



Implementation of Green Accounting to Increase Awareness Environment and Knowledge in East Cirebon Region (Case Study of Beverage MSME Business Actor)

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Abstract: The negative impacts of global warming and climate change increase the need for environmental improvement efforts. Green accounting in the East Cirebon region is considered to have strategic potential to increase environmental awareness and public knowledge of environmental issues. Green accounting includes an approach that incorporates ecological values into the traditional accounting system to provide a comprehensive understanding of the impact of the economy on the environment. The purpose of this study was to determine the impact of the application of green accounting on increasing environmental awareness and public knowledge in the East Cirebon region. This research uses a qualitative approach with descriptive qualitative methods through in-depth interviews, observations, surveys, and distributing questionnaires to small and medium enterprises. The results showed that the application of green accounting in the East Cirebon region had a positive impact on increasing environmental awareness. By presenting accounting information that considers the environment, people can understand the economic impact of their activities on local ecosystems. In addition, increased environmental awareness will lead to active participation in conservation programs and raise awareness of the importance of sustainability. Applying green accounting also helps increase community knowledge and support sustainable conservation efforts in the East Cirebon region. This study concludes that applying green accounting in the East Cirebon region can positively contribute to increasing environmental awareness and community knowledge. Therefore, local governments, businesses, and communities should work together to continue and expand the application of green accounting to achieve sustainable regional development.

Keywords: Green Accounting, Global Warming, Environmental Concern and Knowledge

INTRODUCTION

Currently, one of the most critical problems in society is environmental pollution (Rounaghi, 2019). Industrial business activities are expected not to harm the environment's and society's interests (Farhan, 2021). Many companies face environmental issues and are looking for what kind of approach can be used to report and disclose to the public (Rounaghi, 2019). Environmental performance can affect company performance, such as profitability (Chasbiandani et al., 2019); (Rounaghi, 2019). It is essential to use environmental accounting or green accounting to protect the environment (Rounaghi, 2019). The current accounting system, however, assumes a purely financial approach without incorporating environmental information, such as environmental costs and corporate expenses (Gonzalez & Peña-Vinces, 2023). Investors and stakeholders now demand that the company's financial performance be reported, and companies must also report their effects on the environment and society (Maama & Appiah, 2019).

Green Accounting is an accounting science that recognizes the existence of environmental cost factors in the results of company activities. According to the EPA, green accounting is a combined approach providing a transitional form of data from financial and cost accounting to accounting. improve material efficiency and reduce environmental impacts and risks while reducing environmental protection costs. Green accounting or environmental accounting can play a role in overcoming economic problems to the environment arising from the company's production process. Thus, green accounting or Environmental Accounting is the right tool to minimize energy, conserve resources, reduce health risks to a safe environment, and promote competitive advantage (Tisna et al., 2020). The impact resulting from the implementation of green accounting for companies includes increasing public and stakeholder trust in the company and improving the level of investment provided by investors when the company has obtained trust. Thus, green accounting in the East Cirebon region is considered a potential strategy to increase environmental concern and public knowledge related to environmental issues. Therefore, green accounting can also incorporate environmental value into the conventional accounting system to better understand the economic impact on its environment. Thus, this study aims to identify the impact of green accounting implementation on increasing environmental awareness and community knowledge in the Cirebon Timur area.

Green accounting is a solution to environmental problems by evaluating ecological activities from the point of view of costs (environmental costs) and benefits (economic benefits). (Yasrawan, K. T., & Werastuti, 2022) According to (Yasrawan et al., 2022), the efficiency of environmental management can increase if companies publish their environmental cost reporting; it can also help stakeholders evaluate ecological sustainability. However, there are still biased companies because they hide lousy information, making environmental cost reporting ineffective (Yasrawan et al., 2022). Implementing green accounting and financial performance has become a benchmark for the long-term survival or sustainability of the company (Dura et al., 2022). Through empirical research and theory, (Dhar et al., 2022) concluded that applying green accounting can significantly increase the sustainable development of companies with high pollution levels. (Dhar et al., 2022) also concluded that there is a positive relationship between information disclosure and the sustainable ability of highly polluting companies. The quality of social responsibility openness significantly increases the implementation of green accounting and sustainable development of highly polluting companies (Dhar et al., 2022). The analysis results (Maama & Appiah, 2019) stated that although companies have tried to integrate green and social information into their annual reports, the information revealed by companies is only qualitative information that is positive. Only a few companies disclose quantitatively (Maama & Appiah, 2019). (Diani 2018) explained that a broader green accounting implementation design is needed, not only for the purchase of company operational materials and waste management but also for investment and

marketing decisions or, in other words, as an environmental management tool and communication with the community. The Ministry of Environment and Forestry (MoEF) has developed a PROPER program to evaluate the company's performance. Of course, implementing PROPER will also positively impact the protection of indigenous peoples and forests because companies are obliged to fulfill environmental sustainability commitments to avoid industrial waste pollution (Helmi et al., 2020).

Based on the background of the discussion above, researchers are interested in researching the application of green accounting to increase environmental awareness and knowledge in the East Cirebon region. Green accounting is a potential strategy to improve people's environmental awareness and understanding of environmental issues. Green accounting includes an approach that incorporates ecological values into traditional accounting systems to provide a comprehensive understanding of the economic impact on the environment. The purpose of this study is to determine the impact of the application of green accounting on increasing environmental awareness and public knowledge. After identifying the problem, the following problem formulation can be developed. How can we know the impact of implementing green accounting on increasing environmental awareness and public knowledge in the East Cirebon region, how can green accounting be applied in the company environment, and what knowledge do middle-scale economic actors have in understanding the concept of green accounting?

METHOD

The research uses a qualitative approach with a descriptive type of research. Thus, the approach in this study was taken because the researcher wanted to describe and get an overview related to SMEs being studied by direct interview methods with SME owners about environmental concerns, knowledge of green accounting, and the application of green accounting. The research instruments are as follows: a). Location of research, b). The subject of research, c). Data collection techniques, d). Triangulation.

Data processing and analysis using qualitative descriptive analysis were conducted to identify the implementation of green accounting to increase environmental awareness and knowledge of beverage SMEs in the East Cirebon region. Analyzing qualitative data involves a)—data Reduction, b) Data Presentation, and c) Conclusion Drawing.

RESULT AND DISCUSSION

The characteristics of respondents based on the questionnaire distribution process in this study were based on type, gender, and age.

Characteristics of respondents by gender

Table 1. Characteristics of Respondents Based on Gender and Age

Description	Gender		Age	
	Frequency	Percentage	Frequency	Percentage
Man	20	33		
Woman	40	67		
< 30 year			20	33
30-40 year			18	30
40-50 year			12	20
>50 year			10	17

Based on the table above, it can be seen that respondents who questionnaire in this study were dominated by the female sex, which was 67%. Meanwhile, it can be seen that respondents

of SMEs are under 30 years old with a total of 33%, and the lowest number is above the age of 50 years at 17%

Environmental Concern

The environment is critical in running a business with a supportive environment so business activities can run well. Therefore, the concern of business actors, especially MSMEs, is critical. The following are the results of measuring the concern of MSME business actors, which can be seen in the table below:

Table 2. Environmental Concern

No	Statement	Mean	Median	St Dev
1.	In general, I know how to protect the environment.	4,56	5	0,83
2.	I know that protecting the environment is the same as maintaining survival.	4,45	5	0,83
3.	I always use equipment materials and raw materials for environmentally friendly businesses.	4,37	5	0,99
4.	I always keep business waste from polluting the environment	4,65	5	0,68
	I always sort organic and non-organic business waste.	4,13	4	0,91
5	In general, I always buy environmentally friendly business equipment.	4,22	4	0,976
6	In general, I know how to protect the environment.	4,56	5	0,83

The table above shows that SME business actors in the East Cirebon region are quite concerned about the environment. In general, they know how to maintain a suitable living environment, which will preserve the environment and maintain its survival. They are also beginning to realize that using environmentally friendly equipment and raw materials with the aim that their business waste does not pollute the environment. However, processing organic and non-organic business waste is still inefficient. They still find it difficult to buy environmentally friendly goods because business owners still have to spend considerable costs on them. Meanwhile, they still think the main thing is the function and quality of the equipment they buy.

Business Cost Knowledge

The critical component in business is the cost of effort that must be spent, which is a sacrifice to bring profit. These costs are divided into two types, namely direct costs and indirect costs. The following is a table that shows the knowledge of business people about business costs:

Table 2. Business Cost Knowledge

No	Statement	Mean	Median	St Dev
1.	In general, I know how to manage business costs.	4,51	5	0,75
2.	I always measure the performance of my business in profit	4,48	5	0,77
3.	I know how to process business costs	4,5	5	0,77

4.	I know the components of business costs.	4,21	5	1,009
5	I have enough experience to manage business expenses.	4,12	4	0,922
6	I sort out the business expenses made by personal expenses	4,45	5	0,832
7	I know how to charge business costs in calculating the price of products or services and calculating profits or profits.	4,35	5	0,95

From the results above, SMEs in the East Cirebon region can be seen that the average SME in the East Cirebon region does not understand environmental costs, and they do not have enough experience to manage environmental costs, and in general, they have less knowledge of environmental costs. This can be seen when filling out questionnaires about environmental cost knowledge; not many have included environmental costs in the business cost component.

Individual Spending Styles

Business expenses are greatly influenced by the way business actors control their finances. Business actors must be able to sort out finances for their business and personal interests. So that business actors can find out the actual benefits obtained from their business. Below are the individual spending styles of business actors:

Table 3. Individual Spending Styles

No	Statement	Mean	Median	St Dev
1.	When I make expenses for business, I always feel like doing expenses using my money.	3,76	4	1,22
2.	It is essential to know that my efforts are not spent in vain.	4,52	5	0,79
3.	I always check my money when I decide to buy something.	4,58	5	0,78
4.	I have always been cautious about personal expenses compared to business expenses.	4,133	5	1,17
5.	I rarely worry about spending money.	3,8	4	1,26
1.	When I make expenses for business, I always feel like doing expenses using my money.	3,76	4	1,22
2.	It is essential to know that my efforts are not spent in vain.	4,52	5	0,79

Based on the table above, it can be seen that they have enough understanding in making business expenses so as not to make wasted expenses and they always consider when buying something for their business activities.

CONCLUSION

From the results of the study, findings were obtained that the implementation of green accounting has an impact and is relevant to environmental concern and public knowledge about the meaning of managing the environment, as a conclusion that: 1). The application of green accounting has a positive and significant influence on the success of the beverage business in the East Cirebon region, 2) The use of accounting information has no influence on the success of the beverage business in the East Cirebon region, 3) The application of green accounting and the simultaneous use of accounting information have a positive and significant influence on the success of the beverage business in the East Cirebon region.

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