

# A Philosophical Thought on Sustainability Accounting

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## Abstract

The purpose of this study is to discover a philosophical thought on sustainable development as foundation for sustainability accounting. By defining sustainability accounting as new accounting policies and practices which is adopting sustainability concept, understanding the philosophical thought becomes an imperative task for accounting discipline. Sustainable development requires involvement of any business entities. Accordingly, accounting profession should response to the movement seriously, since accounting takes place in the center of business information system. This study utilizes a qualitative content analysis to examine ideological mind-sets and themes contained in textual data. Data are further classified using a taxonomy based on Fay's basic scheme of critical social science. Results of the study indicate that the philosophical thought on sustainable development consists of four integrated themes, i.e.: human beings and development; the interlocking crises and ecosystem degradation; system thinking and human consciousness; and transformation toward harmonization through integration. The philosophical thought could enlighten in developing sustainability accounting policies and practices. As practical guidance, sustainable development accountability should consist of economic, social and environmental accountabilities. Accounting report as a part of sustainability accounting practices could preserve the business entities' conformance to that spirit more comprehensively.

**Keywords:** philosophical thought, sustainability accounting, sustainable development.

## 1. Introduction

Sustainability accounting can be defined as new accounting policies and practices derived from a sustainability concept (Lamberton, 2005). The adoption of sustainability concept by accounting discipline can be viewed as a response to the requirement dictated by Rio Summit held in 1991, that accounting should play important role in sustainable development agenda. According to Gray and Bebbington (1996, p. 2) the central argument behind this quest is "that accounting is pivotal to the capture/re-capture of the sustainability agenda." However, several decades after accounting discipline being required to accept that role, the existence of a gap between the spirit of sustainable development and the way it is practiced by business entities is still appearance.

Some studies present empirical evidences indicating the existence of unsuccessful story of the adoption of sustainable development spirit in sustainability reporting practices. Although the emergence of corporate social responsibility and sustainability reporting (GRI, 2006, 2011) poster responses made by business organizations to the quest (Wiedmann & Lenzen, 2006), evidences from practices seem to demonstrate different reality. Moneva et al. (2006) clearly mentioned that some organizations that label themselves as GRI reporters do not behave in a responsible way concerning sustainability questions, like gas emissions, social equity, or human rights. Almost similar conclusions can also be found in studies conducted by Cho & Roberts (2010) and Hughes et al. (2001).

Some other studies even found that social responsibility disclosures published by business organizations seem to be intended as legitimized tools to improve company's reputation (Branco & Rodrigues, 2008; Cho & Patten, 2007). Many corporations were also identified using political avenues in their efforts to reduce obligations on requirements to disclose the adoption of sustainable development in practices (Cho et al., 2008). Results of those empirical studies implied that the spirit of sustainable development did not yet truthfully accepted in business and accounting fields. Since sustainable development is an important agenda, that deals with the life-and-death issue (Brundtland, 1987), strong efforts are required to promote acceptance and adoption of sustainable development spirit in the area of business and accounting appropriately.

Gray (2002) presumes that inappropriate practices in sustainability accounting stems from failure to change the underlying spirit that guide the practice. Gray (2002) explicitly states that the benefits of capitalism are bought at an unacceptably high price in terms of environmental degradation, social injustice, soft imperialism, alienation and so forth. This statement entails that sustainability accounting practice could not be guided by concepts that are derived from capitalist mentality, but it should be steered by concepts that are originated from sustainable development mentality. Almost identical with Gray's thought is an opinion ascended by Jinnai (2005), that the general concept of capitalist accounting still remains, although recent changes in the conceptual framework and standards of accounting has transformed business accounting from traditional cost based accounting to advanced value based accounting.

Since actions of producing social world in social processes are dictated by spirit, value, and believe of social

actors (Giddens, 1984; Loyal, 2003; Simon, 1955; Stoner & Freeman, 1992), the existence of inappropriate practices in accounting can be interpreted as an inappropriate or lack of acceptance of the thought contained in sustainable development spirit (Sukoharsono, 2010). The lack can easily lead to the occurrence of social instability and possibly crises. According to the basic scheme of critical social science (Fay 1987:31—32; Dillard, 1991), social instability and crises could be overcome by acquisition of enlightenment through education and conducting transformative actions. To accomplish both tasks, the existence of concepts, principles, or philosophical thoughts explaining the spirit of sustainable development becomes significantly crucial.

This study is intended to answer a research question which is “what is the philosophical thought that can be adopted as basic concepts underlying sustainability accounting?” In other words, “what is the philosophical thought on sustainability accounting based on the spirit of sustainable development?” The importance of the study can be seen from two reasons. *First of all*, that inappropriate understanding of the underlying thoughts of sustainability accounting can easily lead to mistaken accounting policies and improper accounting practices. *Secondly*, proper understanding of the underlying thoughts is compulsory in order to practice sustainability accounting appropriately, i.e., in accordance to the spirit of sustainable development. For that reasons, finding the appropriate foundation for sustainability accounting becomes an important task to be conducted.

Outcomes of this study offer a better understanding on the importance of sustainable development to human beings. For accounting discipline, it could be understood as a better approach to sustainability accounting. By implementing appropriate concepts and principles of sustainable development to guide sustainability accounting policies and practices, a possibility to posit sustainability into the center of accounting analysis, as suggested by Gray (2002), exists.

## **2. Theoretical Foundation**

This study is based on interpretive paradigm. Interpretive sociology underlying the studies under the paradigm bears the common characteristic of attempting to understand and explain the social world primarily from the point of view of the actors directly involved in social processes (Burrell & Morgan, 1979). Social world or social reality discussed in this study is the philosophical thought on sustainability accounting. The thought is produced by social actors which are involved in production of publications containing concepts, principles and other kinds of thoughts related to the spirit of sustainable development.

To be able to understand and explain social world from the point of view of the actors involved in social processes, a theory discussing motives behind actions of the actors is required. However, important features of sustainable development are also worth to be explicated, so as the basic scheme of critical social science. The scheme is employed as taxonomy of the philosophical thought underlying sustainability accounting, based on understanding that sustainable development is a major theme explored in the critical and social accounting projects (Molisa, 2011).

### **2.1 The stratification model of consciousness and action**

The stratification model of consciousness and action explains motives behind actions taken by social actors or agents. Giddens (1984, p. 22) explained logical relationship between agency and power by stressing on unique character held by an agent, i.e., could have acted otherwise. According to Loyal (2003, pp. 56-57) this unique character is analytical to the concept of agency, that a person which is an agent could have acted otherwise. This contention ties agency to power. This concept explains that agency cannot be conducted without the existence of power. In social processes intended to produce social worlds, actions taken by social agents are enabled by their motivation.

In their actions, no matter daily or situational-monumental, actors cannot be exempted from their concepts, which arise as the underlying motives. The terminology of concept (Giddens, 1993) can be paralleled with beliefs and values (Stoner & Freeman, 1992). These terminologies refer to the existence of ‘something’ that drive or underlie actions taken by an agent. The existence of motive that drives action of an agent could be explained in a model named the stratification model of consciousness and action (Bryant & Jary, 1991; Giddens, 1984; Loyal, 2003). This model explains the interrelationship between stratification of actor’s consciousness and aspects of actions produced.

As specified in this model, actor’s consciousness can be stratified into unconsciousness, practical consciousness and discursive consciousness (Giddens, 1984; Loyal, 2003). Concept of stratified consciousness could be employed to describe three aspects of action taken by an agent, i.e., reflexive monitoring of action, rationalization of action and motivation of action (Loyal, 2003). According to Giddens, an agent is an intentional, purposive and, on the whole, rational being who behaves according to what he/she knows or believes will be the outcome of his/her action (Loyal, 2003). Although an agent acts intentionally, the consequences produced are not always as originally intended. These unintended consequences of action in turn become the unacknowledged conditions of future actions.

### **2.2 Sustainable Development**

Initiated as human environment agenda in 1972 by United Nations Conference on Human Environment

(UNCHE), sustainable development has been forwarded and declared as an international agenda in 1987 by World Commission on Environment and Development (WCED). Since then, sustainable development has become an issue attracting attention of many academic disciplines. In the area of accounting, discussions on the topic could be traced back to the work of Elkington (1997), the Triple Bottom Line Accounting. Another author that makes major contribution on the topic is Gray (Gray, 2002, 2010; Gray & Bebbington, 1996). Gray (2002) discussed efforts that should be taken to make accounting put more concern on sustainability agenda, and since sustainable development is an important issue, accounting profession is required to seriously involve in the agenda.

Sustainable development is a global agenda intended to achieve a goal that can be stated as to meet the needs of the present without compromising the ability of future generations to meet their own needs (Brundtland, 1987; GRI, 2006, 2011; WCED, 1987). As a global agenda for change, sustainable development requires involvement of all people all over the world. Johannesburg Declaration on Sustainable Development (WSSD, 2002) clearly stated that we should assume a collective responsibility to advance and strengthen pillars of sustainable development, namely economic development, social development and environmental protection, at all levels. This implies that business community including accounting people cannot be exempted from this important task. Although it is still considered as a controversial issue in business field (Aras & Crowther, 2008; Giddings et al., 2002), sustainable development surely is an important concept to guide business decisions and activities. The idea of corporate sustainability can explain the merit of sustainable development for business and accounting fields (Visser et al., 2010). The idea explains that corporate sustainability is better understood as the field of thinking and practicing by which business organizations work to extend the life expectancy of ecosystems, societies and economies. Accordingly, sustainable development should be adopted as guidance underlying business activities in its efforts to contribute to the evolution of equitable and sustainable communities and societies (WSSD, 2002). Stressing made by GRI (2006, 2011) might clarify the needs, that as key forces in society, organizations of all kinds have an important role to play in achieving this goal.

### **2.3 Basic Scheme of Critical Social Science**

Dillard (1991) explained that critical social science can be considered as a derivative of critical theory that is often referred to as the Frankfurt School (Held, 1980; Morrow & Brown, 1994). The central concern of critical theory is on the subjective and voluntary empowering action of individual members of society in his/her initiatives to bring about emancipation for individual and social community as a whole. According to Fay (1987:31—32) critical social science can be outlined as a single theory comprised of four interrelated parts.

The first part is a theory of false consciousness, stating that most people are unaware that they live under domination (Fay 1987:31). They are dominated and oppressed by a certain way of seeing the world that is believed as appropriate in social structure. The theory addresses the ways self-understanding is false by explaining the origins of false consciousness as well as the circumstances that permit its perpetuation (Dillard, 1991). The occurrence and condition of false consciousness can be traced to the existence of asymmetry of power and interest in modern society that leads to domination, alienation, discrimination and silencing (Alvesson & Skoldberg, 2000; Chwastiak & Young, 2003).

The second part is a theory of crises, explaining the nature and causes of crisis inherent in a social system (Fay 1987:31). Since the dominant perceptions have been maintained by social structures, the interaction between these social structures and state of false consciousness as experienced by individual people will lead to social instability and possibly crisis (Dillard, 1991). The third part is a theory of education, explaining attempts needed by people to overcome social instability and crisis. Soon after feeling disturbed by heightened situation of crisis, people will be forced to gain understanding and build shared beliefs that the situation needs to be changed (Dillard, 1991).

The fourth part of the basic scheme of critical social science is a theory of transformative action. In previous stages, people are forced to aware that they must make changes in the way they live, if they are to move toward emancipation. This theory sets forth an action plan indicating how, and by whose actions, change is to be realized (Dillard, 1991). The strength of the theory in achieving emancipation dictated by intensity of transformation in spirit gathered during the period of education.

### **3. Data and Method**

This study is a library research, adopting qualitative content analysis as the method to examine ideological mind-sets and themes in source-publications explored. As stated by Berg (2004), this analysis is a passport to listening to the words of the text and understanding better the perspective(s) of the producers of these words. This analysis is conducted through a systematic process enabling researchers to examine mind-sets, themes, topics, symbols and similar phenomena, while grounding such examinations to the data (Berg, 2004). Qualitative content analysis should be understood as a research method for the subjective interpretation of the content of the text data (Wahyuni, 2012). Theoretically, this analysis is conducted to analyze and build description intended to answer “what is” question (Gregor, 2006).

Main sources of documents explored in this study are United Nations publications related to sustainable development agenda, consisting of: Stockholm Declaration (UNCHE, 1972), Brundtland Report (1987), Our Common Future (WCED, 1987), Rio Declaration (UNCED, 1992), Report By UN Secretary General (Annan, 2000), United Nations Millennium Declaration (2000), Johannesburg Declaration (WSSD, 2002) and Bali Road Map (UNDP, 2008). Another source is Sustainability Reporting Guidelines (GRI, 2006, 2011) that provides operational perspectives of the adoption of sustainable development spirit by organizations. Eriksson and Kovalainen (2008) clarify that texts can be treated as suitable objects of analysis since they are able to tell us about what people and issues that they represent.

As explained by Wahyuni (2012), a qualitative content analysis requires a systematic classification process of coding and identifying themes or patterns. To fulfill this need, the taxonomy of ideological mind-sets based on basic scheme of critical social science is adopted (Fay, 1987). As the result, this study explicates philosophical thoughts in spirit of sustainable development into four main areas, i.e., existing conditions of false consciousness, social instability or crisis faced by community, area of education required and transformative actions necessitated to move toward emancipation. This study adopts the system thinking as the main perspective, by conceiving that everything is a system and recognizing that each system is both a part of larger systems and contains subsystems of its own. The perspective is adopted as guidance in interpreting themes contained in publications explored.

#### **4. Findings and Discussion**

The philosophical thought on sustainability accounting based on the spirit of sustainable development is explored in this study. Results are discussed in two parts, i.e., four integrated themes of the philosophical thought and its implication to sustainability accounting policies and practices.

##### **4.1 Four integrated themes: the philosophical thought on sustainability accounting**

This study adopts system thinking perspective as guidance in exploring and interpreting themes contained in source publications. As the result, this study identifies four integrated themes as the philosophical thought on sustainability accounting. The thought is derived from sustainable development spirit. These themes are discussed below.

###### **4.1.1 Human beings and development**

The first theme is crystalized from scripts that in taxonomy classified under the theory of false consciousness. From this thought we might learn the central position possessed by human being in development activities. The center of concerns for sustainable development is human beings. They are entitled to a healthy and productive life in harmony with nature. It is a clear message that the life of human beings cannot be considered in isolation from natural environment. The spirit of sustainable development is directed towards people, whose well beings are the ultimate goal of all environment and development policies. However, each people all over the world need to be careful. Man's transformative capacity can bring benefits as well as deficiencies for human life. Two lessons can be learned from the first theme of the philosophical thought. *First*, the capability of man to transform natural environment, if used wisely, can bring benefit of development and the opportunity to enhance the quality of life to all people. However, if wrongly applied, the same power can do massive destruction harming to human beings and natural environment. *Second*, development activities intended to increase wealth can conserve or otherwise harm the environment.

###### **4.1.2 The interlocking crises and ecosystem degradation**

The second theme in the thought is identified from scripts containing themes that in taxonomy classified under the theory of crises. There are two important lessons that can be gathered from this theme. *First*, crises faced by human beings as the impact of economic development should be considered as the interlocking crises. *Second*, corporations and other business institutions are major players in global economic development, so as their contribution to the degradation of ecosystem. Lessons that might be learned from this thought tell us that crises faced by human beings cannot be considered in isolation. Each crisis must be considered in its relation to other crises, because all crises are basically interlocks with each other. Statement made by WCED (1987) clearly represents the idea, that the world is facing the interlocking crises. These are not separate crises: an environmental crisis, a development crisis, an energy crisis. They are all one. Consequently, an appropriate solution for a crisis cannot be considered without regarding its potentiality to other crises.

The best way to solve the interlocking crises is by taking a holistic approach and looking for the very root causes of the crises. The precepts of sustainable development are believed to be the best solution to overcome the problems. Prudence must be shown in managing living species and natural resources, so that immeasurable riches provided by the nature can be preserved and passed on to the following generations (United Nations Millennium Declaration, 2000). Business institutions have been long recognized as major exploiters of natural resources causing ecosystem degradation. For that reason, it is fair enough if global companies are required to bear greater responsibility in achieving the goal of sustainable development. Annan (2000) explained that global companies occupy a critical role in this agenda and since their rights to operate globally have been greatly

expanded, it must be accompanied by greater responsibilities by the concept named global corporate citizenship. Many claim that responsibility taken by business institutions especially in protection and preservation of social and environmental assets are still far from expectation. A statement from Annan (2000) could represent these claims, that “our responses are too view, too little, and too late.”

#### 4.1.3 System thinking and human consciousness

The third theme, system thinking and human consciousness, is crystalized from scripts that contain ideas classified under the theory of education. A deeper understanding of the theme might be learned from three important lessons. *The first lesson* says that according to system thinking, human beings are part of the community and, together with community, are part of the ecosystem. System thinking requires that the living system should be conceived as a system. Its essence is that everything should be seen as a system and each system should be recognized as both part of larger systems and contains subsystems of its own (Gray, 2002). System thinking is a philosophical foundation that is appropriate to be used as guidance in sustainable development agenda. The philosophy of system thinking is implied in a statement from WCED stating that “from space, we can see and study the Earth as an organism whose health depends on the health of all its parts” (1987). A statement from UNCED also connotes similar meaning, which says “recognizing the integral and interdependent nature of the Earth, our home” (1992). The most important lesson that can be learned from this philosophy is that the life and the activity of people cannot be considered in isolation from its surroundings. The same concept can be used to explain the interlocking crises faced by human beings and solutions intended to overcome them.

Based on awareness as a part of ecosystem, human beings are required to adopt emancipation spirit as guidance in activities utilizing natural resources. This is *the second lesson* that can be learned from system thinking and human consciousness. To achieve the goal of sustainable development, human beings are required to give respect and emancipation to elevate environmental justice, intra-generational justice, and inter-generational justice. A statement from Annan (2000), United Nations Secretary General at that time, makes clear the importance of environmental justice, that “human beings must spare no effort to make United Nations a more effective instrument for pursuing all three priorities, namely the fight against poverty, ignorance and disease, the fight against violence and terror, and the fight against the degradation and destruction of ecosystem.”

Sustainable development requires each people to adopt spirit of emancipation intended to generate intra-generational justice. Efforts that can be performed to achieve the justice include protection of environment and natural resources of people under oppression, domination, occupation, colonialization and racist domination (UNCED, 1992, principle 23; UNCHE, 1972, principle 15), support and assistant to poor countries (Brundtland, 1987), and compensation for the victims of pollution and other environmental damage (UNCED, 1992, principle 13; UNCHE, 1972, principles 6 and 22). Emancipation and participation should also be directed toward women (Annan, 2000; UNCED, 1992, principle 20), youth (UNCED, 1992, principle 21), and indigenous people (UNCED, 1992, principle 22).

The essence of sustainable development spirit clearly implies the existence of inter-generational justice, that utilization of natural resources by current generation should not hamper the ability of future generations to meet their own needs. Represented by terminologies such as future generations, our children and grandchildren, as well as our descendants, concept of inter-generational justice gains serious attention in Tokyo Declaration (Brundtland, 1987), Our Common Future (WCED, 1987), Rio Declaration (UNCED, 1992, principle 3), United Nations Millennium Declaration (2000, paragraphs 6 and 21), and Report by United Nations Secretary General (Annan, 2000).

*The third lesson* stresses on the importance of transformation in spirit underlying sustainable development agenda, as explicitly stated in WCED Report (1987):

“The common theme throughout this strategy for sustainable development is the needs to integrate economic and ecological considerations in decision making. They are, after all, integrated in the workings of the real world. This will require a change in attitudes and objectives and in institutional arrangements at every level.”

According to WCED commissioners, changes that are required to achieve the goal of sustainable development will not take place automatically. These changes should be planned and systematically managed, because it can be realized only if communities all over the world possess political willingness to make changes that are required. The importance of political will to make changes is explicitly explicated by WCED (1987) through this statement, that “in the final analysis, sustainable development must rest on political will.” GRI, a private organization with strong commitment to sustainable development agenda, gives stressing on the need of political will as well. According to GRI (2006, 2011), one of the key challenges of sustainable development is that it demands new and innovative choices and way of thinking. Sectoral and fragmented thinking should be laid off since it can easily bring human beings to disregard their living habitat. Transformation in spirit is imperative to the success of sustainable development agenda.

#### 4.1.4 Transformation toward harmonization through integration

The fourth theme in the philosophical thought contained in the spirit of sustainable development represents the principles of transformative actions required to achieve the goal of the agenda. This theme is identified from scripts containing ideas that in taxonomy are classified under the theory of transformative action. According to this thought, transformative actions intended to achieve sustainable development requires occurrence and existence of harmonization among pillars of sustainable development through integration. This concept is consistent with system thinking which explains that social instability and crises faced by human beings require an integrated approach of solution by unifying all aspects of development program. There are two principles of transformative action that could be derived from this theme, namely (1) participation and common actions and (2) integration of all pillars of sustainable development. Both are discussed below.

One major contributor to the occurrence of environmental crisis faced by human beings is improper considerations in interpreting the ecosystem. Under conventional economic development, the role of ecosystem is frequently marginalized. Sustainable development that is intended to combat the situation requires that each economic development activities should be based on considerations and actions that integrate economical, societal, and ecological dimensions. This approach requires that ecological aspect should be brought into the center of economic development, as dictated by Sockholm Declaration. According to this declaration, human environment should be defended and improved for the interest of present and future generations (UNCHE, 1972). This task has become an imperative goal for human beings that should harmoniously be pursued together with the goals of peace and of worldwide economic and social development (UNCHE, 1972).

Sustainable development is a common agenda requiring involvement of all people all over the world. Sources analyzed in this study indicate the need of participation from all parties that can be classified into: (1) the role of States and international cooperation (Brundtland, 1987; UNCED, 1992; UNCHE, 1972; UNDP, 2008); (2) involvement and participation of non-governmental organizations (UNCED, 1992; WCED, 1987; WSSD, 2002); (3) technical assistance and financial support (UNCHE, 1972); and (4) respect to international laws and agreements (UNCED, 1992; UNCHE, 1972). To achieve sustainability, development programs should take into account not only the economic aspect, but also social and environmental considerations. An approach to development programs adopting a narrow attention only on the economic consideration cannot be furthered. As practical guidance, economic factors must be integrated with social and ecological processes in each effort intended to achieve the goal of sustainable development. This notion clearly mentioned in 'Our Common Future' that says: "what is needed now is a new era of economic growth; growth that is forceful and at the same time socially and environmentally sustainable" (WCED, 1987).

Since achievement of the goal is responsibility of all people, everyone should take involvement in various efforts directed to inject sustainable development spirit into development programs. This reasoning is clearly mentioned by WSSD stating that "we assume a collective responsibility to advance and strengthen the interdependent and mutually reinforcing pillars of sustainable development" (2002). As stated in Article 5 of its report, these pillars consist of economic development, social development and environmental protection at the local, national and global level (WSSD, 2002). If the goal is to be achieved, interventions are required. The intervention can be conceived and executed by processes that harmoniously integrate environmental, social and economic considerations. Since the achievement of sustainable development goal is the responsibility of all people, accounting profession surely cannot be exempted. As accounting takes place in the center of business information system, accounting profession should response to the movement toward sustainable development seriously.

#### **4.2 Implication to sustainability accounting**

Sustainable development requires significance involvement of business entities. For that, business activities and accounting practices should be conducted appropriately based on spirit derived from the philosophical thought contained in sustainable development. An important principle in this thought is that environmental protection and social involvement shall constitute the integral parts of economic development process and cannot be considered in isolation from it. The rule is that if needs are to be met on a sustainable basis, natural resource based and societal capacity must be conserved and enhanced. However, the case for conservation of nature and capacity enhancement of society does not rest only with development goals, but also part of our moral obligation to other living beings and future generations.

In our modern living, many essential human needs can be met only through goods and services provided by industry, and the shift to sustainable development must be powered by a continuing flow of wealth from industry. Global companies occupy a critical place in this constellation. Since their rights to operate globally have been greatly expanded by international agreement and national policies, those rights must be accompanied by greater responsibilities, based on concept and practice of global corporate citizenship. Recognizing the economic roots of environment problem and social instability, sustainable development seeks to encourage the private sector to seriously get involves in the search for solutions.

One way of understanding the core process of business is to view it as "the conversion of matter, energy, and

knowledge into useful products and services for customers through the power of mind and spirit” (Miller & Miller, 2008). Where spirit connotes courage, enthusiasm, meaningfulness and transcendence, the process of business has a special affinity to three fields of study, namely science (that is related to matter and energy), psychology (knowledge and mind) and spirituality (Miller & Miller, 2008). This is a holistic view in understanding the process of business, by which business and nature are seen as so inter-dependent. In this view, economy as a whole is seen as a wholly owned subsidiary of the natural environment. Accordingly, if the environment goes bankrupt, the economy will go bankrupt with it (Miller & Miller, 2008).

If sustainability accounting is defined as accounting discipline employing concepts or principles derived from the spirit of sustainable development, its policy and practice should be anchored in the philosophical thought contained in and derived from the spirit. Accounting reports, as the most visible part of accounting policy and practice, should be able to present conformance made by business entities to the spirit. Accordingly, reconstruction of accounting reports that is intended to overcome deficiencies contained in conventional reports should be based on efforts directed to incorporate the spirit of sustainable development into conceptual framework underlying accounting standards and practices. For business enterprises, sustainable development accountability should consist of economic, social and environmental accountabilities, which bring important implications to financial statements. The accounting report should be able to reflect and represent business activities in dealing with economic, social and environment aspects. If the philosophical thought gathered from the spirit of sustainable development should be embedded in the report, transformed financial statements should be built from a blue print that take into account the economic, social, and environment considerations.

For accounting discipline, the philosophical thought and its related concepts should be conceived as a new spirit that should be adopted as guidance in revising and redeveloping conceptual framework of sustainability accounting. As the result, accounting practices will be based on a conceptual framework that places survival of the species at its very heart. To pursue this goal, the spirit of sustainable development should be able to be embedded in accounting policy and practice. As expressed by Gray (2002), the concept of sustainability should be placed in the very heart of accounting analysis. Although the task is not an easy venture, the accounting society should bear that responsibility seriously.

Accounting practice and accounting profession are defined by parties served by the profession. If accounting practices do not comply with requirements dictated by community of the world, the existence of accounting profession might be in jeopardy. For that reason, accounting profession cannot close their eyes to the world’s movement toward sustainable development. No matter how hard the task is, it should be taken seriously. This requirement is also directed to accounting researchers. As an important part of the accounting society, they are required to be wise by setting aside controversies in research methodologies or paradigms adopted, since diversity in research programs is not a weakness, but strength and richness instead (Schaltegger & Burritt, 2010). The future of accounting profession depends, in part, on the ability of accounting researchers to incorporate the spirit of sustainable development into sustainability accounting policy and practice. Since this is not an easy task, significant efforts is required to make accounting policy and practice comply with the new spirit. We might need to observe movements made by other disciplines in dealing with sustainable development issues, which should be used as a challenge in conducting the task of incorporating the spirit into the accounting field. The task should be conducted immediately, since the existence of accounting profession as the main supporter of business society depends on its ability to supply information that coincides with the duty hold by the party served. That duty is to contribute to the evolution of equitable and sustainable communities and societies (WSSD, 2002).

## 5. Conclusions and Recommendations

Sustainable development is certainly an important issue. It asks for the involvement of all people all over the world, individually and collectively. Considering the substance of the agenda, accounting society should take a crucial role related to it. Sincere adoption of sustainable development spirit can be seen as an effort to find avenue to overcome deficiencies in conventional accounting. For accounting society, involvement in sustainability agenda becomes an imperative avenue to recover moral and productive accounting. Accounting profession should be able to put the spirit of sustainable development into the center of accounting policies and practices. For that reason the philosophical thought contained in the spirit should be uncovered and then adopted as guidance in developing sustainability accounting policies and practices.

The qualitative content analysis framed with a taxonomy based on Fay’s basic scheme of critical social science could answer the research question. As the result, this study could identify four integrated themes or ideas as the philosophical thought on sustainability accounting. *The first idea* concerns on human beings and development. Two lessons that can be learned from this idea are: (1) the capability of man to transform natural environment can bring advantages as well as disadvantages of development to all people; and (2) development activities intended to increase wealth can conserve or otherwise harm the environment. *The second idea* relates to the interlocking crises and ecosystem degradation. The essences of the idea are containing: (1) crises faced by human beings as the impact of economic development activity should be considered as the interlocking crises,

and (2) as major players in global economic development, corporations and other business institutions are major contributors to the degradation of ecosystem.

*The third idea* relates to system thinking and human consciousness. There are three lessons that can be learned from this idea, including: (1) system thinking explains that human beings are part of the community and, together with community, are part of the ecosystem; (2) human beings are required to adopt spirit of emancipation as guidance in their activities that utilizing natural resources; and (3) the importance of transformation in spirit underlying sustainable development agenda. *The fourth idea* gives guidance in conducting transformation toward harmonization through integration. This idea consists of two concepts, i.e.: (1) achievement of sustainable development goal requires participation and common actions; and (2) each development policy should consider the integration of all pillars of sustainable development, namely economic, society, and environment.

Some recommendations can be forwarded based on the results of this study. *First*, the philosophical thought and its related concepts contained in sustainable development should be conceived as a new spirit that should be adopted as guidance in revising and redeveloping conceptual framework of sustainability accounting. By doing this, accounting practices will be based on a conceptual framework that places the survival of the species at its very heart. To pursue this objective, the spirit of sustainable development should be able to be embedded in every accounting policy and practice.

Accounting practices, thus accounting profession, is defined by parties served by the profession. If accounting practices do not comply with requirements dictated by the community they serve, it means the existence of accounting profession is in jeopardy. Accordingly, as the *second* recommendation, accounting researchers should not close their eyes to world's movement toward sustainable development. The task of incorporating the spirit of sustainable development into the accounting policies and practices surely is not an easy task. However, it should be taken seriously since it directly influences the existence of accounting profession. If accounting researchers aware on the burden of the task that should be taken, it should be wise if controversies in research methodologies or paradigms can be set aside. The diversity should be viewed not as a weakness, but strength and richness instead.

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