

**IMPACT OF GREEN ACCOUNTING ON AGRO-TOURISM BUSINESS  
SUSTAINABILITY**

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**ABSTRACT:**

*Green accounting has emerged as an important approach for integrating environmental considerations into business decision-making and financial reporting. Agro-tourism businesses rely heavily on natural resources such as land, water, biodiversity, and rural landscapes. Therefore, sustainable management of these resources is essential for long-term business viability. This research paper examines the impact of green accounting practices on the sustainability of agro-tourism businesses. The study is based on secondary data collected from books, research journals, and academic publications related to environmental accounting and sustainable tourism. The findings indicate that green accounting helps agro-tourism enterprises measure environmental costs, improve resource efficiency, reduce ecological damage, and strengthen business sustainability. The adoption of green accounting practices also improves transparency, enhances the reputation of agro-tourism businesses, and contributes to sustainable rural development. Keywords: Green Accounting, Agro-Tourism, Sustainability, Sustainable Tourism*

**INTRODUCTION:**

Tourism is one of the fastest growing industries in the world and contributes significantly to economic development, employment generation, and cultural exchange. Agro-tourism is a form of rural tourism that integrates agriculture with tourism activities. It allows visitors to experience farm life, rural culture, and agricultural practices while providing additional income opportunities for farmers.

However, tourism activities can also create environmental challenges such as resource depletion, pollution, and ecological degradation. Agro-tourism businesses depend heavily on natural resources such as land, water, forests, and biodiversity. Therefore, it is essential for these businesses to adopt environmentally responsible practices.

Green accounting, also known as environmental accounting, is an accounting system that incorporates environmental costs and environmental performance into traditional financial accounting. By recognizing environmental costs such as waste management, pollution control, and resource conservation, businesses can make better decisions that balance economic growth with environmental protection.

**OBJECTIVES OF THE STUDY:**

1. To understand the concept of green accounting.
2. To examine the role of green accounting in agro-tourism businesses.

3. To analyze the impact of green accounting on the sustainability of agro-tourism enterprises.
4. To identify the benefits and challenges of implementing green accounting practices.

#### **LIMITATIONS OF THE STUDY:**

The study is based mainly on secondary data and does not include primary data collected from agro-tourism businesses. The research also does not focus on a specific geographic region. Future studies can conduct field surveys and empirical analysis to obtain more practical insights.

#### **RESEARCH METHODOLOGY:**

The study is based on secondary data collected from books, research journals, academic articles, and online databases related to environmental accounting, sustainable tourism, and agro-tourism development. The research follows a descriptive and analytical approach to examine the relationship between green accounting practices and sustainability in agro-tourism businesses.

#### **RESEARCH GAP:**

Although many studies have explored green accounting and sustainable tourism, limited research has focused on agri-tourism enterprises. Agri-tourism businesses operate in rural environments and rely heavily on natural resources such as agriculture, water, and biodiversity. Therefore, further research is needed to examine how green accounting practices impact the sustainability of agri-tourism businesses.

#### **CONCEPT OF GREEN ACCOUNTING:**

Green accounting refers to the method of incorporating environmental costs and environmental performance into accounting systems. While traditional accounting focuses primarily on financial transactions and profit and loss, green accounting also considers environmental impacts such as pollution, waste generation, and depletion of environmental resources.

The main objective of green accounting is to provide accurate information on environmental costs so that organizations can adopt environmentally responsible business practices. By identifying environmental costs and investments, businesses can assess their environmental performance and develop environmentally friendly policies for sustainable development.

#### **AGRO-TOURISM AND SUSTAINABILITY:**

Agro-tourism is a type of tourism that involves visiting agricultural areas to experience farming activities, rural lifestyle, and natural environments. It provides farmers with additional income and promotes rural development.

Sustainability in agro-tourism involves balancing three important dimensions:

- Environmental sustainability – conservation of natural resources and ecosystems.
- Economic sustainability – long-term financial viability of tourism businesses.
- Social sustainability – benefits for local communities and preservation of cultural heritage.

#### **REVIEW OF LITERATURE:**

**Athira and Vinod (2024)** conducted a comprehensive review of studies on sustainable tourism and accounting. Their bibliometric analysis of more than 300 research papers highlighted that sustainable accounting, also known as green accounting, plays a crucial role in promoting

environmental conservation and responsible tourism development. The study emphasized that integrating environmental costs into accounting systems supports sustainable tourism practices and natural resource conservation.

**Florid et al. (2024)** analyzed the relationship between green accounting and sustainable tourism development. Their study found that green accounting helps businesses achieve sustainability by balancing economic, environmental, and social objectives. The researchers also highlighted that although the concept is important for tourism businesses, many organizations still lack a clear framework for implementing green accounting practices.

**Lestari et al. (2024)** examined the implementation of green accounting in the Jatiluwih tourism village in Bali. The findings indicated that sustainable agricultural practices and environmental management contribute to the indirect application of green accounting principles. The study concluded that environmental accounting improves transparency in natural resource management and supports responsible decision-making in tourism destinations.

**Fitria, Rinaldi, and Sudirman (2025)** investigated the role of accounting practices in the sustainability of tourism destinations. Their research highlighted that proper financial management, transparency, and accountability in tourism businesses help improve community trust and support sustainable tourism development. The study emphasized that accounting systems play a key role in strengthening long-term sustainability in tourism sectors.

**Sunarta et al. (2024)** studied the effect of green accounting on business performance in the hotel industry. Using regression analysis, the researchers found that the adoption of green accounting significantly improves business performance and environmental sustainability. The results suggest that environmental accounting practices encourage businesses to adopt eco-friendly strategies that enhance long-term profitability.

**Toubes and Araújo-Vila (2022)** reviewed the role of tourism in the green economy and emphasized that sustainable tourism practices focus on efficient resource utilization, waste reduction, biodiversity conservation, and community development. Their research highlighted that integrating environmental considerations into tourism management contributes to long-term sustainability and economic development.

#### **FINDINGS AND DISCUSSION:**

1. This study found several important findings about the role of green accounting in agritourism sustainability.
2. Green accounting forces businesses to monitor environmental costs such as water usage, waste generation, and energy consumption and promotes environmental sustainability by reducing environmental damage by adopting Organic Farming, Rainwater harvesting, Renewable energy use, Waste recycling etc.
3. It improves resource utilization by helping agritourism businesses manage water, land, and energy more efficiently.
4. Green accounting also enhances the reputation and brand value of a business as environmentally responsible tourism destinations attract environmentally conscious tourists.

5. In addition, green accounting contributes to economic sustainability by reducing operational costs and supporting long-term financial stability.
6. Despite these benefits, several challenges exist, such as lack of awareness about green accounting systems, limited financial resources to implement green technologies, difficulties in measuring environmental Cost, and lack of standardized environmental accounting guidelines.

#### **RECOMMENDATIONS:**

1. Agro-tourism businesses should adopt green accounting practices to monitor environmental costs.
2. Governments should provide training and awareness programs on environmental accounting.
3. Financial incentives should be introduced to encourage eco-friendly tourism practices.
4. Standardized frameworks for environmental reporting should be developed.
5. Local communities should be actively involved in agro-tourism activities.

#### **CONCLUSION:**

Green accounting plays an important role in promoting sustainability in agro-tourism businesses. By integrating environmental costs into financial decision-making, agro-tourism enterprises can manage natural resources more efficiently and reduce environmental damage.

The adoption of green accounting practices enhances environmental protection, improves economic performance, and supports social development in rural areas. Therefore, encouraging the implementation of green accounting is essential for achieving sustainable agro-tourism development.

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