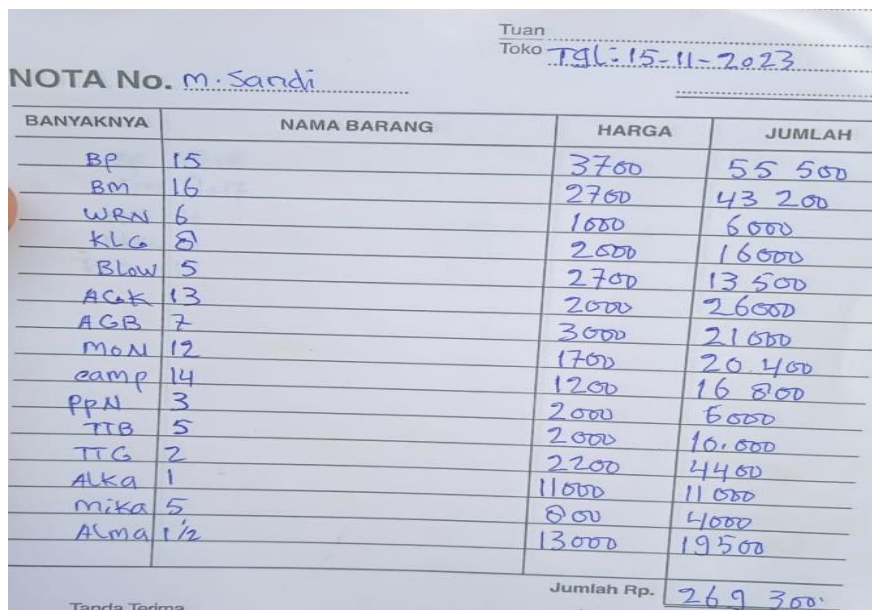
Waste, which is considered to have no value because it is the residue of human-generated activities, turns out to be a selling point for waste business people (Schindler & Demaria, 2020; Taleb & Al Farooque, 2021). The waste that is collected is classified based on its classification to obtain a fair exchange rate. The value generated can fulfill the daily needs of collectors and scavengers. The waste business in the Kawatuna landfill area has been going on for a long time; this was expressed by Mrs. ND, Mrs. MT, and Mrs. MS, who joined since Covid-19 struck.

*"It has been a long time, from elementary school children to now college students."*  
(Mrs. ND)

"It has been 30 years now. But, sometimes there are breaks." (Mrs. MT)

"For me, it was 2020, August 2020. At the time, there was absolutely no work. I said try it first." (Mrs. MS)

The third statement shows the length of time that has been taken to explore the waste business, which indicates that the business concept is fairly flexible and provides sufficient income with modest capital. However, the accounting information is uncertain. This is different from the adoption of accounting practices applied in the company, where accounting information really helps the company obtain funding (Barker et al., 2020).



BANYAKNYA	NAMA BARANG	HARGA	JUMLAH
BP 15		3700	55 500
BM 16		2700	43 200
WRN 6		1000	6 000
KLK 8		2000	16 000
Blaw 5		2700	13 500
ACAK 13		2000	26 000
AGB 7		3000	21 000
MON 12		1700	20 400
camp 14		1200	16 800
PPN 3		2000	6 000
TTB 5		2000	10 000
TTG 2		2200	4 400
Alka 1		11000	11 000
mika 5		800	4 000
Alma 1 1/2		13000	19 500
		Jumlah Rp.	269 300

Figure 1. Recording Waste Transactions by Collectors  
Source: Memorandum Mrs. ND (2023)

In running a waste business, the characteristics of the waste collected are not a problem for waste pickers in collecting it. The main indicator in collecting waste is not the type of waste that has an expensive selling value but refers to any waste that can be traded, which can provide income for waste pickers.

"Yes, gathering. We chose equally. The important thing is that it can become money." (Mrs. MS)

"What's hit, there's a price, we take it all." (Mrs. ND)

Mrs. MS and Mrs. ND's statements indicate that waste, from the perspective of scavengers and collectors, is a source of wealth that adds to the income from its sale because each class of waste sold has an exchange value based on its classification, which becomes the basic choice in conducting waste transactions. There are terms used to describe the categorization of waste carried out in this transaction. Mrs. ND describes several forms of waste that are traded by scavengers and collectors. Likewise, Mrs. MS agreed on the categories of waste that are the products of the waste business, as well as describing the process of selling the waste that has been collected to collectors.

*“It depends on the type. We separate them because there are white bottles, light blue bottles, and color bottles. Color bottles like Miz\*ne are cheaper; the most expensive are white bottles, t\*h p\*cuk bottles, cle\*, and milk coffee bottles. L\* miner\*I and aq\*a go in the blue bottle.” (Mrs. ND)*

*“We actually don't sell this immediately because we collect as much as we can and then separate it. Because of the different prices, because there are terms such as white bottles, blue bottles, iron, alkanes, cans, and alma, they are separated. So, the price is different. There are usually two weeks before they can sell, depending on the digger.” – (Mrs. MS)*

Mrs. ND and Mrs. MS explained that the waste collected meets the criteria required by the factory and that the classification is done to determine the exchange rate within a flexible time. Figure 1 shows the simple record-keeping done by collectors in recording the income earned through the sale and purchase of waste. The income earned from the sale of waste by scavengers and collectors in the Kawatuna landfill area is then used to fulfill their daily needs. However, they have the opportunity to invest their income in gold. However, collectors and scavengers prioritize the provision of emergency funds that can be used immediately if needed at any time.

The income earned in the waste business shows that waste is recognized as an asset, in this case, referring to the supply of finished materials that are ready to be traded without changing the form of the collected waste. By going through the sorting process, one can categorize the types of waste that are traded. Waste that was initially considered to have no value anymore transforms into a source of income and a valuable asset in the view of scavengers and collectors in the waste business. The recognition of waste as an asset in this business practice explains that waste that has a fixed form at the landfill location is waste that still has value and can go through the recycling process into new and valuable goods so that the sorting carried out by waste pickers becomes the basis for exchanging transactions with collectors and this is in line with the concept of a circular economy that shows concern for the sustainability of products. as well as research conducted by Pinha & Sagawa (2020) which states that waste has a value that can be optimized to minimize the cost of waste disposal, recycled waste can generate income even though it cannot cover the expenses made in the modeling trial.

**Table 2. Acronym Waste Separation (*Ba Pisah Sampah*)**

Indexicality	Rationalization (Reflexivity)	Contextualized Action
BP	White Bottles are plastic waste in the form of bottles with a high selling value compared to other types of bottles. T*h P*cuk and K*opi Sus* beverage products are included in this group.	Trash Worth Selling
BM	Light Blue Bottle is Plastic Waste in Bottle Form. A*ua and L* Min*ral beverage products are included in this category.	Trash Worth Selling
WRN	Color bottles are plastic waste in bottle form, and this type of waste has the lowest selling value compared to BP and BM. Miz*ne beverage products fall into this category.	Trash Worth Selling
KLG	Cans are Canned Waste from beverage packaging that does not contain Soda. Milk and Paint beverages are included in this category.	Trash Worth Selling

Indexicality	Rationalization (Reflexivity)	Contextualized Action
W	Blow is plastic waste that has a larger volume and thickness than other plastic waste. Wall Paint products in the form of buckets are included in this class.	Trash Worth Selling
AGK	Small Glass Water is Plastic Waste in the form of Packaged Glass. Mineral beverage products in 250 ml packaging are included in this category.	Trash Worth Selling
AGB	Big Glass Water is Plastic Waste in the Form of Mineral Drink Gallons.	Trash Worth Selling
MON	Mon is plastic waste in the form of glass packaging. T*h G*las, Mo*nty, etc., beverage products are included in this class.	Trash Worth Selling
Camp	Camp merupakan Sampah Kertas, Seperti Kardus, Kertas, dsj masuk dalam golongan ini.	Trash Worth Selling
PPN	PPN is plastic waste in the form of buckets and garbage cans derived from household activities	Trash Worth Selling
TTB	Bottle Caps are Plastic Waste in Tube Form.	Trash Worth Selling
TTG	Gallon Lid is Plastic Waste in Tube Form.	Trash Worth Selling
ALKA	Aluminum Cans are Waste Cans from beverage packaging containing Soda. C*cac*la, F*nta, Spr*te, etc., are included in this category.	Trash Worth Selling
MIKA	Mika is plastic waste in the form of a container, usually intended for wrapping food.	Trash Worth Selling
ALMA	Aluminum is waste that is larger than ALKA. This waste usually comes from used household items that are no longer used.	Trash Worth Selling
KGN	Brass is the waste that has the highest selling value after copper. This type of waste comes from household activities, such as light fittings.	Trash Worth Selling
TBG	Copper is the waste that has the highest selling value; per kilogram, it can reach eighty thousand rupiah (ND). This type of waste also comes from household activities as well as public activities, such as cables.	Trash Worth Selling

Source: Processed by Researcher (2024)

### Garbage Price Fluctuations: Adjustment of 'Ba Timbang' as Exchange Rates Rise and Fall

Previously, it was said that the waste collected by waste pickers goes through a sorting process to determine the exchange rate based on the type of waste. This is because each type of waste has a different price standard. The price of the waste will determine the income earned by the waste pickers and collectors. In addition, the amount of waste is also a determining factor in the total amount earned by the scavenger in a waste transaction. FT and PT revealed that for each waste transaction, scavengers are able to earn between five hundred thousand rupiahs and one million rupiahs, with a sales period that can be done once a week or two weeks by the waste pickers to the collectors.

*"If the monthly 'ba timbang' is more, it's not bad. If it's still expensive, it costs more than a million. If the price drops, I don't get any. Mostly six hundred, seven hundred because the price goes down. Because this price goes up and down. (Mrs. FT)*

*"We don't understand the kilo, and we just look at the notes. Usually, during 'ba timbang,' we get six hundred, and sometimes, we get five hundred in one week. Because of the amount of goods, if there are many, the price is high. If there is less, the price is less. (Mrs. PT)*

Their statements explain that every waste transaction has an exchange rate based on the amount of waste exchanged and the fluctuating price of waste. The ups and downs of waste prices are determined by the needs of the factory in needing raw waste, which is the raw material used to produce its products. Therefore, the factory provides information to each warehouse that becomes its supplier. This information spreads by word of mouth, from warehouses to collectors and collectors to waste pickers to fellow waste pickers sharing information about price changes in certain classes of waste. As ND, PT, and MS said in response to the increase in waste prices.

*“The price follows the factory; if the price goes down in Java, it automatically goes down here, and the purchase goes down too. It also depends on them (the scavengers). Some of them 'ba timbang' for two weeks, some for one week, and some of them weigh every day. So I have to stay here because if someone needs to be weighed, I'm there.” (Mrs. ND)*

*“If the price goes up or down from the 'ba timbang,' we usually find out from the collectors.” (Mrs. PT)*

*“We know from the collectors (price information), or usually we see the note, there are also those that we get from other diggers.” (Mrs. MS)*

This word-of-mouth information then becomes the basis for waste pickers to make transactions for the changing value of waste. Some of them choose to hold and collect more of the waste that has decreased in value and sell the waste that has increased in value. The choice to collect more of the waste that has decreased in value and increase sales of the waste that has increased in value is one of the adaptations made by waste pickers. This is in line with the thoughts of Amalia & Sugianto (2018), which states that the only goal in pricing is to make a financial profit.

Frequent price fluctuations in the waste business create a form of adaptation for waste pickers and collectors in the Kawatuna landfill area. The terms “up again” and “down again” are signals understood by fellow waste pickers when initiating price fluctuations. The strategy applied is proven to increase the income earned by waste pickers. However, this is not practiced by all waste pickers because some of them make sales when the price of the type of waste that goes down is sold on the basis of emergency needs for the proceeds of the sale. The right strategy is able to support obtaining profits in the midst of price fluctuations. This is in line with the research of Jessica & Rusliyawati (2023), which explains that an effective pricing strategy is very important for business actors in the face of intense market competition, changing market conditions, and consumer demand.

**Table 3. Terms in the Waste Business**

Indexicality	Rationalization (Reflexivity)	Contextualized Action
Pengepul	Weighers who buy waste from scavengers.	Business actors
Penggali	Scavengers who collect waste to sell to collectors.	Business actors
Naik Lagi	A term used by diggers to notify fellow diggers of price increases on a type of waste.	Peer Signal
Turun Lagi	A term used by diggers to inform fellow diggers of a drop in the price of a particular type of waste.	Peer Signal
Ba Timbang	The process of measuring the waste collected to assess the price to be charged.	Waste transaction
Panjar	The acquisition of upfront payment for waste transactions is counted as a debt for the digger and a	Principles in debt and credit



Indexicality	Rationalization (Reflexivity)	Contextualized Action
	receivable for the collector, which is later repaid at the time of weighing the waste.	
Langganan	Diggers who sell their waste to one collector remain.	Form of cooperation
Yang Kena	Trash that has a marketable value is collected by diggers.	Recognition
Potong	Deduction of debt value from collectors when weighing waste.	Value Deduction
Ba Gali	Waste collection actions taken by waste scavengers.	Activity
Hasil Galian	A collection of waste is something that scavengers put together in one place, such as in sacks and baskets.	Collected Waste
Ba pisah	Waste sorting based on waste category.	Waste classification

Source: Processed by Researcher (2024)

### **Panjar: Debt and Credit in the Frame of Building a Waste Business with Mutual Trust**

In building a business, the funds managed do not fully come from the ownership of the business owner. The practice of debt and credit is one of the sources of business funding that can help businesses develop for the better through the turnover of funds managed (Hermawan & Lawita, 2022). The practice of debt and credit needs to be based on good relationships and mutual trust so that it provides positive reciprocity in building a business (Halpiah & Putra, 2024; Jessica & Rusliyawati, 2023). In the waste business in the Kawatuna landfill area, debt and credit are routine practices that often occur when starting waste transactions. In the accounting context, the practice of debt and credit in this waste business is known as upfront payment from collectors to waste pickers. It is recognized as unearned income by waste pickers. This builds a relationship in the formation of the waste business, as well as the collector's first step in acquiring suppliers, which he then refers to as customers. ND pointed out that this practice has often occurred during his time as a waste collector.

*“There are also ups and downs to being a collector. Because most of the scavengers ask for payment first. The payment is one hundred and two hundred, some even up to one million. We have to be prepared if we are looking for subscriptions. Otherwise, we won't get any.” (Mrs. ND)*

The statement from Mrs. ND draws the beginning of the formation of a garbage business that is based on trust in building a business. In everyday life, the practice of debt is one of the scourges that haunt the minds of both the giver and the receiver. Giving debt is a thoughtful consideration, given the financial risks that can occur in the business. However, in the waste business, Mrs. ND's statement shows that every collector has the same consideration in order to get a supplier that is able to provide the waste needed by the warehouse without any careful consideration of financial risk. This is due to the trust and relationships built based on the location of the residences of both waste pickers and collectors strategically located in the landfill area, so the repayment system is based on the records and waste transactions carried out.

*“There are many collectors here, then they weigh it and cut it. That's the system. Right now, I'm using the scales. When a customer asks for payment, I call my boss and say, 'There is this customer, his name is this, asking for payment.' There is another need, so I ask again, weigh again, and then cut again. (Because) there is usually an urgent need.” (Mrs. ND)*

Mrs. ND's statement explains that the practice of debt and credit in the waste business is only based on the trust given in helping and increasing the number of

subscriptions to be able to compete among the many collectors in the Kawatuna landfill area. Competition in obtaining subscriptions is the basis for trust when referring to the research of Lawrence et al. (2021), which suggests that dependency is an important thing that can define the relationship between one organization and another when the supply chain has a dependence on one another, due to the absence of resources needed to achieve strategic goals in the organization.

The practice of debt and credit that explains the simple systematic repayment is due to the reduction in value made when the waste collectors make transactions with a mutually agreed amount so that both parties benefit and do not harm each other. The management system in the practice of waste debt and credit is one of the crucial things that every business actor, both collectors and waste pickers, needs to have. The basis of trust in the debt and credit management system in waste transactions is to maintain communication. The ability to communicate is not only needed in big business activities. In the practice of waste payables and receivables, both waste pickers and collectors need to maintain open communication so that if there is a delay in making transactions or repayments, as well as in giving rewards, it will not harm one party and the other. This is in line with what Jessica & Rusliyawati (2023) and Nurhalimah et al. (2019) that funding for building a business is obtained from other parties in the form of loans based on family ties, high mutual trust, and open communication.

Tgl/Kegiatan	Jam	Uraian Kegiatan
Kamis/21-12-2023		150.000
Senin/25-12-2023		bayar 100.000 sisa 50.000
Jumat/05-01-2024		50.000

Tgl/Kegiatan	Jam	Uraian Kegiatan
Senin/18-12-2023		150.000
Senin/25-12-2023		50.000
Selasa/02-01-2024		100.000 (Jum)
Rabu/04-01-2024		100.000 = 530.000

Tgl/Kegiatan	Jam	Uraian Kegiatan
Rabu/03-01-2024		600.000
M. Yulin		= 200.000
M. Kiki		= 200.000
P. Yeyen		100.000
MARNI		100.000

Figure 2. Recording of Receivables by Collectors  
Source: Mrs. ND's Accounts Receivable Notebook (2023)

### Waste Scales: Forming Sustainable Business Relationships

Sustainable business is a business concept that supports the idea that a business not only focuses on economic income but also the environment and life. According to Williams & O'Donovan (2015), in realizing a sustainable business, accountants play an important role in decision-making through information and advice in business development. However, in practice, it is still a gap that is still not widely practiced by accountants. One of them is in providing direction in the context of the waste business. Even so, the sustainability of the waste business continues to operate in managing waste, as well as building good relationships among business actors.

Business actors in the waste business, none other than collectors and waste pickers, are brought together through waste scales that are used to weigh the amount of waste

collected by waste pickers. From here, business relationships and cooperation are formed, as previously stated, and family ties are established based on high trust. ND revealed that he only has scales as initial capital, which later every customer who builds cooperation exchanges the results of the waste collected to him until the transportation process to the warehouse, which comes from his capital scales.

*“If I am currently capitalizing on the scales.” (Mrs. ND)*

Mrs. ND's statement illustrates that the value of scales can build extensive relationships with the surrounding environment. In addition to providing economic gain, there is life and care for the environment behind the scales of the waste transaction. The creation of sustainable relationships will support better business processes in the future, which is in line with da Silva et al. (2019) about the impact of informal organizations managing public waste and Latifah & Soewarno (2023) that environmental accounting strategies affect sustainability performance and waste management, which has been proven to mediate the effect of environmental accounting strategies on business sustainability. In addition, Girindratama & Putra (2024) stated that the application of Pancasila values practiced in daily life when running a business forms an inclusive and sustainable business culture, which strengthens the relationship between customers and the surrounding community. Nevertheless, Williams & O'Donovan (2015) argued differently from these two. Williams & O'Donovan said that sustainable business practices have an impact on reducing the value of business profitability.

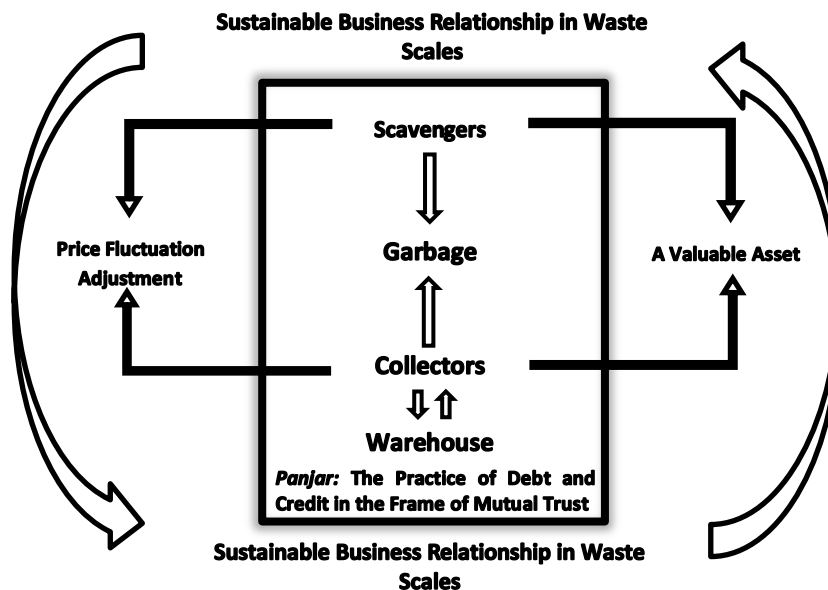


Figure 3. Overview of Research Results  
Source: Processed by Researcher (2024)

Existing accounting practices focus on corporate activities that are directly related to monotonous and organized business practices. However, in existing accounting practices in non-entity transactions, the existence of sustainability values is contained in the disclosure of assets, recognition of debts and receivables, and adjustments to selling values, which then form sustainability in business operations. In accounting practices in the waste business, the accounting profession can take a role in predicting the selling value and implementation of transactions through various calculations and application of knowledge to the parties involved in waste business practices in order to improve quality and help support the mastery

of correct accounting practices in this business process. This is supported by Buch et al. (2021), Gutberlet & Carenzo (2020), and Girindratama & Putra (2024), who conclude that sustainable business practices require training and strengthening involvement from accountants and the government through the application of social values and also environmental observers who increase income achievement in supporting the economy.

The accounting reality behind waste scales in the Kawatuna landfill area builds sustainable business relationships. Figure 3 shows the depiction of activities and recognition in the waste business carried out by collectors and scavengers at Kawatuna Landfill. Starting with the recognition of assets for waste collected and classified by type by scavengers and collectors. The assets owned become a source of income to support daily needs, and some of them invest in gold. This is in line with the concept of a circular economy that extends the economic life of products into goods that have value even after they have been used, and the findings of Pinha & Sagawa (2020) explain the value of waste that can be optimized to minimize waste disposal costs through recycling streams that can generate income even though they cannot cover the expenses made in the modeling trial.

Waste transactions require a certain exchange rate. Therefore, every scavenger and collector has a strategy to adjust when selling waste. Price information obtained from collectors and fellow waste pickers becomes the basis for selling waste. The strategy is applied to obtain more income. This agrees with Amalia & Sugianto (2018) and Jessica & Rusliyawati (2023), which state that the only objective of pricing is to obtain financial profit. Also, an effective pricing strategy is essential for businesses in the face of intense market competition, changing market conditions, and consumer demand.

In addition, the practice of debt and credit is also part of the waste business in the Kawatuna landfill area. Payment to collectors, which is usually obtained from the warehouse, is the basis of the relationship between collectors and waste pickers, and it is based on mutual trust. For every transaction carried out by scavengers who have receivables, the income in their waste transactions is manually deducted to pay off their debts in installments. This finding is in line with Jessica & Rusliyawati (2023) and Nurhalimah et al. (2019), which state that business funding sources are obtained from other parties in the form of loans based on family ties, high mutual trust, and open communication when shaping the business.

Recognizing waste as an asset that is traded with certain strategies to earn a good income, as well as funding that can be obtained from other parties, forms a sustainable waste business at Kawatuna Landfill. Sustainable business in the waste business is brought together on a waste scale. Thus, the relationship between the two parties becomes the foundation for building a better business in the future. This finding is in line with those of da Silva et al. (2019), which shows the impact of informal organizations managing public waste, and Latifah & Soewarno (2023), which found that environmental accounting strategies affect sustainability performance and waste management, which has been proven to mediate the effect of environmental accounting strategies on business sustainability. However, contrary to the findings of Williams & O'Donovan (2015), which suggests that sustainable business practices have an impact on reducing the value of business profitability.

The re-explanation based on Figure 3 shows that the accounting practices that occur support the implementation of sustainable business not only in formal business entities but in traditional transaction processes in the community. Sustainable business practices can be created supported by simple accounting practices, so this study shows the importance of basic accounting understanding in conducting transactions and business processes that occur in everyday life and are not tied to a particular entity.

## CONCLUSION

The waste business in the Kawatuna landfill area builds sustainable business relationships that are thick with mutual trust between one party and another in the practice of debt and credit, implementing strategies on fluctuations in the exchange rate of waste, and recognizing waste as an asset which is the main source of income generation. Sustainable business in the Kawatuna landfill area indicates that accounting practices in waste transactions have a simple meaning in the application of the field of accounting science in everyday life, which basically does not have strong ties but underlies business based on trust, which is nothing but a form of integrity of business people so as to make existing businesses develop for the better. This research has implications for the realization of government policy in proposing community empowerment-based policy interventions to develop human resources in understanding the implementation of sustainable business through training programs to increase the potential for informed waste management practices through waste business as a form of support and solution to community microfinance problems and ensure informal workers such as collectors and scavengers are integrated into the broader economic system.

This research has implications for everyday business practices conducted within the social and cultural spheres. The concept of circular economy supports business development in the Kawatuna landfill area so as to give greater meaning to the integration between collectors and scavengers in building a waste business. However, this research is limited to the accounting practices that occur in the waste business of collectors and scavengers in the Kawatuna landfill area by looking at the behavior of collectors and scavengers in implementing accounting practices in the waste business that occurs in the Kawatuna landfill. Future research is recommended to examine in depth the environmental accounting applied to the Kawatuna landfill area, as well as the implementation of the use of government budgets in managing the Kawatuna landfill area, and the meaning of profit in assessing the quality of the waste business in assessing sustainable business continuity.

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