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Barriers to Digital Accounting Adoption Among Micro-Enterprises in Indonesia: An Ethnomethodological Study

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Abstract. This research aims to formulate how micro-business actors refuse to adopt Digital Accounting (AD). Ethnomethodological studies are used as a research approach to explore the reasoning and practical actions of micro-entrepreneurs from the perspective of MSE assistants. Data and information were collected using in-depth interviews with three MSE assistants. The findings in this research show that ignoring AD educational and literacy information, not participating in AD training or socialization activities, and not using accounting applications in their accounting practices are ways in which micro businesses refuse to adopt AD. There is a need to study the causes of this rejection in more depth and find the best solution for the survival of micro businesses. The results of this research can become recommendations for the government and stakeholders in preparing strategic plans related to developing and accelerating the digitalization transformation of MSMEs, especially in Indonesia.

Keywords: digital accounting adoption, micro-businesses, MSE companion, ethnomethodology

1. Introduction

Digital technology disruption almost dominates national economic activities. Digital ecosystems bring new challenges to economic entities (Saarikko et al., 2020; Ramos et al., 2022), increasing the volume of information, speeding up decision-making processes (Khalleefah, 2020), and increasing the effectiveness of strategic decisions (Phornlaphatrachakorn & Kalasindhu, 2021b). Digital technology has increased in the industrial era 4.0 (Rahmawati et al., 2021), accelerating the deconstruction of various conventional business schemes into digitalized ones (Paul Goodman, 2022). Advances in computing and multimedia technology make it possible for many accounting documents to be digitized for management with little cost for practical storage and access for the future of accounting information systems (Tsai, 2007). MSME Empowerment (from the Indonesian National Council for Financial Inclusion) Report data in 2022 shows that 83.8% of MSME players digitalize or utilize technology to support business operations. As many as 40% of MSMEs use social media, 38% use instant messaging, 13% use e-commerce, and 5% use ride-hailing. In MSME Empowerment 2022, it was stated that 99.1% of MSME players succeeded in increasing their business productivity after using digital services. The main challenge to the digital transformation of Indonesian MSMEs is digital literacy, which still needs to be improved. The amount of 64 million, only 19.5 million business actors have entered the digital ecosystem to date indirectly, and there are 44.5 million MSME actors who have not studied digital literacy; this shows the low interest of MSME actors in increasing digital literacy as well as being a barrier to the pace of an inclusive economy national.

Many business entities experience holistic changes in their managerial management due to digital technology disruption. Digital technology has quite a contrasting impact. The discussion of digitalization technology in the scope of micro businesses has become one of the hot topics of research in various scientific disciplines. It proves that micro businesses can adapt to the digitalization ecosystem. In order to maintain business efficiency and reduce operational costs, Micro and Small Enterprises (MSEs) are forced to embrace the adoption of new technology (Sastararuji et al., 2022). Digital technology for MSEs can be a way to adapt to changes in the business environment (Fachrunnisa & Adhiatma, 2020). Therefore, MSES needs to adopt digital technology. Akpan et al. (2022) stated that the government has a role in adopting and implementing new technology by MSEs. The MSE facilitator drives the transformation of MSEs from informal to formal (Adminkoperasi, 2022).

Based on the results of our pre-research interview with one of the sources from the government, we said that coaching, training, and mentoring for MSME players has been carried out routinely, and the government has also provided premium accounting applications at affordable prices. However, the expected response and realization are still far from successful. It is due to the mindset in managing the business and several other limitations, in terms of low quality of human resources, funding difficulties and unpreparedness in taking risks. Many MSMEs experience financial difficulties and even go bankrupt due to poor financial management.

Digital Accounting (AD) is a digital technology innovation that can improve the quality of MSME financial management. For example, mechanisms for presenting final reports, audit trails, internal controls, and accountant skills (Deshmukh, 2005). To better understand the scope of AD in this research, relevant references are needed so that the research objectives can be well-directed. IJDAR publications are the best reference for those interested in research in AD (Ardianto & Anridho, 2018). However, very few relevant articles or references until 2022 concentrate on AD, especially the adoption of digital accounting in the MSE sector.

The adoption of AD in the management activities of a business can be used as an entity's strategy for maintaining its survival. AD contributes to improving the quality of financial reporting, the usefulness of accounting information, and the effectiveness of strategic decisions (Phornlaphatrachakorn & Kalasindhu, 2021a). However, adopting AD for micro businesses takes work. The diverse behavior and characteristics of MSEs cause different responses in AD adoption. On the other hand, not all business entities are ready to face the challenges of digital technology disruption. Several studies show that technological readiness in the MSE sector is still relatively low (Garzoni et al., 2019). There is still a lack of research that focuses on AD in the MSE sector, especially in Indonesia, and the MSE sector faces obstacles in terms of finance, lack of capacity and skills to apply digital technology (Ramos et al., 2022); (Ghobakhloo, 2021); (Ezekiel David Gowon, 2022); (Chen et al., 2021).

Business entities that do not adopt AD tend to need help growing. Each entity has different characteristics, and so do MSEs. Financial management, which originates from the accounting process, is essential in making business decisions and helps the growth of MSMEs (Juniarti & Omar, 2021). The effectiveness of the concept of adopting AD for micro businesses is not yet apparent, which is used as a guideline for the government in carrying out several MSME digitalization programs, and it is hoped that 30 million MSMEs can go digital by 2030 (Candra, 2021; Metrotvnews, 2020). This pressure has become necessary for businesses to develop their service levels to achieve goals in control, monitoring, reducing production costs, purchasing materials, normalizing inventory levels, and resource use (Lutfi & Arabia, 2022).

MSMEs contribute pretty significantly to the economic sector (Juniarti & Omar, 2021; Zahra et al., 2021) and are an essential pillar for the economy in Indonesia, where 64 million MSMEs (micro-businesses dominate the majority), contribute 62% to GDP, 96 % absorbs labor, and 61% of total investment, even 95% of businesses in the world are MSMEs (Dahlan et al., 2020). According to a 2021 Bank Indonesia survey, only 20% of MSMEs have adopted the concept of digitalization in their business activities (Laucereno, 2022). Apart from that, the President of the Republic of Indonesia targets 30 million MSMEs to go digital by 2030 (Candra, 2021), so the government needs a unique role so that MSMEs can be sustainable and competitive. MSEs have different qualifications from non-MSE entities in considering adopting AD. MSEs that can adopt AD well will obtain accurate information in making important decisions and updating accounting systems to support increasing the scale of operations (Phornlaphatrachakorn & Kalasindhu, 2021b).

Studying this research in more depth is essential to understanding AD adoption problems experienced by micro businesses. Therefore, this research aims to examine and understand the stigma of micro-entrepreneurs when considering digital accounting adoption decisions. This finding is the novelty of this article with limited reference sources, but the themes raised can contribute to the survival of MSMEs in Indonesia. Next, Part 2 discusses a literature review to understand MSMEs and digital accounting. Section 3 discusses the concept of ethnomethodology research by exploring the explanations of informants. Section 4 is about findings and discussion, leading to Section 5, which is about making conclusions.

2. Literature Review

2.1. Understanding the Conceptual of MSMEs

Micro, Small, and Medium Enterprises (MSMEs) are productive businesses owned by individuals and/or individual business entities that meet business criteria. Based on Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises, the classification of MSMEs in Indonesia is divided according to the amount of net assets and sales turnover per year. Micro, maximum net assets of IDR 50 million and sales turnover not exceeding IDR 300 million per year. Small, total net assets range from IDR 50 million – to IDR 500 million, and sales turnover ranges from IDR 300 million – to IDR 2.5 billion per year. Medium net assets range from IDR 500 million – to IDR 10 billion, and sales turnover ranges from IDR 2.5 billion – to IDR 50 billion per year. MSMEs have a more flexible business character because they can access a varied and broad innovation ecosystem to maintain digitalization's reach. The condition of Indonesian MSMEs is not much different from MSMEs in other countries that are still in the digitalization gap, such as MSMEs in Italy, where there is still a knowledge gap and investment awareness is still low compared to MSMEs in Europe, which limits the ability of MSMEs to adopt digital technology. The complexity of this ecosystem makes it difficult for MSMEs to navigate various digital options to improve the skills of MSME players (Eib, 2021). Conditions of technological disruption force MSMEs to adopt and have the ability to manage existing resources in an integrated manner.

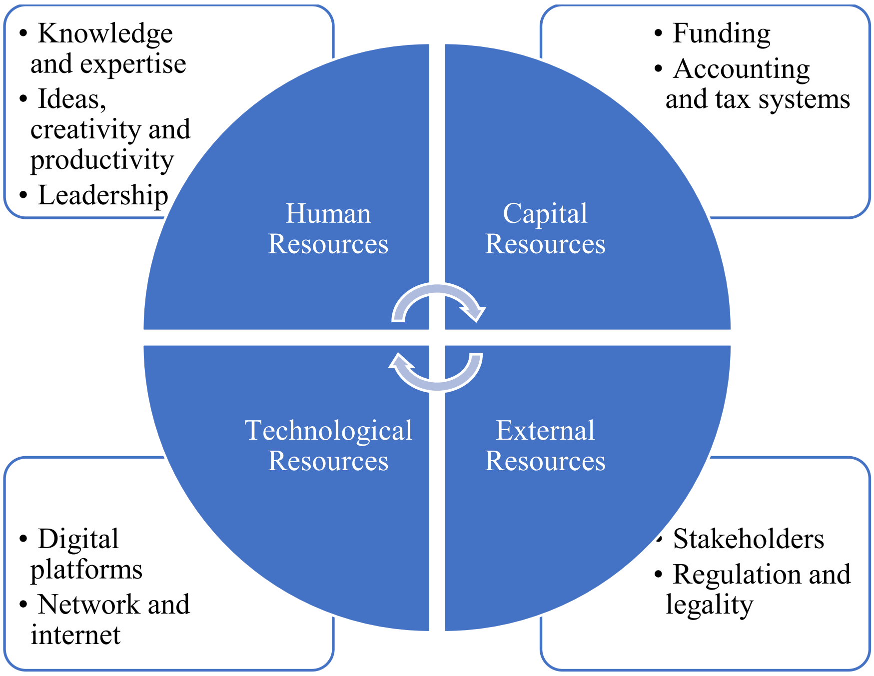

Fig.1: The Digital Dimension of MSMEs

2.2. Epistemology of Digital Accounting Adoption

Goldman and McGrath (2015) interpret epistemology as an attempt to justify the preposition of knowledge, and Locke added that knowledge comes from experience (Audi, 2011). Guided by the context of epistemology as a philosophy of knowledge, we hope to find the essence of the practices that apply in society, especially micro-business actors. Thus, epistemology becomes our basis for interpreting microenterprise AD.

Digital and technology adoption is part of forming a digital transformation, so it is necessary to emphasize micro businesses for optimization at the implementation stage. Technology has become an inseparable part of digital, and the penetration of mobile phones and the internet has substantially encouraged micro businesses to use technology-based innovations that will increase business productivity and efficiency. Low consumer demand for online payments and direct sales may make it possible to adopt digital technologies. Business factors and internal company factors trigger the adoption of digital technology for MSMEs (Trinugroho et al., 2022). The technology dramatically changes the accounting process and business environment (Yoon, 2020). Digital technology must be utilized to secure business continuity for MSMEs during severe disruption and shocks to the global community (Papadopoulos et al., 2020). It was clarified by Marand et al. (2013) and Sastararuji et al. (2022) that digital accounting needs to be developed to help businesses stay financially organized.

AD is one part that contributes to the successful integration of technology, accounting practices, and decision-making. AD plays an essential role in increasing the productivity and efficiency of accounting activities by making accounting transactions more accessible and more practical (Güney, 2022). However, computer science still dominates in developing research theory regarding accounting information systems so that it can be grouped as a technological stimulus in scientific collaboration in the accounting field. AD does not have a pure definition so that it can be interpreted from several relevant references and the meaning of its existence. AD represents and transfers accounting information into electronic format (Fisher, 2020; Phornlaphatrachakorn & Kalasindhu, 2021a; Venkatesh, 2022), manipulated and transmitted (Troshani et al., 2019). The AD display can be seen in the form of accounting software with various databases such as Artificial Intelligence (AI), Internet of Things (IoT), Big Data Analytics, and Cloud Computing (CC). Currently, AD allows MSMEs to carry out essential bookkeeping responsibilities themselves without requiring the services of external auditors/accountants for the same services (Lutfi & Arabia, 2022). By adopting cloud-based accounting, MSMEs can become more efficient, financially organized, and flexible (Sastararuji et al., 2022). AD is a form of flexibility in accounting practices that can go hand in hand with the digitalization system. Digital concepts in accounting practice are pragmatic and can also holistically design accounting strategies, mindsets, and technology to produce quality financial information for stakeholders.

The focus of AD is the uniformity of the primary system used in accounting as a form of routine evaluation to improve the quality and accuracy of data control (Khreher et al., 2017). AD is upskilling from the Industrial Revolution 4.0 (Adrianto, 2020). AD is a trigger part of an accounting information system. It refers to an information system or IT tool that supports finances and the collection, storage, and processing of accounting data to be carried out by management or decision-makers (Faccia & Petratos, 2021). AD offers more benefits, namely (a) convenience and increased productivity rates, (b) security and agility, (c) easy billing and payment tracking, (d) better integration and synchronization, (e) tax preparation facilities, (f) easy creation of bank reconciliations, (g) special functions, and (h) makes it possible to obtain real-time financial information. Entities that successfully adopt AD can curate information to make critical decisions and improve accounting systems to support increased scale of operations (Troshani et al., 2019). If implemented well, the management of digital accounting practices can support the ongoing concern of MSMEs in the world market.

2.3. What is the role of MSE assistants in digitalizing MSMEs?

MSE mentoring is an inseparable part of the growth and empowerment of MSEs. The number of MSMEs is increasing exponentially, so the government is taking extra care in formulating policies and placing its outreach closer to them.

MSMEs in Indonesia are under the auspices of the Ministry of Cooperatives and Small and Medium Enterprises (UMKM) of the Republic of Indonesia, with the implementers being the Department of Cooperatives and MSMEs in each province. The government provides several policies contained in Law Number 20 of 2008 concerning Micro, Small, and Medium Enterprises (MSMEs), which regulate qualifications, licensing, and several other regulations in dimensions. One form of government support is contained in the budget allocation, a stimulus in the National Economic Recovery Program (PEN) Support for MSMEs, which motivates MSME players to adopt digitalization. MSMEs are critical engines of the national economy (Limanseto, 2022). By adopting the concept of digitalization in managing their business, they can survive and compete with other competitors. Christantyo and Shiratina (2023) state that motivation is an essential factor affecting an MSME's company performance.

The AD adoption scheme prepared by the government is part of the overall MSME digital transformation master program. The transformation movement seems slow due to inadequate financial management of MSMEs (especially in the micro business sector), so the government should strengthen financial recording literacy in digital-based financial applications that comply with accounting standards. UMK assistants are in a position close to UMKMs and have the knowledge that UMKMs need, so we chose UMK companions as data sources.

3. Methodology

Ethnomethodology is a method of inquiry aimed at studying practical methods of common sense reasoning used by members of society in carrying out their daily lives (Clayman, 2015). It is necessary to interpret the object without getting caught up in emotional situations to study and correctly express scientific truth (Hidayati et al., 2018). This research is qualitative research with an ethnomethodological study approach. Ethnomethodology focuses on reality with practical reasoning (H. Garfinkel, 1967) and examines social facts (H. & R. A. W. Garfinkel, 2002). This method is used by individuals in everyday life, reasoning, communicating and making decisions (Nursanita, 2019). Therefore, this research uses ethnomethodology as an analytical tool.

Table 1. List of Informants

No.	Name of Companion	Assistance Area	Term of Office	Data/Status
1	Darius (DR)	Bengkulu City Area MSE Companion	6 months	Key Informant
3	Marcus (MS)	Regency Area MSE Companion. Central Bengkulu	24 months	Co- Informant
2	Susi (SS)	Bengkulu City Area MSE Companion	12 months	Key Informant

Source: Author's (2023)

This article examines practical information from the results of in-depth, unstructured interviews. This interview was conducted with three informants who assisted MSEs in Bengkulu Province (Table 1). We conducted these interviews to obtain information relevant to understanding microenterprise AD adoption practices. Interview sessions were held separately to see the consistency and level of saturation of the informants' answers. The interview session was conducted as a casual online dialogue using Zoom in September 2023. During the data collection process, fundamental questions regarding the reality of digital accounting adoption in MSMEs will develop according to the answers from the informants. It ensures that the informant is familiar with the topic being asked. After that, more specific questions were developed according to the relevance and level of data saturation. This research flow was created to make it easier to synthesize data (Figure 2).

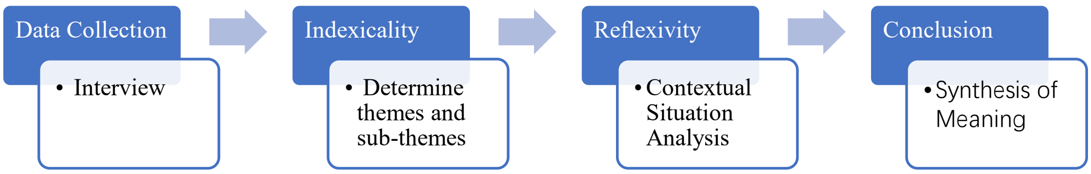

Figure 2. Research Flow

Three stages can be carried out in conducting research using the ethnomethodology method: the first stage is introduction to the research area, the second stage is entering the research area, and the third stage is the research report. In the first stage, the steps taken by a researcher are mandatory to make general observations/observations to capture a reality. The research area includes the research location and research subjects. Next, open interview activities for subjects with prospects to obtain in-depth information about the subject's daily life/activities. The researcher can determine the informants and research subjects based on the previous things. In the second stage, researchers determine the participants who will be observed and conduct focused interviews.

The selection of informants and informant status, as well as data quality, will be presented; in the next section, the research design used will be explained, and conclusions on the research findings will be drawn. The main informant is an informant who can provide information aimed at answering questions and problems in this research. Meanwhile, supporting informants are informants who can provide additional information that can provide complementary information to the main informant's answers in solving research problems. Data obtained from informants, then we will reduce data using indexicality and reflexivity to analyze actions in everyday life (Garfinkel, 1967). The indexicality process was carried out to determine themes and sub-themes. The relationship between themes and sub-themes is expressed in reflexivity. The depth of reflexivity depends on the knowledge and experience of the researcher (Nursanita, 2019). In this way, the reduced data can be synthesized into findings packaged in conclusions.

4. Results and Discussion

To start the primary interview, the researcher asked all informants a range of central questions, such as: "What do you know about digital accounting?" and "To what extent has it been adopted in micro businesses?"

4.1. Analysis of 1st Informant Interview Results

The first interview was conducted with the first informant with the initials DR. Mr. DR is a companion for MSEs in the Bengkulu City area. Mr DR answered with a relatively long and severe answer. The first question asked was to determine the mentor's understanding and depth of experience regarding how far digital accounting adoption has progressed in the MSMEs they have been mentoring.

> *"It is quite a long process for us as assistants to provide education and literacy about neat accounting bookkeeping, manually and using applications. The government supports it by providing regular training and affordable micro-business accounting applications. Hhhmm...but indeed, changing the mindset of micro business actors from traditional thinking does take more time because the character of each micro business actor we met is different. However, thank God...yes...thank God, of the many micro businesses we assist, around 5 to 10% want to use applications in their bookkeeping, sis."* (Answer to the first question)

The first sentence of the statement above indicates that the mentoring process requires different and long periods for the MSEs to receive, understand, and apply the information the mentor conveys. The MSE advisor, as a representative of the government, emphasizes that the government has made efforts and provided facilities to support the empowerment of MSEs, thus indirectly justifying the internal problems of MSEs. This long time can also indicate that many other factors cause MSEs to be unable to adopt AD.

The indexical statement made by DR, "*Hhhmm...but indeed changing the mindset of micro business actors from those whose thinking is still traditional does take more time because the character of each micro business actor we met is different. However, thank God....yes...thank God, of the many micro businesses that we accompany, around 5 to 10% want to use applications in their bookkeeping,*" has a reflexive nature, meaning that traditional thinking is the trigger for abandoning AD. This neglect emphasizes that AD is still needed, so micro-business actors refuse to adopt AD.

Next, the main question develops into other derivative questions. The researcher confirms the picture captured by the researcher based on answers from informants regarding the difficulties in applying AD at the micro-business level. Mr. DR provided a response that confirmed the meaning of this second question.

> *"Yes, that is the fact. We focus more on assisting micro and small businesses because the management is already good if it is a medium-sized business, so you do not need to assist them. They are already good, that is right."* (Answer to the second question)

The indexical statement stated by Mr. DR above has a reflexive nature, which means that AD adoption can be carried out at the medium to upper business level. It indicates the importance of AD's role in financial management for business actors at that level. Therefore, AD can be adopted at the medium to upper business level. It is different from micro-businesses, which seem to ignore the role of technology in their accounting practices.

The next question is regarding achieving mentoring targets. Mr. DR responded while taking a deep breath. This expression suggests that this is difficult to fulfill; even though there is a chance, the percentage is still small.

> *"Alhamdulillah, it is not bad, sis, because it is progress rather than not being accompanied. "Moreover, micro-businesses, wow... that is a bit difficult because their focus is only on how they can use their capital to survive; that is how it is."* (Answer to the third question)

The indexicality statement above contains a reflexive nature, meaning that many micro-business actors ignore and do not care about AD information. Micro business actors focus more on manifestations for personal survival than manifestations for their business's survival. It is the trigger for the rejection of AD adoption.

Next, the researcher asked how mentors provide digital literacy assistance to the businesses they accompany. Before answering, DR was permitted to drink first. This attitude indicates that the response that will be delivered will have quite a long dialogue, and much experience will be expressed in the answer.

> *"Each companion has a specialty, sis. There are licensing, halal, digital, and other sections. Moreover, most of his communication with the business owner is via WhatsApp. Some MSMEs have not participated in training; later, we will help facilitate that. The problem we often encounter in micro businesses is that many people are confused about how to market their business results. So, I need a companion who helps specifically with digital marketing. However, the training carried out by the government is quite large, around 20 batches per year. The number of MSMEs is quite large, around 117,000, but they are not grouped into micro, small, or medium. "Small and medium businesses in Bengkulu may not exist or are very rare if we group them based on existing regulations."* (Answer to the fourth question)

The indexicality statement above, "The problem we often encounter in micro businesses is that many people are confused about how to market their business results," contains a reflexive nature, which means that the orientation of micro business actors lies in product marketing. It indicates that tidying up the bookkeeping is not a priority, thus ignoring the role of AD. The drive to survive tends to be seen only in the quantity of products sold.

Then, it continued with questions regarding the rules for grouping MSMEs and accompanying duties. Mr DR gave his response.

> *"As for the legal regulations, I do not understand which one to use, sis. The classification of MSMEs is based on their sales turnover. Like petrol stations, they are in the small business category, even though they already have complete proof of payment using the application. We provide more assistance to micro and small businesses, while medium ones are still difficult to find in Bengkulu because those needing more assistance are micro businesses. Many of the micro businesses we meet*

> *do not have bookkeeping because the income they get today is usually immediately used up to make a living. "However, there are also those who already have manual bookkeeping and even use Excel; they say it is easier."* (Answer to the fifth question)

The indexicality statement above, "*Many of the micro businesses we have encountered do not have bookkeeping because the income they earn today is usually immediately used up just to make a living,*" contains a reflexive nature, which means there is a minimal possibility that micro business actors can adopt it. It is due to the context of the orientation of micro business actors, which is still narrow. DR emphasized this condition in his indexicality statement, "*However, there are also those who already have manual bookkeeping and even use Excel; they say it is easier and easier*," it contains a reflexive nature, which means that AD tends to be difficult for micro-entrepreneurs to understand and use so they prefer for manual bookkeeping.

Next, the final question was asked to confirm whether or not there were micro businesses that had used the application in their accounting practices. DR also gave his response while opening his notebook.

> *"It looks like there is in Kepahiang. However, that is another companion. His assistant there has started to promote neater bookkeeping using the application. However, I think there is one in Bengkulu because I have never accompanied a business like that. "Because the number of companions is small, at least two people per district."* (Answer to the sixth question)

The indexicality statement above, "*The assistant there has started to promote neater bookkeeping using applications*," contains a reflexive nature, which means educational outreach and mentoring are available to focus on AD adoption. However, many micro-businesses still need to be ready to adopt AD.

4.2. Analysis of 2nd Informant Interview Results

The interview was with the second informant, MS, an SME assistant in the Central Bengkulu Regency area.

> *"As for development, yes...hmmm, I found it in the Central Bengkulu area, so MSMEs here still need more serious assistance because their perspective is still old school. "Even bookkeeping, sometimes many people do not have it, let alone recommend adopting an application."* (Answer to the first question)

The indexicality statement above, *"... still needs more serious assistance because the perspective is still old school. Sometimes many people do not even have bookkeeping, let alone recommend it to b2e adopted using an application*," contains a reflexive nature, which means that accounting records are done manually, even relying solely on daily capital turnover routines. Therefore, AD is optional, and micro-business actors need to adopt it.

The researcher then asked questions regarding the government's particular AD adoption program.

> *"There are things, such as digital literacy and routine training, where the instructors are also from campuses. However, even though it is like that, interest in micro businesses is still low in implementing digital literacy. There are still only a few places to enter the e-catalog from the ministry. "But there are some MSMEs that have implemented transaction recording applications, but usually they are in the small and medium enterprise category whose management is already good."* (Answer to the second question)

The indexicality statement above contains a reflexive nature that e-catalogs are a manifestation that can attract micro businesses to adopt AD. However, the existence of an e-catalog is not a guarantee that micro businesses will adopt AD.

Next, the researcher reconfirmed the e-catalog that Mr MS mentioned when responding to the second question.

> *"Ooo is a platform-like application such as Tokopedia and Bukalapak, provided by the government so that MSMEs can sell their products there, and other agencies are obliged to buy their official needs there. There are indeed regulations and circulars from the government." So, MSMEs are also helped, and inevitably they get used to neat bookkeeping."* (Answer to the third question)

The indexicality statement above contains a reflexive nature that e-catalogs are an educational tool for micro business actors in simplifying their thinking regarding the importance of carrying out good accounting practices.

4.3. Analysis of 3rd Informant Interview Results

The interview was conducted with the third informant with the initials SS, SS is a companion for MSE in the Bengkulu City area.

> *"That is not the focus of my mentoring, ma'am. My focus is on assisting regarding licensing, but yes, ma'am, during the mentoring for approximately one year, there are several MSMEs that I have met who have implemented applications to record transactions and then make payments using mobile banking. Some use QRIS, but more still do not care about tidying up their bookkeeping with the application. "Indeed, there is a need for training and assistance that can raise awareness for micro businesses so they can use the application, ma'am."* (Answer to the first question)

The indexicality statement above contains a reflexive nature, which means that micro-business actors still need a higher level of awareness regarding the importance of AD for the growth and development of their business.

Furthermore, researchers confirm what kind of MSMEs can receive government programs for adopting digital accounting.

> *"Look, ma'am, usually the MSMEs that need assistance from us are micro businesses, whereas for small and medium businesses, we usually do not accompany them too intensely, or they take part in training activities held by ministries or agencies because they usually already implement it independently, ma'am, in financial management. already good."* (Answer to the second question)

The indexicality statement above contains a reflexive nature, which means that assistance is focused on micro businesses. Micro businesses can convert to small or medium business level; they need to be supported by sound financial management. AD adoption is one of the acceleration steps for micro businesses to realize this level increase. The unpreparedness of micro businesses to face competitive business challenges is the reason why micro businesses have yet to consider adopting AD seriously. This attitude of neglect clarifies AD's position as a resource whose costs and benefits need to be considered for a business.

The role of MSMEs is huge in national economic recovery. There are 64.2 million MSMEs, contributing 61% to Indonesia's GDP. In terms of labor, MSMEs can also absorb 97% of the total workforce in this country or around 119.6 million people. However, only around 17.5 million MSMEs have entered the digital ecosystem and utilized e-commerce. By optimizing digital technology in running their business, MSMEs can obtain many benefits, including reaching a more extensive consumer base, increasing income, making it easier to monitor business activities, and reducing costs, especially marketing, logistics and shipping costs.

On the other hand, only 20.5 million MSMEs out of 65 million MSMEs have entered the digital ecosystem. Regarding Opportunities and Challenges, P2P Lending Fintech represents the Digitalization of MSMEs through Financing. Looking at the trend of online loan values and increasing financial literacy in Indonesia, fintech players can have a high opportunity to enter the financing market for players. MSMEs, especially micro-entrepreneurs. In addition, Bank Indonesia recorded that 12,830 Micro, Small and Medium Enterprises were eligible for financing. This funding has a positive effect that continues in digital accounting occasionally. It shows that most businesses still need to develop a strategy to utilize digital technology to increase their competitive advantage to support increasing digital financial literacy for the community, including expanding the development of financial and economic inclusion for MSMEs so that understanding of financial literacy is not neglected.

5. Conclusion

Most micro-business actors refuse to use AD in their accounting practice activities. They think manual bookkeeping, even relying on intuition alone in trading, is still relevant for managing their business finances. Ignoring education and literacy related to AD, deciding not to adopt AD, and not attending training or outreach regarding AD are forms of micro business actors' refusal to adopt AD, which is done for various reasons or considerations.

This research indirectly found several reasons behind micro business actors' refusal to adopt AD. The stigmatization of adopting digital accounting for micro businesses still lies in a fundamental context. Many micro-business actors still believe that their business is only for survival. Traditional perspectives still dominate micro-business actors in their decision-making. It, of course, also has an impact on the way one manages one's finances. Accounting practices are seen as things that do not have a sense of urgency in maintaining the business's survival. Therefore, micro businesses that can move up to the level of small and medium businesses are those whose minds are open and willing to adapt to the digital ecosystem. This ironic condition is the trigger for micro businesses to decide not to adopt AD. Efforts to accelerate the digitalization of MSMEs need to continue throughout Indonesia. It aims to ensure the financial success of MSMEs and advance Indonesia's digital economy towards the inclusive economic target in the future.

Even though the government has helped offer adequate facilities and infrastructure, it has yet to be able to dominate micro-enterprise decision-making for AD adoption. The persuasive approach taken by MSE assistants needs to be supported by contributions from academic institutions. It is done to provide more targeted mapping regarding the effectiveness and efficiency of the assistance provided. Currently, assistance activities related to business bookkeeping are only carried out if there is a special request from MSMEs. The benchmark for the capability of MSE assistants also needs to be improved to make them more competent. Thus, this research found that micro-business actors have different characteristics. The limitation of this research is that it relies on a single data source; for further research, it is recommended to consider mixed methods to obtain a more complex in-depth analysis.

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