

**APPLICABILITY OF GREEN ACCOUNTING IN EDUCATION SECTOR**

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**Abstract**

*The education sector in India, like many others, is increasingly recognizing the importance of sustainable practices and environmental responsibility. This paper explores the application of Green Accounting in the Indian education sector, aiming to align institutional practices with ecological concerns. Green Accounting, synonymous with environmental accounting, offers a comprehensive framework for measuring, reporting, and managing the environmental impact of educational activities. The study delineates the scope of Green Accounting within educational institutions, covering both internal and external dimensions.*

*Internally, the focus is on resource utilization, waste management, and sustainable infrastructure development within educational campuses. External considerations encompass the broader environmental impact of educational processes, including curriculum development, transportation, and community engagement. The paper also classifies the types of Green Accounting relevant to the education sector, such as segment accounting for specific campus activities and eco-balance accounting for overall environmental impact assessments.*

*Furthermore, the study delves into the challenges and opportunities associated with the application of Green Accounting in the education sector in India. As a developing country with a growing emphasis on environmental sustainability, India faces the dual challenge of balancing economic development and ecological conservation. The paper highlights the potential benefits of adopting Green Accounting practices, such as informed decision-making, resource efficiency, and long-term sustainability.*

*While acknowledging the developmental stage of Green Accounting and reporting in India's education sector, the abstract underscores the transformative role this approach can play. By incorporating Green Accounting principles, educational institutions can contribute significantly to environmental conservation, promote eco-friendly practices among students, and align themselves with global sustainability goals. The paper concludes by emphasizing the need for further research and collaborative efforts to enhance the implementation of Green Accounting in the educational landscape of India.*

**Key Words:** *Green accounting, Educational sector, Green Accounting in India..*

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**Introduction:**

In essence, human development is a product of nature. They genuinely understand that they are inextricably linked to nature. They acquire the skills necessary to live, take what they require without endangering the ecosystem, and recognize that the environment they live in is made up of many smaller subsystems.

People start to disregard nature when the industrial revolution gets underway in the eighteenth century. They appear to have discovered a "new god" who will ease their lives and increase their practice. The people no longer view nature as a friend; in fact, they see it as a barrier to the advancement of civilization. Hence, to solve this issue there was a need to introduce something

that could curb the negative impact of development of industries on environment. Hence, Green Accounting is introduced to do so.

Green accounting is entirely an emerging and dynamic concept. Green accounting being a “Language of Societal Concerns” attempts to identify measure and communicate the resources consumed and costs imposed on the environment by the corporations especially for environmental preservation. It usually involves specifying monetary values to valuable environmental goods and services which are not traded in markets. Thus, green accounting refers to the measurement and communication of information on the environmental responsibility performance of an entity to interested parties. It is also popularly called green accounting or ‘eco-accounting’.

The use of green accounting is essential for supporting logical decision-making. As a result, it contributes to the public trust and confidence of business sectors and other sectors and is linked to obtaining a fair assessment. The following benefits of green accounting are merited:-

Green accounting incentivizes customers to buy green, or environmentally friendly, items.

Green accounting may help a country's economy expand, promote social welfare, and meet its corporate social obligation.

This accounting system discloses the environmental resources used as inputs in the production process. Value-added from the provision of public commodities, such as trash disposal services and municipal amenities, must be calculated using prices derived from valuation techniques.

Since pollution control is a hot issue of conversation, green accounting demonstrates how much pollution is managed by business sectors.

#### **Types of Green Accounting:**

This field is further divided into 3 types of accounting:

- a) **Global environmental accounting:** This area deals with energetic, ecology, and economics at a worldwide level.
- b) **National environmental accounting:** This deals with economics at the country level. Internationally, this field has been formalized into the System of Integrated Environmental and Economic Accounting, known as SEEA.
- c) **Cooperative environmental accounting:** This area focuses on the cost structure & environmental performance of a company. Corporate this field can be further sub-divided into environmental management accounting and environmental financial accounting.

#### **Literature Review:**

(Roome, 1992; Parker, 1997; Parker, 2000a). Regardless of the medium of reporting, companies are bound to satisfy country specific/ international reporting standards and requirements. It is important to understand as to how far standard setting improves credibility in reporting through major surveys. However, most studies are based on content analysis of annual reports.

Nasir Zameer Qureshi et.al, (2012) in their research paper, environmental accounting and reporting: an essential component of business strategy, describes the environmental component of the business strategy, producing the required performance reports and recognizing the multiple skills required to measure, compile and analyse the requisite data. Special emphasis of the research is on generation of reports and their standards, for the range of business and regulatory purposes.

Kordestani et. al., (2015) summarized the area of research towards developing sustainability. Natural Capital Accounting (NCA) is the measurement and valuation of nature’s benefits in terms of ecosystems,

goods and services-like fresh water, flood control and forest products to be incorporated into a general standard format consistent with conventional national accounts.

**Mukesh Chauhan (2005)**, explains the various forms of environmental accounting, its scope, limitations and legal framework in Indian context. He came out with a suggested framework for implementing green accounting practices in India and concluded that It is the call of the time that corporate prepare a firm environmental policy, take steps for pollution control, comply with the related rules and regulations, mention adequate details of environmental aspects in the annual statements. For sustainable development of country, a well-defined environmental policy as well as proper follow up and proper accounting procedure is a must.

#### Objectives:

- 1) To understand the application of green accounting
- 2) To analyze its scope in education sector
- 3) To identify challenges and opportunities in implementing Green Accounting in the education sector in India.

#### Research Methodology:

The study has been done primarily on the basis of secondary data from the information available in books, published works and reports.

- Research type: Descriptive Research
- Data Base: Secondary Data/Data source.
- The present study is based on secondary data; information has been derived from various websites.

#### Application of Green Accounting in India:

Understanding the requirement for Companies to turn out to be ethically and socially mindful, the administration of India through the new Companies Act of 2013 made Corporate Social obligation (CSR) obligatory for Companies who fall inside any of the 3 classes referenced beneath:

1. Organizations having total assets of INR 500 crore.

2. Organizations having turnover of INR 1000 crore.

3. Organizations having net benefit of INR 5 crore.

Each such organization that falls in any of the classification referenced above needs to spend at any rate 2% of its normal net benefits of the most recent 3 years on CSR exercises and furthermore needs to uncover in its Board/Directors' Report its rundown of CSR exercises every year. Notwithstanding these Companies in India additionally need to reveal points of interest identifying with preservation of vitality, innovation assimilation and outside trade income and outgo. In spite of the fact that these are barely any key advances that are being taken they are inadequate to meet the regularly expanding needs of natural preservation and insurance of organizations. Book keeping guidelines and government rules identifying with Green Accounting.

#### Environment Protection laws in India:

According to Indian Constitution, Article 51A of Directive Principles “*It will be the obligation of each resident of India, to ensure and improve the regular habitat including timberlands, lakes, waterways and natural life and to have empathy for living animals*”. Indian Constitution Provides number of laws identifying with Environment Protection. For eg:

1. Factories Act 1948.
2. Prevention and Control of Pollution Act 1974.
3. Forest (Conservation) Act 1980; Air (Prevention and Control of Pollution) Act 1981.
4. Water Biomedical waste (Management and Handling) Rules 1998.
5. Municipal Solid Wastes (Management and Handling) Rules, 2000.
6. Ozone Depleting Substances (Regulation and Control) Rules 2000.
7. Noise Pollution (Regulation and Control) (Amendment) Rules 2002.
8. Biological Diversity Act 2002.

The Department of Environment was built up in India in 1980 to guarantee a solid domain for the nation. This later turned into the Ministry of Environment and Forests (MOEF) in 1985. The EPA (Environment Protection Act), 1986 came into power not long after the Bhopal Gas Tragedy and is viewed as an umbrella enactment as it fills numerous holes in the current laws. Environment Protection Laws can be additionally named

1. Directly identified with condition assurance.
2. Water (Prevention and Control of Pollution) Act, 1974.
3. Water (Prevention and Control of Pollution) Act, 1977.
4. The Forest (Conservation) Act, 1980. Act, 1981.
5. The Environment (Protection) Act, 1986.

**Indirectly identified with condition assurance:**

1. Constitutional arrangement (Article 51A).
2. The Factories Act, 1948.
3. Hazardous Waste (Management and Handling) Rules, 1989.
4. Public Liability Insurance Act, 1991.
5. Motor Vehicle Act, 1991.
6. Indian Fisheries Act, 1987.
7. Merchant of transportation Act, 1958.
8. The National Environment Tribunal Act, 1995.

**Scope of Green Accounting in Education Sector:**

A career decision that has a significant impact is green accounting. Rather than attempting to ascertain how the world's largest corporation can generate substantial profits, a green account evaluates both internal and external costs. Based on this data, businesses and the government can utilize it to compute carbon credits and other benefits. Green accounting encompasses more than just government-sponsored research and leaks. A lot of private businesses use environmental accounting to assess the cost of reducing pollution. This evaluation includes factoring in tax breaks for adhering to

regulations or tax credits for using technology that has been approved by the government.

One of the most secure and rewarding job paths is in this sector. In this industry, employment is growing by 10%. Jobs in environmental accounting are especially prevalent in businesses that frequently interact with environmental protection organizations. There are stable employment options in this industry. Power companies, oil companies, paper manufacturers, chemical manufacturers, car manufacturers, government agencies, nonprofit organizations, large corporations, colleges, and universities are among the employers offering job possibilities.

Environmental accountants must be experts at general financial accounting & sustainability. The role of the accountants is to calculate financial & environmental costs. The accountants account for the sale or trade of pollution licenses. Employers may also help in the implementation of the company's environmental management system. The accountants have the major role to play in conserving the environment. They have to prepare reports, check pollution caused the companies they work for, analyze the data & suggest for the major changes the companies should opt for. Environmental accounts provide the data which highlights the contribution of natural resources to economic well being & the cost imposed by pollution or resource degradation.

**Limitation:**

For emerging nations like India, protecting the environment and advancing economic growth are practically two different issues. A Few Things Are

1. There is no standard method of accounting.
2. The cost for its tools and application initially is high.
3. The nation's economy needs to be improved first because it is not in great shape.
4. According to a World Bank report, India lost almost 34,000 crores as a result of environmental harm.

5. Green accounting is being implemented by companies such as AT&T. We ought to apply it to our industry sector as well.
6. It mainly considers cost internal to the company and excludes cost to society.
7. Input for Green Accounting is not easily available because costs and benefits relevant to the environment are not easily measurable.

**Conclusion:** Planning and policy-making for the nation's integrated sustainable development and growth require a valuable information basis, which green accounting provides by taking into account environmental resources and changes in them and integrating the outcome with the national accounting system.

India is at the early stages of green accounting, and anything that appears in the accounts in this regard essentially reflects compliance with the act's pertinent laws and regulations. In fact, there won't be much progress in this area unless the general public in India is made aware of environmental safety. The main objective of green accounting is to assist companies in comprehending and handling the possible trade-off between traditional economic objectives and environmental objectives.

A number of nations, including the USA, Japan, Norway, the Philippines, Namibia, and Chile, are implementing green accounting.

In India, green accounting is still in its infancy. It's among the greatest approaches to sustainable development.

We are currently in the beginning stage of environmental accounting and reporting processes. Strict guidelines must to be in place to guarantee the degree of adherence to environmental standards. The purpose of this study was to identify the primary

environmental criteria that Indian corporations reported as part of their environmental reporting procedures. The development of accounting in this area is rather speculative until the general public in India is made aware of environmental safety.

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