

Reduction of Plastic Waste: Accounting Perspectives in Environmental Management

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Abstract— *Green accounting is very important to be considered in environmental management by reducing plastic waste. The environmental costs contained in the company's financial statements are used to minimize the pollution of plastic waste caused by factory waste. The company systematically and measurably takes into account environmental costs as a reflection of corporate responsibility to the environment, in addition to that environmental information is also intended for internal and external interests of the company. With environmental costs, several companies have provided environmentally friendly shopping bags and reduced plastic packaging.*

Keywords— *Green Accounting, Environmental Management, Reduction of Plastic Waste.*

I. INTRODUCTION

Environmental aspects are increasingly becoming a concern for the world. Environmental pollution, especially that caused by plastic waste, is considered a very important issue. There are several cases as a result of plastic waste, cases that stick out about various sea creatures such as whales, turtles and others whose stomachs are filled with garbage (Abdi, 2019). Cases like this are caused by factory waste that is not managed properly. According to the Urban Greenpeace Indonesia Campaigner, Muharram Atha Rasyadi, that plastic waste that ends up in the ocean has the potential to pollute the environment and have an impact on the balance of the ecosystem in the sea. Plastic waste that has accumulated cannot be recycled, but must be reduced (reduction). Many companies have implemented environmental accounting by taking into account environmental costs in the company's financial statements. The environmental costs that have been charged by the company aim to protect the environment from pollution, but in fact plastic waste is increasing.

Handling of plastic waste should be taken into account by companies with a measurable and systematic accounting treatment (Suartana, 2010). The treatment of plastic waste also needs to be reviewed on the measurement, assessment, disclosure, and presentation of information on the calculation of environmental costs (Suartana, 2010). Information on the environment, for the company, is not only addressed to the company's internal parties, but also to external parties or stakeholders through environmental financial accounting (Burrit, 2002; Xiaomei, 2004). Burhany (2014), states that accounting can contribute to corporate environmental responsibility. In 2009, the government also issued Law no. 32 article 2 which regulates the protection and management of the environment which is carried out on participatory principles

and local wisdom. This means that they are ordered to protect, protect and care for the surrounding environment, especially the company's environment.

The application of environmental accounting is still a burden for companies. This is because environmental costs will only reduce company profits (Riyadi, 2018). This will make management rethink to assign environmental costs to the company. The application of environmental costing aims for company transparency in the disclosure of environmental information as the implementation of the company's business activities (Kartikasari, 2012: 1 in Hati, 2018). Accounting standards have not regulated environmental accounting, so that the reporting of environmental costs in the company's financial statements is still voluntary (Hadi, 2012:15 in Ratulangi et al., 2018). PSAK No. 1 of 2014, paragraph 9 states that companies can provide additional information such as reports on the environment, including environmental costs and added value.

Environmental accounting is an accounting science that takes into account the real costs of inputs and processes. Environmental accounting also establishes cost efficiency, as well as measures costs for the quality of goods and services. The Ministry of Environment and Forestry, Directorate General of Waste Management, Hazardous Waste and Toxic Materials, has issued SE.8/PSLB3/PS/PLB.0/5/2016 regarding the reduction of plastic waste through the application of single-use plastic shopping bags that are not free. This makes it a reference for business actors to sell environmentally friendly shopping bags, even though if the company has implemented environmental costs, it can be ascertained that the shopping bags can become the company's responsibility. Basically, environmental accounting requires companies or business actors to have awareness to protect the environment. In fact, the benefits taken by the company will have an impact on business development and the progress of the company. Therefore, it is important for companies or other organizations to consider environmental conservation in a sustainable manner for the sake of their business continuity (Ikhsan, 2008:11). However, in practice, many companies have not been effective in implementing environmental accounting itself. Consciously or not, most of these companies ignore the risk of environmental damage and prioritize the level of development. Based on initial observations made, that most companies and business actors still use plastic bags in their business activities, especially in shopping places where products are still sold in plastic packaging. Therefore, this study was conducted to see how companies and business

actors reduce plastic waste in accordance with government recommendations, and whether companies or business actors apply environmental accounting by reporting environmental costs in their financial statements with the aim of managing the environment.

II. GRAND THEORY

Concession Theory

Basically, companies can develop because of concessions or privileges granted by the state (Deegan, 2004: 193). Thus, the company is given rights or concessions by the State in order to be able to run its business. The impact of the rights granted by the State to companies is that the interests of certain individuals or groups are subordinated to the public interest. This affects corporate responsibility. The company is responsible not only to owners and creditors, but also to the public.

Agency Theory

Companies are various interested parties who come together based on an agreement. In this case, the interested parties cannot be separated from an entity. This is the impact of the responsibilities that must be carried out by the company. The responsibility of an entity must involve the interests of internal and external parties of the company.

III. RESEARCH DESIGN

The approach in this study is to use a qualitative approach, with the aim of reducing plastic waste generated by companies or business actors by using environmentally friendly shopping bags, and looking at it from an accounting perspective in environmental management. It is believed that the company will not develop if in its business activities there is no concern for the environment. Observations were made in a shopping center environment in Denpasar.

This study uses descriptive qualitative analysis, where the researcher describes his findings derived from the data collected through the observation process in the object of research which will then be compared theoretically with the method of applying environmental accounting. Then the researchers conducted an analysis of the suitability of environmental cost accounting methods which were compared in stages in the application of environmental accounting. Before discussing the results of the study, the researcher narrates his findings in more depth. The data analysis procedure is carried out first on the data obtained. A series of data analysis procedures were carried out to obtain appropriate research results through a series of systematic processes. The data analysis procedures in this study include (Source: Ratulangi et al., 2018): 1. The data that has been collected is analyzed from the processes of definition, recognition, measurement, assessment, presentation and disclosure by comparing the observed data with company documentation data in the form of company financial report data and company policy guidelines to reduce plastic waste. Data obtained from observations, as well as document analysis were verified through comparisons between the data obtained. The purpose of this step is to find out and ascertain what the costs

incurred by the company are and how the accounting treatment of environmental costs is carried out. 2. The results of the analysis will be compared with PSAK No. 33 of 2014 concerning the recording of environmental cost accounting and with supporting laws regarding the importance of protecting the environment. The goal is to find out whether or not there is conformity between the applicable standards and the current practice. 3. Conclusion on the results of the discussion. If the results of the analysis still have many differences with existing standards and laws, then the researcher will provide the necessary suggestions or input. The purpose of this step is to further develop the practice of environmental cost accounting treatment in the company in accordance with the standards and laws that support it at this time.

IV. RESULT

The decision-making process of a company depends on the management of the company itself. Companies need to review the information generated from environmental cost information. Environmental costs are costs incurred by the company to prevent damage to the surrounding environment or costs incurred in the event of environmental damage. Environmental costs can maintain the viability of the company. Observations were made to pay attention to the company's way of minimizing the use of plastic goods. Based on observations, that most shopping centers in Denpasar have complied with the Circular from the Ministry of Environment and Forestry, Directorate General of Waste Management, Hazardous Waste and Toxic Materials. Shopping centers have also been specially managed for non-plastic and plastic waste, so that the reduction of plastic waste can be done quickly and easily. However, some products sold in shopping centers still use plastic packaging, because there are still products, especially snacks made from plastic packaging. This will be an input for producers to innovate that is more environmentally friendly. Although most business actors have tried to reduce the presence of plastic waste, there are also products such as raw materials that are still packaged with plastic materials.

According to business actors, products such as raw materials do not yet have a solution to replace environmentally friendly packaging. As it is known, that environmental costs have not been optimally regulated, so their implementation is still voluntary. This is mostly done by clothing material shopping centers. According to one business owner, that they voluntarily provide eco-friendly shopping bags, for reasons other than to preserve the environment, as well as a way to do promotions. This is because the shopping bags they provide contain their company logo. They have also taken into account the environmental costs of providing eco-friendly shopping bags. Based on PSAK No. 33 of 2014, regarding the recording of environmental costs, shopping centers still apply environmental costs as other costs, only a small number of companies have recorded environmental costs in accordance with PSAK. In observations made by researchers, business actors are still rethinking to voluntarily take into account environmental costs, because most of the company's

management is still oriented towards profit targets. This is in line with agency theory, where management is still oriented to profit targets, trying to reduce costs to a minimum and generate revenue as much as possible. Therefore, companies or business actors provide paid shopping bags. This inventory of paid shopping bags will increase the company's income from other income sides. It is evident that in several shopping centers, these paid shopping bags are sold at different prices. Whereas according to the circular, what should be paid or in other words not free are single-use plastic bags.

Utama (2016) in his research stated that the environmental costs borne by the company by reporting it in the financial statements, have a positive influence on increasing company revenues. Profit-oriented companies think that the environmental costs charged to the company will reduce the company's profits, but this is a competitive advantage for the company. Observations prove that environmental pollution can be reduced by preventing and detecting plastic waste. Companies and businesses that have provided paid eco-friendly shopping bags aim to reduce plastic waste, but not a few businesses provide paid plastic bags that comply with government regulations. The paid plastic bags are sold at a very cheap price, so consumers don't mind buying these plastic bags. The government and business actors must pay attention to this, because if many consumers don't mind, the reduction of plastic waste will not be possible.

The solutions provided by companies and business actors, apart from having announced that consumers should bring their own shopping bags, companies and business actors also provide information directly to consumers so that when they shop again, they bring their own eco-friendly shopping bags. This information is given directly when consumers make payments at the cashier. Companies or business actors hope that consumers will also support government programs to reduce plastic waste. Santoso (2012), in his research states that the presentation of additional financial statements regarding the environment will consider the cost of benefits, so that if the benefits are greater, the company will voluntarily disclose the environmental costs. From the observations, companies that have disclosed environmental costs are more appreciated by consumers. Consumers are more comfortable if the company or business actor provides shopping bags for free. Consumers claim that they can reuse these eco-friendly shopping bags not only to return to shopping at that place, but can also be used to shop elsewhere.

Companies or business actors that provide environmentally friendly shopping bags for free admit that the environmental costs incurred can be offset by the income received, so that the increased costs of providing environmentally friendly shopping bags do not make business actors suffer losses. It is the right for companies to present or not environmental costs in their financial statements. If the company chooses to voluntarily take into account environmental costs to protect the environment, the company will consciously help the government program to reduce plastic waste, whereas if the company chooses to be oriented only to profit, the environmental costs must be regulated in such a way that it is not only voluntary. . This is in line with the concession theory

that companies are given full concessions and rights by the state to carry out their business activities. The company's concessions and rights should be balanced with an obligation or an obligation that can be arranged to apply environmental accounting by taking into account environmental costs in every company's business activities. The aim is for business actors to have a strong basis or standard in summarizing and analyzing the environmental costs that will be charged to the company. This is one way to support government programs from an accounting perspective. So that companies that still provide paid single-use plastic bags at very affordable prices will no longer use or provide these single-use plastic bags. The positive impact will be felt by the whole community if plastic waste can be reduced. Environmental pollution will be overcome slowly and not even add to the accumulation of plastic waste. However, this may have a negative impact on business actors who produce plastic bags. This can also be a concern for the government to provide solutions for business actors with businesses made of plastic.

V. CONCLUSION

Reducing plastic waste is still being carried out by business actors. They even made an announcement for consumers to carry eco-friendly shopping bags. However, not a few business actors voluntarily provide eco-friendly shopping bags as an effort to protect and preserve the environment. This is in line with Suartana's research (2010), where it is said that accounting has adopted environmental costs in its reporting, in addition, that corporate responsibility is an investment for the sustainability of the company. In addition, the concept of concession theory supports business continuity where the state provides concessions and rights for companies to carry out their business activities, so that there is no legal basis or force for business actors who still pollute the environment, especially plastic waste. The awareness of these business actors needs to be raised by the existence of clear rules regarding legal sanctions that can be accepted if the application of environmental accounting is still considered as a voluntary disclosure or only as an additional report in the financial statements.

Based on the conclusions above, the suggestion that researchers can give is that it is hoped that regulations regarding environmental costs can be clearly regulated, so that business actors have a basis for grouping environmental costs. In addition, it is hoped that producers, especially producers of snacks and raw materials, can reduce plastic packaging. Companies or business actors who still provide paid single-use plastic bags are also expected to reduce or no longer provide paid single-use plastic bags. It is also hoped that companies or business actors can consciously provide environmentally friendly shopping bags, in addition to protecting the environment as well as the company's responsibility to the environment.

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