Int. j. adv. multidisc. res. stud. 2024; 4(2):1360-1362

Received: 04-03-2024
Accepted: 14-04-2024

International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

Green Accounting in the Trend of Sustainable Development

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Abstract
Green accounting is a useful and important tool of green economy management and development. Green accounting is a modern accounting system that pays attention to both production and business efficiency, financial results, environmental costs, and social responsibility in the operation of organizations and enterprises. Green accounting helps businesses predict the impacts of the environment, factors causing harm to the environment, thereby helping managers and policymakers take preventive and coping measures to help businesses show social responsibility and business ethics. Green accounting brings many benefits that contribute to sustainable development, which is a useful tool of the green economy. This article helps readers understand the concept of green accounting, the objectives of green accounting, its benefits and challenges when applied in enterprises, and green accounting development conditions in enterprises in Vietnam.

Keywords: Green Accounting, Environmental Accounting, Sustainable Development

1. Introduction

Environmental change is a global problem that requires a global solution. Therefore, companies, businesses and governments need to be aware of the importance of the environment and the benefits it brings. Green accounting promotes a sustainable future for businesses because it combines green procurement with green research and development. The need for green accounting lies in many aspects, especially in today's context when environmental and social issues become increasingly serious and need to be managed effectively. The challenge of climate change, environmental pollution, resource depletion, and social issues such as labor rights and community development are putting great pressure on organizations. Green accounting helps organizations face and adapt to these challenges effectively. Today, consumers, investors, regulators, and communities all place higher demands on transparency, social responsibility, and environmental protection on the part of organizations. Green accounting helps meet these requirements and creates trust and credibility from stakeholders. Green accounting also helps organizations optimize business operations by more effectively managing environmental and social resources and risks. This enhances performance, reduces costs, and creates value for the organization. Green accounting not only helps organizations adapt to complex business environments but also promotes sustainable development through optimizing positive impacts and minimizing negative impacts on the environment and society. Today, there are more and more regulations and standards related to environmental and social reporting from international regulators and organizations. Green accounting helps organizations comply with these regulations effectively and ensures their transparency and social responsibility.

2. The concept of green accounting

Up to now, there have been many studies on green accounting with different views on green accounting such as: "Green accounting can be understood as a modern and comprehensive accounting system to record, synthesize and make reports for an organization, to fully reflect the contents of assets, liabilities, investment capital, revenues and expenditures for the national green environment'' (Peter Wood, 1980). According to Professor Andreas Lako, professor of sustainability accounting at Unika Soegijapranata University, green accounting is a new paradigm in accounting that supports the fact that the accounting process is not focused solely on professions. Accounting is not only used to provide financial statements so that users can know the profit or loss of a business, but also includes transactions with social, human and environmental factors. Green accounting requires accountants to focus not only on profits but also on people and society. According to Sjak Smulders (2008), green accounting is the type of accounting that tries to factor environmental costs into the financial results of enterprises' operations. Rout, Himanshu Sekhar, (2010) points out the main purpose of green accounting is to help businesses understand and manage the potential between media economic goals and environmental goals, and then achieve the ultimate goal of sustainable growth. According to S. Sudhamathi, S. Kaliyamoorthy (2014), the main objectives of green accounting include 3 contents: Identifying, collecting, calculating and analyzing materials and energy-related materials; Internal reporting and using information on environmental costs; Providing information related to other costs in the decision-making process, with the aim of making effective decisions and contributing to environmental protection. Some studies say that green accounting is divided into many different angles, including 5 main contents: Environmental financial accounting; environmental management accounting; environmental finance; environmental law; ethics and relations with the social community. Green accounting in general and environmental accounting in particular are part of green growth, towards the goal of "by people, for people", contributing to creating stability and sustainability for environmental and social resources to develop.

3. Benefits of green accounting

Green accounting helps reduce social risk, environmental risk, political risk, market risk, business risk, and financial risk. The ultimate goal of green planning is: To reduce costs and increase revenue, profits, equity and corporate assets, to support sustainable business growth while helping to increase the value of the company or increase the value of its shares. In addition, green accounting has other benefits including:

Increased transparency and accountability: Green accounting enhances transparency and corporate responsibility for the environmental and social impact of business operations. Clear reporting of environmental and social indicators can create trust among shareholders, investors, and the community.

Optimizing financial efficiency: Green accounting can help businesses find savings opportunities and optimize costs by more effectively managing resources and environmental impacts. This may include saving energy, reducing waste, and optimizing resource use.

Reflecting shareholder and investor value: In a market increasingly sensitive to environmental and social issues, the application of green accounting can help enhance shareholder value and attract interest from social investors.

Creating new business opportunities: By focusing on sustainability, green accounting can help businesses create new business opportunities through the development and market access of products and services that have a positive impact on the environment and society.

Environmental and social risk management: Green accounting helps businesses recognize and manage risks related to the environment and society, including risks related to climate change, natural disasters, and social issues such as labor rights and human rights.

Improve environmental performance: Green accounting improves environmental performance, controls costs, and promotes sustainability. Green accounting encourages governments and businesses to invest in cleaner and more efficient technologies.

4. Challenges in applying green accounting

Although many countries in the world have known green accounting and known the benefits it brings in promoting sustainable development, the application of green accounting is not easy. Green accounting is a growing science and is still being studied by scientists, so there is still no standard accounting method. Here are some challenges when applying green accounting:

Lack of standardization and measurability: Each industry has a different level of pollution so it is difficult to accurately measure the level of pollution of each industry. This makes it difficult to establish a policy system that ensures fairness and determines the form and level of treatment for polluters. Although progress has been made in developing standards and measurement tools for green accounting, there are still many difficulties in measuring environmental and social factors accurately and uniformly.

Cost and initial investment: Implementing green accounting can require a large investment of time, money, and resources. Building a data collection system, training employees, and implementing additional measures can create financial pressure for businesses.

Subjectivity and market reactivity: *The assessment of* environmental and social impacts often depends on subjective judgement from regulators, and this can lead to transparency and unreliability of data. In addition, market reaction may also be unstable, especially if environmental and social safeguards cause high costs.

Ability to drive change in the business: To implement green accounting effectively, the business needs to drive cultural and operational change. This may face resistance or ignorance on the part of employees and management.

Complex and diverse data: *Data related to the* environment and society is often complex and diverse, which can make collection, processing, and reporting difficult and time-consuming.

Partner and supplier behavior challenges: Businesses may have difficulty ensuring that their partners and suppliers comply with environmental and social standards, especially when operating in areas with weak regulation and oversight.

5. Conditions for green accounting development in enterprises in Vietnam

Green accounting development in enterprises in Vietnam is becoming an important trend, especially in the context of environmental management and resource protection. Here are some important conditions for developing green accounting in enterprises in Vietnam:

Supportive Laws and Policies: Legal policies and regulations must encourage and support enterprises to apply green accounting methods. This includes providing fiscal stimulus, tax incentives, and other measures to encourage the implementation of green accounting.

Corporate Awareness: Enterprises need to recognize the value and benefits of green accounting not only in terms of the environment but also in terms of business and society. They need to understand that adopting green accounting can help them strengthen their brand reputation, reduce costs, and enhance competition.

Technical and Technological Abilities: Enterprises need to invest in human resources and technology to apply green accounting methods. This includes the use of advanced accounting information systems and technologies to collect and analyze environmental data.

Cooperation and Association: Enterprises need to cooperate with organizations, government agencies, and other stakeholders to share information, experience, and resources on green accounting. This partnership can help create a positive and stable business environment.

Education and Training: Education and training programs on green accounting should be promoted to raise the awareness and skills of employees in the field of accounting and finance. Interested in the construction and development of qualified human resources. Currently, because green accounting is not popular in enterprises, the accounting department of enterprises hardly has accountants with knowledge of environmental accounting or specialized environmental accountants and green accountants. Therefore, in the coming time, businesses need to pay attention to finding, training and building competent and experienced accounting departments in green accounting...

Monitoring and Evaluation: An effective monitoring and evaluation mechanism should be established to ensure that businesses comply with green accounting standards and regulations. Thereby, strengthening sanctions, well implementing environmental tax policies for businesses, thereby helping businesses raise awareness as well as fulfill their responsibilities to the environment and protect the environment. In contrast, there is also a regime of remuneration, encouragement and commendation for enterprises that implement their good social responsibility, thereby widely propagating the application of green accounting in practical activities.

In total, the development of green accounting in enterprises in Vietnam requires support from many sides and commitment from enterprises to promote the transition to a sustainable and environmentally responsible business model.

6. Conclusion

Green accounting is a new and evolving method of accounting that, unlike conventional accounting, is designed to integrate environmental and social factors into the financial management of a business. Green accounting charges environmental costs to the business operating expenses of the business. Green accounting also accounts for the long-term effects of economic activity on the environment. The goal of green accounting is not only to measure and report on financial performance, but also to measure and report on the impact of business activities on the environment and society. Green accounting should be introduced in accounting curricula.

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