CORPORATE SOCIAL RESPONSIBILITY AS A CORPORATE GREEN ACCOUNTING IMPLEMENTATION

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Abstract

The phenomenon of environmental multicrisis occurring today has created a new paradigm of Green Accounting. The concept of Green Accounting directs corporations to make business decisions at an advantage that not only leads to profit orientation but also to the environment and society around the company. Of course, the domino effect of these concerns and considerations is that corporate sacrifices in the form of assets / assets may even be more than that. The role of corporations in supporting Green Accounting is the implementation of Corporate Social Responsibility (CSR). CSR is the moral responsibility of a company to its social, economic, and environmental strategies because of the impact of its operations so that it is expected to contribute benefits to society and the environment. If it is related to Green Accounting, then this will be the right concept to support the 2030 SDGs program.

Keywords: Green Accounting, Corporate Social Responsibility (CSR), SDGs

Abstrak

Fenomena multikrisis lingkungan yang terjadi saat ini telah melahirkan paradigma baru Green Accounting. Konsep Green Accounting mengarahkan perusahaan untuk mengambil keputusan bisnis dengan keuntungan yang tidak hanya mengarah pada orientasi profit tetapi juga pada lingkungan dan masyarakat sekitar perusahaan. Tentu saja, efek domino dari kekhawatiran dan pertimbangan tersebut adalah pengorbanan korporasi dalam bentuk aset / aset bahkan bisa lebih dari itu. Peran korporasi dalam mendukung Green Accounting adalah penerapan Corporate Social Responsibility (CSR). CSR merupakan tanggung jawab moral suatu perusahaan terhadap strategi sosial, ekonomi, dan lingkungannya karena dampak operasinya sehingga diharapkan dapat memberikan manfaat bagi masyarakat dan lingkungan. Jika dikaitkan dengan Green Accounting, maka ini akan menjadi konsep yang tepat untuk mendukung program SDGs 2030.

Kata Kunci: Green Accounting, Corporate Social Responsibility (CSR), SDGs.

INTRODUCTION

The rise of the phenomenon of environmental change occurring in the global community has made governments, academics, practitioners and organizations both national and international have to find solutions to meet sustainability in development. The issue of sustainable development appears in the 2030 Sustainable Development Goals (SDGs). The goal of the SDGs is a better life reflected in the 17 goals, namely no poverty, zero hunger, good health and well-being, quality education, gender equality, clear water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, reduced inequalities, sustainable cities and communities, responsible consumption and production, climate action, life below water, life on land, peace, justice and strong, and partnership for the goals.

According to Lako (2016), environmental changes are caused by complex things such as capitalism, industrialization, injustice, poverty, consumerism, free trade, production transformation, technological development, greed, and the transformation of civilization in human life, which are blamed for the causes. More than that, according to Maunders and Burritt (1991); Gray and Bebbington, (2001) state that accounting and accountants are also accused of contributing to the pain of the earth and the multicrisis environment so far. It is because the results of accounting information by accountants have encouraged the greedy lives of stakeholders so that they end up in a multicritical environment. According to Lako (2016) states that basically the General Accepted Accounting Principles (GAAP) and conventional financial accounting standards which are references in accounting practices in the world generally ignore environmental and social factors. As the result, the accounting information presented to stakeholders is incomplete, inaccurate and even misleading. Ignorance and absence of environmental information also lead to greedy and indifferent behavior at the level of government political policy and the level of the business world, as well as at the level of household life in the wider community (Greenham, 2010; Lako, 2015).

Based on this multicrisis environment, a new paradigm of Green Accounting has emerged. Green Accounting is a recording process that does not ignore environmental factors in its recording. According to Lako (2016), the objective of the Green Accounting transformation paradigm is that accounting processes such as recognition, value measurement, recording, summarization, reporting and disclosure of accounting information can integrate financial, social

and environmental aspects in an integrated manner in one reporting package. Therefore, they can produce financial, social and environmental accounting information as a whole and integrated. The integrated accounting process enables an increase in the usefulness of accounting information for stakeholders in economic and non-economic assessment and decision making that is friendlier to the environment and society. Thus economic multicrisis can be prevented and corrected.

The role of corporations in supporting Green Accounting is the implementation of Corporate Social Responsibility. According to Tedjasuksmana (2011), it is stated that CSR is the moral responsibility of a company to its strategists, with or without the law a corporation must uphold moral and ethical principles. The corporation is committed to being responsible for the impact of its operations in the social, economic and environmental dimensions, and continues to maintain that these impacts contribute to the benefit of society and the environment (Achda (2006). Through this CSR, corporations can provide several things including scholarships, grants, assistance to the environment, recycling of products, services, and much more. If it is related to Green Accounting then this will be the right concept in supporting the SDGs 2030 program. Finally, it gives a rise to the concept of socio economic environmental accounting (Wiedmann and Kansen (2006)).

Based on the above background, this paper will discuss about CSR as the implementation of Green Accounting in corporations. The existence of CSR in Green Accounting can be beneficial for the environment and a better future. This study uses a library research method in which the authors formulate ideas in the form of CSR and Green Accounting in the success of sustainable development. The aim is to introduce the concept of CSR as the implementation of Green Accounting as one of the right strategies in addressing the issue of environmental change.

RESULTS AND DISCUSSION

Green Accounting

The Green Accounting paradigm in the success of the sustainable development goals (SDGs 2030) is no longer a new thing in developed countries. In 1970, it developed the term environmental accounting or environmental accounting in Europe. According to Sulistiawati and Dirgantari (2016), the existence of environmental accounting is the result of pressure from non-governmental institutions and increased environmental awareness among the community, which urges companies not only to carry out industrial activities for business, but also to implement

environmental management. The goal is to increase the efficiency of environmental management by assessing environmental activities from the point of view of costs (environmental costs) and benefits or effects (economic benefits), as well as producing environmental protection effects (Almilia, Spica, and Wijayanto, 2007).

According to Ikhsan (2008), environmental accounting is defined as the prevention, reduction and / or avoidance of impacts on the environment, moving from several opportunities, starting from repairs to events that caused disasters for these activities. More than that, according to Maya, Mukhzardfa, and Diah (2018) that Green Accounting is used for disclosing data related to the environment, audited or not, regarding environmental risks, policies and costs of environmental impacts. The two definitions above refer to the triple bottom line theory of business initiated by Elkington (1997).

Figure 1
Triple Bottom Line of Business

Source: Googleimages.com (2021)

Referring to the triple bottom line theory, Green Accounting has three basic pillars. The first pillar is environmental accounting, which is the accounting process that recognizes, measures, records, summarizes and reports environmental transactions, events or objects to produce environmental accounting information. The second pillar is social accounting (people accounting), which is the accounting process that recognizes, measures value, records, summarizes and reports accounting information related to social-community transactions or events of an entity to produce social accounting information. The third pillar is financial

accounting (profit accounting), which is the accounting process that recognizes, measures value, records, summarizes and reports financial transactions or events of an entity to produce financial accounting information (Lako, 2016).

Corporate Social Responsibility

The concept of Green Accounting directs corporations to make business decisions at an advantage that does not lead to profit oriented but also to the environment and society around the company. It means that every business decision taken must care and consider the impact that occurs on finance and the environment. Of course, the domino effect of these concerns and considerations is that corporate sacrifices in the form of assets / assets may even be more than that. According to Lako (2016), so far, in accounting the sacrifices of economic resources (costs) and efforts (efforts) to implement CSR in general are periodic expenses or costs (costs) reducing assets and profits and the value of owner's equity. Therefore, many corporations have implemented CSR by applying green business-based principles.

The form of CSR varies according to the corporation in executing the program. The examples are grants, scholarships, park development, environmental assistance, reforestation, product recycling and many more. Reporting from the thebodyshop.co.id page, a cosmetics, skincare, and perfume company from the Brighton, United Kingdom, which has forms of social activities and support for various issues including test animals, supporting community trade, activating self-esteem, defending human rights humans, and protect our planet. Through what is done by the corporation, namely by linking social issues, the company automatically gets global attention because of the support that is formed. This is one of the integrated benefits obtained by the corporation where the benefits and the environment are obtained in one moment.

Through the implementation of CSR, the preparation of accounting reports has an impact on many parties. For the government, it has an impact on taxes because these periodic costs reduce profits so that the imposition of corporate income tax will also be reduced. Meanwhile, the community has an impact on the imposition of a high cost of goods sold. This is because the cost of CSR is included in the calculation. For the corporation itself, it has an impact on reducing the multicrisis of the economy previously faced. According to Lako (2016) states that CSR implementation can reduce social risk, environmental risk, political risk, market risk, business risk and financial risk so as to facilitate access to business, investment and credit. More than that,

the implementation of CSR by a corporation is able to increase the good name of the corporation. Thus, sales, corporate profits, market expansion, and others will also increase.

CSR implementation as a form of support in sustainable development includes the implementation of Green Accounting principles. In general, there are four main principles that underlie Green Accounting (Lako, 2016). First, the sacrifice of resources made by corporations to implement CSR can be said to be worth an investment if it can provide present and future economic and non-economic benefits. Second, the principle of matching between cost benefit and effort accomplishment on corporate resource sacrifices for CSR is not only applied in the same accounting period but also for subsequent periods. Third, the accounting process must integrate financial, social and environmental information in an integrated manner. Fourth, the general objective of Green Accounting is to provide financial, social and environmental accounting information integrated and relevant, reliable and useful to assist stakeholders.

Thus, the implementation of CSR as the implementation of Green Accounting today is very important for all corporations in the world, especially in Indonesia. Through the application of Green Accounting, the development or Sustainable Development Goals 2030 can be achieved if it is done together and in good synergy. This will be done so that the generations who will be able to enjoy what is enjoyed by today's society. The Green Accounting concept is a concept that will be effective if it is supported by programs that also care about the environment, not only for profit. Because in the end the materials used by the corporation are the existing availability in the environment where the corporation stands.

CONCLUSION

This study concludes that the multicrisis environmental phenomenon that occurs today has led to a new paradigm of Green Accounting. Green Accounting is a recording process that does not ignore environmental factors in its recording. The implementation of the Green Accounting Process in an integrated manner enables an increase in the usefulness of accounting information for stakeholders in assessing and making economic and non-economic decisions that are more friendly to the environment and society so that economic multicrisis can be prevented and corrected. The role of corporations in supporting Green Accounting is the implementation of Corporate Social Responsibility. CSR is the moral responsibility of a company to its social, economic, and environmental strategies because of the impact of its operations. Thus, it is

expected to contribute benefits to society and the environment. If it is related to Green Accounting, then it will be the right concept to support the 2030 SDGs program.

The concept of Green Accounting directs corporations to make business decisions at an advantage that not only leads to profit orientation but also to the environment and society around the company. It means that every business decision taken must care about and consider the impact that will occur on finances and the environment. Of course, the domino effect of these concerns and considerations is that corporate sacrifices in the form of assets may even be more than that. The implementation of CSR as the implementation of Green Accounting today is very important for all corporations in the world, especially in Indonesia. Through the application of Green Accounting, the development or sustainable development goals for 2030 can be achieved if they are carried out together and in good synergy.

Based on the review, the researcher suggests that corporations apply the concept of Green Accounting in their accounting reporting. This application is able to make the sustainable development or Sustainable Development Goals 2030 successful. Of course, the multiplier effects that will be obtained can vary. Moreover, it would be better if the cost of caring for the environment is not borne by consumers and actually becomes the cost of the corporation. Therefore, both corporations and consumers will also get the same benefits. Apart from economic benefits, social and environmental benefits will also be achieved. Good company image, healthy environment, increasing amount of production, investors and many more.

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