



Analysis of Application Green Economy in MSMEs In the Ke'te Kesu North Toraja Regency

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Abstract. This study aims to analyze the application of the green economy concept by Micro, Small, and Medium Enterprises (MSMEs) in the Ke'te Kesu tourist area, North Toraja Regency, and how this application supports economic and environmental sustainability. This research used a qualitative approach through observation, interviews, and questionnaires to MSME actors in the area. The results showed that most MSME players in the Ke'te Kesu tourism area have understood and implemented green economy concepts, such as the use of environmentally friendly packaging, energy saving, waste recycling, and separation of organic and non-organic waste, as well as the use of natural raw materials for the products produced. However, they face several challenges such as limited capital, knowledge, and accommodation to green technology. Government support through training and education is important in encouraging the execution of green economy concepts. The employment of this concept also increases tourist attractiveness and sales of products produced by MSMEs in the Ke'te Kesu tourism area.

Keywords: MSME, Green Economy, Tourism

1 Introduction

Indonesia boasts numerous tourist destinations that draw visitors, making the tourism sector a vital contributor to the country's economy. These tourism areas not only boost local income but also encourage the surrounding communities to engage in businesses, commonly known as MSMEs (Micro, Small, and Medium Enterprises). Additionally, the growth of the tourism sector positively influences the livelihoods of the local population.

MSME is the most widely implemented business by the community because it can be run at home alone and does not require a lot of business capital. However, as time goes on, concerns about unpredictable climate change have become increasingly prevalent. This has led to the emergence of the green economy concept, which aims to promote sustainable and environmentally friendly economic development. The green economy not only focuses on economic efficiency but also ecological balance by minimizing the impact on the environment of various business activities. MSME is obligated to understand and apply the concept of green economy when running a business because MSME also contributes to generating waste from its business.

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As time is known, awareness of the importance of sustainability in the tourism sector, and the application of green economy principles by MSMEs in tourism areas becomes very relevant. North Toraja is an area that has a famous tourism area, one of which is Ke'te Kesu, which is known as a cultural and natural tourist destination, in facing a big challenge to maintain environmental sustainability amid increasing tourism activities. Environmental management in the Ke'te Kesu area is very valuable to maintaining visitor attractiveness, protecting cultural heritage, and improving the economic welfare of the local community.

In this context, the implementation of the green economy by MSMEs in the Ke'te Kesu tourism area can serve as an alternative approach to promote both economic and environmental sustainability. However, the execution of the green economy concept still faces various challenges, such as restricted capital, knowledge, and access to green technology. Because of these problems, this study aims to analyze the range to which MSME in the Ke'te Kesu tourism area applies the green economy and how this can support environmental and local economic sustainability.

2 Literature Review

2.1 Micro, Small, and Medium Enterprises (MSMEs)

Micro, small, and medium enterprises (MSMEs) are some of the most developed businesses in Indonesia today because they do not require too much capital and can be done individually. Micro, Small, and Medium Enterprises, abbreviated as MSMEs, are productive businesses on a small/micro scale that are owned and managed by individuals or business entities that have met the criteria [1]. MSMEs also show a significant ability to withstand economic crises, this can be seen from the minimal impact of the financial crisis on this sector.

The benefits of MSMEs are put forward [2] are:

1. Major Contributor to Domestic Products, The MSME sector plays a significant role in boosting the production of domestic goods. These products not only find a place in the national market but can also successfully enter international markets. Local products, such as handicrafts, are highly sought after and many Indonesian handicrafts have gained recognition abroad.
2. Job Creation, it is undeniable that the MSME sector indirectly creates job opportunities, helping to reduce the unemployment rate. This support significantly aids the government's efforts to tackle unemployment.
3. Affordable Capital for Entrepreneurs Starting a business in the MSME sector requires relatively low capital, making it accessible for many. Various government bodies provide funding support through small loans, and banks also offer capital loans with lower credit requirements.
4. Flexible Operations, the leadership structure in MSMEs tends to be small, with each leader holding clear authority and responsibility. MSMEs often prioritize consumer preferences and stay updated with current market trends, allowing for flexibility in operations.

2.2 Green Economy.

We have often heard of the green economy because over time climate change has been erratic due to activities carried out including economic activities that affect the balance of natural ecosystems, therefore at this time the application of the green economy is very important to maintain natural ecosystems. In other words, the green economy is combined with increasing economic and development needs by paying attention to natural boundaries to avoid damage to environmental and social prosperity in the future.

The description of the green economy according to the green economy training offer letter Number 0317/P.01/01/2003 issued by the Ministry of National Planning [3] It is The green economy represents a new economic framework that emphasizes the efficient use of energy and natural resources. Implementing this concept involves embracing practices that enhance economic growth while ensuring environmental sustainability throughout the development process. By prioritizing green technologies and sustainable methods, the green economy aims to foster economic advancement without compromising ecological health, creating a balance between economic progress and environmental stewardship. [4] A green economy is an economic model that stands apart from the traditional economy by placing a greater emphasis on the preservation of natural resources and the well-being of the environment. Unlike the general economy, which often prioritizes short-term profits and resource extraction, a green economy focuses on sustainable practices that minimize environmental impact. It aims to reduce the risks associated with the use of natural resources, ensuring that they are utilized in a way that maintains ecological balance and promotes long-term viability. This approach not only supports environmental health but also seeks to create economic opportunities that benefit society as a whole. [5] The idea and discussion surrounding the green economy represent a significant shift towards adopting more efficient, eco-friendly, and resource-conserving technologies. This transition aims to lower emissions, mitigate the effects of climate change, and tackle issues related to resource depletion and severe environmental degradation.

The green economy (GE) is closely related to the implementation of sustainable development (SD), as it has the potential to revitalize the gray economy, enhance human well-being, promote social justice, and significantly mitigate environmental risks and ecological scarcity. [6]

3 Research Methodology

This research, titled "Analysis of Green Implementation in MSMEs in the Ke'te Kesu Tourism Area," focuses on the Ke'te Kesu tourist area in North Toraja Regency and employs a qualitative approach. The study aims to investigate how micro, small, and medium enterprises (MSMEs) in this region implement a green economy concept.

Adopting a descriptive-exploratory design, the research seeks to detail the application of green economic principles within these MSMEs. It explores in-depth information about the practices these enterprises adopt and the challenges they encounter in implementing green economy strategies.

The subjects in this study were all MSME implementers in Ke'te Kesu tourism, with a population of 31 MSME units operating in the area.

The data sources for this study include primary data obtained through direct interviews with MSME operators in the Ke'te Kesu tourist area. Additionally, secondary data are gathered from literature studies relevant to the research topic.

This study's data processing and analysis techniques used a qualitative approach with descriptive analysis. Data analysis techniques are carried out inductively, by observing the facts found in the field and then formulating hypotheses or theories. The approach in this research intends to determine the range to which MSME actors in the Ke'te Kesu area understand how the concept of implementing a green economy and practicing it in their business.

4 Results and Discussion

With the existence of Ke'te Kesu tourism, people who live in the area open business, therefore to maintain the stability of the environment and the economic growth in the Ke'te Kesu tourism area needs to be applied.

Based on observations and interviews, most MSMEs in the Ke'te Kesu area are engaged in the handicraft sector. The majority of MSMEs are family businesses with small to medium scales and are generally managed traditionally. However, some MSME implementers have started to pay attention to sustainability aspects in their business operations. The results of the observations that have been made, show that the level of understanding of MSME actors about the green economy is partially aware of the concept of green economy, but they have implemented several sustainability principles, such as the use of environmentally friendly raw materials.

In this context, it is important to dig deeper into how MSMEs in Ke'te Kesu can adapt to market demands that increasingly prioritize sustainability. For example, many MSME players have begun to shift to using natural and local raw materials, which not only reduces the carbon footprint but also supports the local economy. This initiative is not only beneficial for the environment but also adds value to the products produced, thereby increasing competitiveness in the market.

From the research results, there are several points regarding the implementation of the green economy in the Ke'te Kesu tourist area, namely as follows:

1. Understanding of the green economy

The data shows that most of the MSME implementers in the Ke'te Kesu tourist area already know some of them and have implemented the concept of the green economy.

2. The role of the government

In implementing the green economy, MSME implementers stated that the government has provided training and education on the green economy.

3. The practice of green economy

The practice of green economy concepts that have been carried out by MSME implementers in the Ke'te Kesu tourist area, namely: using environmentally friendly packaging, saving energy and water, recycling production waste,

separating organic and non-organic waste and some of the raw materials used in the business are eco-friendly raw materials.

4. Advantages of implementing the green economy concept

When the green economy concept is implemented, MSME players in the Ke'te Kesu tourist area benefit because many visitors are concerned about the environmentally friendly practices implemented by the implementers, thus increasing the attractiveness of tourists to their manufactured products.

5. Obstacles to implementing the green economy theory

In applying the green economy theory, MSME actors often encounter obstacles such as high implementation costs and lack of knowledge and resources to apply the green economy concept to all business activities.

The results of the description above, state that most of the MSME implementers in the Ke'te Kesu tourist area already know partly what is meant by the concept of green economy because the government has provided training and education on the principle of green economy, so we can see that MSME implementers have begun to apply green economy concepts such as using environmentally friendly packaging, saving energy and water, recycling production waste, separating organic and non-organic waste and some of the raw materials used in business are eco-friendly raw materials. Some of the raw materials used in MSMEs in the Ke'te Kesu tourist area are eco-friendly raw materials such as wood and bamboo because most of the souvenirs traded are made of wood and bamboo, for example, key chains, Tongkonan miniatures, buffalo statues, tau-tau (human statues), and wall display carvings. From the application of the green economy concept, MSME implementers feel that their sales have increased and many tourists care about the green economy concept they apply. However, in applying the concept of green economy, MSME implementers still encounter obstacles such as limited capital and limited knowledge and resources. Despite the barrier, the Ke'te Kesu tourist area has considerable opportunity for the advancement of a green economy due to the existence of local raw material resources that are environmentally friendly it provides opportunities for MSME implementers to develop more sustainable products and tourists visiting Ke'te Kesu are increasingly concerned about environmental impacts, so that MSMEs that apply green economy principles have more appeal.

5 Conclusions

Based on the research, MSMEs in the region have paid attention to the execution of the green economy in the Ke'te Kesu tourism area, North Toraja. Most of the small and medium enterprises (MSMEs) in the region have understood the concept of green economy and started to implement initiatives such as green economy utilization, energy and water cost reduction, and ecological waste management. The role of the government in providing training and education relevant to green economy concepts is also considered significant by MSME players. Besides, the exploitation of the green economy in this area gives benefits, including increased tourist attractions and visitors' awareness of the importance of environmentally friendly practices. However,

MSME players face barriers such as limited capital, knowledge, and resources to fully implement green economy practices.

The suggestions in this study that are useful for various parties include, 1. Government and Private Support: There is a need for increased support, both from the government and the private sector, especially in providing access to capital and green technology for MSMEs to more easily implement green economy concepts as a whole, 2. Further Training and Education: Although training has been conducted, further training and education programs on green economy practices are still needed, so that MSME players can understand and implement these concepts more optimally, 3. Collaboration between business actors: MSME players in tourist areas can share knowledge and best practices in implementing a green economy. This collaboration can be done as a forum or community, facilitated by the local government, 4. Increasing Public and Tourist Awareness: In addition to education for MSME players, it is also important to raise the awareness of local communities and tourists about the importance of supporting environmentally friendly products as part of environmental sustainability efforts in tourist areas.

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