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Improve the Ability to Apply Green Accounting in Vietnamese Businesses

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Abstract

The development and application of green accounting has become an indispensable need for Vietnamese businesses today because it is considered an important tool related to aspects of the influence of the natural environment on the economy. Economy and is considered a transformation towards sustainable development, contributing to promoting the development of the green economy that our country is aiming for.

Therefore, the goal of the article is to improve the ability to apply green accounting in Vietnamese businesses. The research was conducted by studying the current status of green accounting applications of some businesses in the most recent period. Based on the research results, the article offers some suggested solutions to improve the ability to apply green accounting in Vietnamese businesses in the future.

Keywords: Green Accounting, Business, Applications

1. Introduction

In the current context of globalization, developing and applying green accounting has become an inevitable need for countries, including Vietnam. Green accounting is considered an important tool related to aspects of the influence of the natural environment on the economy and is considered a transformation towards sustainable development, towards economic development. Green tea.

In the private sector, green accountants can advise clients on the sustainability and environmental impact of their decisions. In addition to providing information and examining businesses' profits, revenues and environmental costs, green accounting is also a growing field that focuses or provides environmental impact accounting, a number of factors can cause problems for a business or organization, thereby helping policy makers and business administrators have appropriate ways to deal with and resolve them.

In the context of increasingly deep international integration, the application of green accounting in business operations in particular and economic development in general demonstrates the commitment and social responsibility that a business has towards a sustainable environment. However, how to apply green accounting to achieve optimal efficiency is still a problem for Vietnamese businesses today.

2. Theoretical basis for green accounting

According to Wikipedia, green accounting is an accounting method that tries to calculate environmental costs into the financial results of business operations. The purpose of green accounting is to help businesses understand and manage traditional economic goals and environmental goals, thereby aiming for sustainable development. Green accounting can be understood as a modern and comprehensive accounting system to record, synthesize and prepare reports for an organization, to fully reflect the contents of assets, liabilities, and investment capital. Investment, revenue and expenditures for the country's green environment.

The United Nations has required countries and organizations around the world to implement environmental accounting systems, to record data related to business activities of businesses, which have an impact on the environment. To the environment. In 2014, the United Nations launched an application program called "Economic and Environmental Accounting System", also known as Green Accounting.

According to S. Sudhamathi, S. Kaliyamoorthy (2014), green accounting includes 3 main goals: (i) Identify, collect, calculate and analyze materials and energy-related materials; (ii) Internal reporting and use of information on environmental costs; (iii) Provide other cost-related information in the decision-making process, with the aim of making effective decisions and

contributing to environmental protection.

Thus, green accounting can be understood as a modern and comprehensive accounting system to record, synthesize and prepare reports for an organization, to fully reflect the contents of assets and liabilities, investment capital, revenue and expenditures for the country's green environment.

3. Research methods

The article uses qualitative research methods including two basic methods: Data collection, synthesis and analysis and evaluation. Based on the synthesis of data related to the ability to apply green accounting in Vietnamese enterprises, the article offers some solutions to improve the efficiency of this activity in the coming time.

4. Current status of green accounting applications in Vietnamese enterprises

In the modern business world, implementing green accounting applications is considered an important factor, contributing to limiting environmental impact and economic development in developing countries. However, in Vietnam, the application of green accounting is still relatively new for many businesses. Among them, there are some businesses that have applied green accounting to calculate the costs of services and products. Businesses can have certain internal and external benefits by implementing green accounting systems.

These businesses apply green accounting to find and provide important and necessary information about costs and revenues related to the environment, guiding businesses and project owners in making business decisions. Economy, encouraging them to make efforts to use resources, including natural resources created by humans, effectively and to minimize environmental damage, limit waste and pollution, change behavior towards the living environment. Some businesses in the private sector have applied green accounting to advise customers on the sustainability and environmental impact of their decisions. In addition to providing information and checking businesses' profits, revenues and environmental costs, green accounting is also a field applied by businesses for focused development or providing environmental impact accounting, a number of factors that can cause businesses or organizations, thereby helping policy makers and business administrators to respond and resolve appropriately.

All of the above businesses see green accounting as a useful tool to provide environmental information in addition to information about the business's production and business situation, as a basis for environmental protection obligations. Of businesses, thereby helping to reduce environmental risks, as well as public health risks, while improving management accounting and environmental finance at the enterprise level.

4.1 Some advantages in applying green accounting in Vietnamese enterprises

The application of green accounting in business management and accounting brings many outstanding results:

First, meeting the issue of sustainable development, balancing economic growth with social progress and environmental protection. Changing the thinking, management style and perception of the responsibility to protect the environment, limit waste, etc. of business

administrators. By performing well in environmental protection, businesses create a good impression on State management agencies, from which the State has supportive and preferential policies in the process of sustainable development.

Second, green accounting not only through the traditional role of recording and reporting financial information, but also must demonstrate the role of accounting as an effective support tool for businesses. Managers in the management of environmental issues, within each economic unit.

Third, the application of green accounting will lead to saving costs of raw materials, energy, water, and waste treatment costs, helping businesses make decisions on technical and system changes. Management organization, product strategy towards green products, use of environmentally friendly materials, etc. From there, improve the efficiency of business activities associated with the effectiveness of environmental protection.

Fourth, the application of green accounting helps improve business image, thereby enhancing business competitiveness with competitors. Because businesses with cleaner and better production ecosystems will bring environmentally friendly and better-quality products.

4.2 Limitations in the application of green accounting in Vietnamese enterprises

The application of green accounting in current business activities in particular and economic development in general demonstrates the commitment and social responsibility that a business or organization has towards a sustainable environment. However, the application of green accounting, including environmental accounting, in our country still has some problems:

First, in recent times, many Vietnamese businesses have not paid enough attention to the application of green accounting. Reality shows that the accounting team in the field of green accounting in Vietnamese enterprises is still small and has low professional qualifications, thus greatly affecting the work of accounting and book recording and accurate determination. Income as well as costs related to the environment. Workshops and exchange of experience between businesses and professional associations and relevant agencies in the field of green accounting are still limited, so there is no consensus in accounting recording work.

Besides, although green accounting has a great influence on business activities of enterprises, it only stops at large-scale enterprises and corporations with large amounts of capital. For businesses with small and simple scales and fields, the concept of green accounting is almost unfamiliar. Some administrators' awareness of business and the environment has not yet been raised, and they have not seen the negative impact of business activities on the environment and the lives of surrounding people.

Second, some businesses have been interested in green accounting issues but still encounter many legal barriers when implementing.

Although there have been circulars and decrees from the State and the Ministry of Finance to support businesses in accounting work related to green accounting. However, when going into detail and specifically about each economic content, each cost incurred and how to account, the documents and regulations are not really complete. The accounting for recording income and costs related to the

environment has not been clearly presented and has not been specifically mentioned on relevant financial reports such as notes to the financial statements. Costs related to the environment such as troubleshooting and cleanup costs, environmental destruction, compensation costs, etc. are also used in business management costs, therefore Monitoring and determining the responsibility of businesses towards the environment is still limited.

Therefore, tracking costs and separating costs related to the environment in production and business activities is limited, and each enterprise understands and accounts differently, causing difficulties in management and compliance with promulgated policies and regimes.

The causes of the above limitations include:

- **Objective reasons**

Regarding the legal basis of state management agencies:

Vietnam has not issued an accounting regime related to the application of green accounting in businesses. Current accounting regimes do not have documents guiding businesses in separating and monitoring production and business costs, and do not have the necessary accounts to account for environmental costs... Currently, there are not many State mechanisms and policies encourage businesses and organizations to research and apply green accounting.

In general, financial regulations, standards, accounting regimes of the State and accounting tools of businesses do not provide and meet the necessary information about costs related to the environment. According to the requirements for making decisions on contracts and preparing financial reports at enterprises. Currently, the system of accounts, books, and accounting documents does not clearly regulate the separate recording of environmental information. In accounting accounts, significant costs related to the environment have not been recorded such as repair costs, compensation costs, troubleshooting costs, and cleanup and handling costs in accidents and destruction. Ecological environment, living environment. Reality shows that the "environmental" cost factor and the income brought by "the environment" are not in any separate, specific account or item of accounting.

Besides, many costs related to the environment are generally reflected in management cost accounts and economic managers cannot detect, cannot see the scale and nature of environmental costs. School. Reality shows that the "environmental" cost factor and the income brought by "the environment" are not in any separate, specific account or item of accounting. Meanwhile, many costs related to the environment are generally reflected in management cost accounts and economic managers cannot detect, cannot see the scale and nature of environmental costs. Environment in general and each environmental cost in particular.

- **Subjective reasons**

The awareness and psychology of businesses applying green accounting are not really correct:

Businesses tend to avoid applying green accounting because in order to implement those legal regulations, many types of costs are inevitably incurred on an increasingly large scale related to environmental protection and waste disposal. Waste impacts the environment and improves environmental quality in business contracts of businesses and in the implementation of investment projects.

Business administrators only focus on local benefits and think that implementing environmental protection and green accounting increases costs and affects business profits.

Managers' unclear awareness of the benefits and effectiveness of applying green accounting can be considered the main reason why businesses in Vietnam have not applied green accounting.

During business operations, many businesses create waste that is harmful to the environment. Paying environmental protection fees is considered a business's responsibility for the quality of the environment and people's lives. Collecting environmental protection fees also aims to limit environmental pollution from wastewater so that businesses can reduce their own pollution and costs for production and business activities to improve environmental quality. On June 13, 2003, the Government issued Decree No. on environmental protection fees for wastewater. In addition, there are also legal documents that require businesses to conduct environmental impact assessments and propose or implement environmental treatment solutions before implementing projects. Invest. In fact, to implement those legal regulations, many types of costs will arise on an increasingly large scale related to environmental protection, treatment of waste that affects the environment and improvement of quality. Environmental quality in business contracts of enterprises and in the process of implementing investment projects. That affects the net profit of businesses, so many businesses refuse to pay this fee.

In the accounting accounts of some businesses, significant costs related to the environment have not been recorded, such as repair costs, compensation costs, troubleshooting costs, and cleaning and handling costs in accidents. Accidents, destruction of the ecological environment and living environment.

The staff implementing green accounting lacks professionalism:

The issue of human resources and the quality of accounting human resources is always a big challenge. Currently, annually trained accounting human resources basically do not meet the requirements of businesses, so of course, new accounting methods that require high qualifications and understanding such as green accounting still do not exist. Cannot meet the proposed requirements.

Finding and building an accounting model suitable for the scale and financial capacity of an enterprise is always a difficult problem and a big challenge for administrators. Currently, businesses mainly focus on financial accounting, so the accounting department of businesses does not have separate environmental accountants, etc. While businesses are not fully aware of for green accounting, investing in green accounting through separate recruitment or a separate apparatus for this accounting activity is not feasible.

5. Solutions to improve the ability to apply green accounting in Vietnamese businesses

5.1 Solutions for state management agencies

First, it is necessary to continue to supplement and improve the legal system related to green accounting.

When the input factors of the economy still rely heavily on natural resources, the application of accounting is mandatory, but needs a reasonable long-term roadmap. With the Party and State's policy of sustainable development and "greening the economy", green accounting regulations need to continue to be supplemented and perfected in the coming time. Specifically, State management agencies need to issue documents guiding how to apply green accounting, and have policies to encourage individuals, organizations, and

businesses to research and apply green accounting.

Second, strengthen sanctions and encourage good implementation of environmental tax policies for businesses. Strengthening sanctions and implementing good tax and environmental fee policies for businesses helps businesses raise awareness and fulfill their responsibilities towards the environment and environmental protection. On the contrary, there is also a regime of remuneration, encouragement and praise for businesses that carry out their good social responsibilities, thereby widely propagating the application of green accounting in practical activities.

Third, it is necessary to complete the construction of an index system to evaluate environmental performance.

The environmental management reporting system will provide information about environmental costs to business managers. However, to serve the process of analyzing environmental cost information, managers must rely on a system of environmental performance assessment indicators. Therefore, businesses along with policy researchers need to focus on perfecting the construction of an index system to evaluate environmental performance.

5.2 Solutions for businesses

First, it is necessary to change perceptions in applying green accounting in production and business activities.

Applying green accounting is a long-term process, requiring serious implementation and investment research to create sustainable growth. In order to implement the State's legal regulations, many types of costs inevitably arise on an increasingly large scale related to the environment, environmental protection, handling environmental impacts and improving the environment. Environmental quality in business contracts of enterprises and in the implementation of investment projects. Therefore, business managers need to have more information about environmental costs arising in business contracts to make appropriate business investment decisions. Thereby, you can both seek profits from projects and avoid environmental-related fines. Green accounting is an important tool to support business administrators.

Currently, many business managers are not aware that the cost to calculate environmental costs is much smaller than the total costs incurred when they have to pay taxes, fees or fines from environmentally harmful behavior. Thus, there needs to be a clear awareness of management agencies and businesses about the role and importance of green accounting in general and environmental accounting in particular to promote the process of applying this form of accounting. This is more common.

Second, focus on researching, applying and considering green accounting as a part of the corporate accounting system.

Business administrators need to have more information about environmental costs arising in business contracts to make appropriate business investment decisions, thereby, both can seek profits from projects while avoiding environmental sanctions.

In addition, businesses need to study the experience of applying green accounting from countries around the world, especially developed countries, from which to draw lessons for Vietnam to achieve high efficiency. In applying green accounting for businesses.

Third, build and develop a team of highly qualified green accounting practitioners.

Currently, green accounting is not popular in businesses, so the accounting department of businesses hardly has accountants with knowledge of environmental accounting or specialized environmental accountants. Therefore, businesses need to pay attention to the work of building and developing qualified human resources; search, train and build an accounting department with capacity and experience in green accounting.

6. Conclusion

Green accounting brings many benefits not only to businesses but also to the country's economy. The application of green accounting brings many positive values. However, current application in Vietnamese enterprises still has many difficulties and limitations. Therefore, in the coming time, businesses need to further promote the application of green accounting to create commercial advantages and enhance reputation in the community by developing a "green" image.

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