Criticizing the critiques of green accounting research

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Abstract. Green accounting plays a vital role in current sustainability goals. It aims at accounting for the environment and its maintenance and sustainable practices. Implementation of the GA's policies requires an organizational commitment to an environmental impact. Therefore, considering ecological could affect the economy since the gross domestic products are influenced by the country's climate changes. GA has been faced with several challenges and controversial views. The program has, however, not been adopted in the current accounting systems. Besides, environmental accounting continues to be regarded as an alternative issue to states. Consequently, the involvement of accountants in GA is faced with considerable criticism.

Keywords. Green accounting.

JEL. L24, N70, N75.

1. Introduction

The literature existing for green accounting is limited to few studies, especially toward the industrial activities. The research analyzed presents global environmental issues with the main theme as sustainability. The explanations however have been challenged by the traditional accounting system. The US environmental protection agency has also noted the gap existing in establishing a reliable accounting system (Dana, 2013). However, the U.S environmental protection agency is establishing models that would reduce the cost impact of pollution and control investments. According to Dane (2013), the state has also noted that when such strategies would be well-implemented pollution prevention can be a cost-effective undertaking in the corporate sector globally.

The literature has further summarized different case studies aimed at encouraging accounting programs (Chen et al., 2015, Bennett & James 2017, Luck & Ginanti, 2013). On the contrary, it is clear that the gap has reduced sustainability goals. Bennett & James (2017) present relevant source to the environmental accounting. After reading the case studies and context presented in the article, it is clear that the GA is faced with diverse compliance challenges especially with policies relating to traditional accounting systems. Bennett & James (2017) further explained that the GA focuses on accountability based on the current and past challenges. Internal and external corporate environmental reporting focused on physical input-output measures, which could be risky especially with the increasing organizational demands (Viitanen & Kingston, 2014). The article also raises the

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issue of cost resulting from internal decision makers strategizing to account for the financial resources.

Similarly, Lodhia & Hess (2014) recommended accounting and reporting across various production industries. The article has provided an example of the mining industry and its sustainability progress. The authors noted that effective sustainability management is required for credible accounting and reporting. The need for sustainability accounting would require different companies to transition and embrace the strategy (Viitanen & Kingston, 2014). Lodhia & Hess (2014) went ahead to recommend transition sustainability for the mining companies. New approaches such as integrated reporting and climate change accounting are critical factors to consider in the actualization of the accounting strategies. The mining companies have significant responsibility in establishing a transitioned program to address environmental issues. Focusing on GA is essential for the mining company and other sectors in the world’s economy, for example, the service and manufacturing sectors (Lodhia & Hess, 2014). However, the article has limited its findings to an integrated system that could fail to apply to other industries such as manufacturing companies. Besides, the auditing process should focus on enhancing the efficiency of Green accounting. However, the article does not provide detailed methods on strategies of how this aspect can be achieved.

Lodhia (2004) summarizes on various mechanism required for GA. He explains that the environmental program is critical for development. The author quotes different aspects linked to the environment especially the exploitation of natural resources without focusing on taking accountable measures on the environment. Lodhia, (2004) demonstrates the extent to which the problem has risen by quoting various reports provided by the environmentalists. Even though a collective response is required from everyone, it is the responsibility of environmentalist to offer the right protection strategies toward resolving the problem. Incidences such as Chernobyl nuclear Bhopal required strategic policies from the responsible corporations and accountability (Lodhia & Hess, 2014). The literature also demonstrated that there is a need to transition from traditional accounting practices, which are centered, to profitability to focusing production modes and environmental responsibilities. With the intense focus on profits, Lodhia (2004) noted that environmental accounting could fail to be realized in the current period since many factors have been neglected especially in the past. The conflicts have been attributed to traditional accounting, which was unable to address the expense issues based on states. Consequently, the occurrence of challenges has been reported conflicting views, especially with the environment sensitization.

Environmental accounting is critical in any state. It is one of the areas that would enhance sustainability and save the next generation. On the contrary, it is subjective thus faced with challenges of quantifiable solutions. For instance, Boehnert (2016), Qian et al., (2015), and Karrow & Fazio, (2015) explained that estimating environmental expenses, risks and audits are critical and a challenging processes The existence of such problems is further linked with the traditional accounting framework (Kothari et al., 2014). Subjective measurements are important when identifying the possible strategies to have an organized accounting system that could resolve traditional limitations (Viitanen & Kingston, 2014). The limitation would be addressed by resolving the problems linked to subjective measurements.

On the contrary, poor management systems have been attributed to unaccountable instances that further challenge the duties of the accountants (Figge & Hahn, 2013). It is closely linked to the situations and emerging problems related to reporting (Luck & Ginanti, 2013). Reporting is an essential area in environmental accountability (Chen et al., 2015). The mechanism that should provide a guideline of the accounting faces poor management. The accounting is also faced with a challenge of compliance policies, which vary from one state to the others (Cho & Patten, 2013). Therefore, the issue of reporting and mechanism that the accounting should be provided requires intense strategies across different
countries. One of the most important aspects is to establish global sensitization on the need for adopting and managing green accountability (Kothari et al., 2014).

Federal and state government should initiate the process of implementing changes in environmental accountability (Dana, 2013). By considering it as a severe issue of their annual expenditures, the countries would have a direction toward establishing the right management to monitor the program. Furthermore, political controversies have been associated with the improper planning of green accounting (Milne & Gray, 2013, Scerri, 2013). As a result, most of the industrial firms and nations require global awareness program that focuses on states and governments. Even though some countries have successfully adopted Green accounting program, it is still faced with consistency issues (Khan, 2013). The standards required for analysis and policy practices are limited (Belal et al., 2015). Besides one company has no proper chance of comparing various data with other green accounting across different organizations.

2. Reflection on critique

Organizational change is critical in addressing the problems. Therefore, industrial organizations should familiarize with the policies that would boost the growth of green accounting (Onkila et al., 2014). Developing remedies to the GA issues is necessary (Ascu, 2014, Parker, 2014). However, creating consistency policies are required have to transition the traditional methods into an effective GA program. The global framework for sustainable development should develop accounting as critical drivers for organizational change. Moreover, the environmental economic should be introduced to address the issue of poor financial planning on environmental across different states (Young & McPherson, 2013). Besides, the sustainability initiatives should focus on evaluations on sustainability reports. For instance, global accountability project should be initiated to monitor the progress of the programs across different countries since comprehensive planning is essential.

According to Loeser et al., (2017), education is one of the dominant influence on various matters. Therefore, it should also be used in the sensitization program. It promotes ethical thinking regarding developing a sound solution in the sustainability program (Loeser et al., 2017). The stakeholders’ value should also be established to ensure that the eco managers meet the targeted goals within the required timeframe. On the side of the administration, the government should address issues linked to industrial production (Kanie et al., 2013). However, it is critical to adopt eco measures that focus on creating accountability for every environmental progress aimed at achieving the GA standards regarding addressing ecological issues.

The society should conduct GA by identifying fundamental issues surrounding the program. Besides, accounting for environmental impact is critical in addressing the upcoming climate change issues (Barter & Bebbington, 2013). Climate change continues to rise across the globe (Symons & Karlsson, 2015). Based on the views presented by the authors, it is important to note that most of them have outlined GA to be faced with dynamic problems. Traditional accounting system and policies have taken as the significant factors that impact on the environmental issues. Besides, it hinders the implementation of the new methods. Bailey & Caprotti (2014), suggests that transformational remedies could address the issue. Therefore, the need for sensitization and policy enforcement is an important factor in addressing the issue. The program could consider focusing on the significant challenges faced by both developed and developing countries. This step is critical since it guides and provides direction on the best strategies (Boehnert, 2016, Qian et al., 2015, and Karrow & Fazio, 2015) agree that there is a need to change with factors to do with industrial planning and organizational change.

Loeser et al., (2017), note that without financial planning the program, GA will be faced with more implementation challenges. Therefore, the states should also focus on strategizing and forming the GA accountability team that would address
economic issues linked to GA (Tregidga et al., 2013). Throughout the literature, the need to focus on the economy and social responsibility has been emphasized. Pollution negatively affects agriculture, which in turn would lead to a decline in the Gross domestic product and economic performance (Schmitz, 2015; Carberry et al., 2017). It is critical, therefore, to focus on addressing the issue from both commercial and financial point of view. Establishing a reliable system in green accounting would crucial in transforming the traditional aspect of the economy to environmental and sustainable goals. The industrial activities and investments have failed thus weakening sustainability goals. As a result, policymaking toward achieving standards practice would be critical in addressing the Green accounting issues.

3. Conclusion
The future studies should come up with appropriate directions regarding GA. Besides, it should provide a guideline and various strategies that the states and other agencies should take to establish GA. The focus of the goals should look into the program as a step toward saving the planet by creating relevant accounting systems.
References


