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THE ROLE OF ENVIRONMENTAL ACCOUNTING IN PRESERVING CULTURAL HERITAGE: A CASE STUDY IN TENGANAN PEGRINGSINGAN VILLAGE, BALI, INDONESIA

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Abstract:

This study explores the role of environmental accounting in preserving cultural heritage, focusing on Tenganan Pegriingsingan Village, Bali, Indonesia. This village is known for its unique traditions and culture, which are threatened by modernization and the exploitation of natural resources. Environmental accounting, which integrates economic, social, and environmental aspects, is expected to make a significant contribution to resource management and local cultural preservation. The research method used is a qualitative approach with data collection through in-depth interviews, participant observation, and document analysis. The results of the study indicate that the application of environmental accounting not only increases public awareness of the importance of cultural preservation but also encourages active participation in sustainable natural resource management. In addition, environmental accounting plays a role in creating transparency and accountability in resource use, which in turn strengthens the cultural identity of the community. This study contributes to the understanding of how environmental accounting can be a strategic tool in efforts to preserve cultural heritage, as well as providing recommendations for policymakers to integrate environmental accounting practices in cultural and environmental management in tourist areas.

Keywords: Environmental Accounting, Cultural Heritage, Natural Resource Exploitation, Sustainability Accounting

INTRODUCTION

In the context of sustainable development, the preservation of cultural heritage is often neglected, even though the existence of traditions and cultural values is very important for the identity of a community. Tenganan Pegriingsingan Village in Bali, Indonesia, is an interesting example of where local traditions and modern economic development meet. The village is known for its rich culture and traditional practices but faces significant challenges due to modernization and the impact of tourism. In addressing these issues, environmental accounting emerges as a potential tool to support the preservation of cultural heritage (Keessen, 2022).

Environmental accounting not only serves to measure the environmental impact of economic activities but can also be used as a means to convey important information about how people's daily activities can affect cultural preservation (Guthrie et al., 2010). The Tenganan Pegriingsingan community has a way of life that is closely related to traditions, such as handicrafts and traditional ceremonies, which contribute to their identity (Jayawarsa et al., 2024). However, rapid changes, such as increased tourism, often threaten the sustainability of these practices.

In this study, a qualitative approach was used to explore the experiences and views of local communities on the role of environmental accounting in preserving their cultural heritage. Through



in-depth interviews and participant observation, this study aims to understand how the Tenganan Peglingsingan community integrates environmental accounting principles into their daily practices (Gunarathne & Alahakoon, 2016). The focus on human experience is key in this study, as each individual in the community has a unique perspective on how social and economic changes affect their traditions (Przychodzen & Przychodzen, 2015).

One of the major issues facing communities is economic uncertainty due to unsustainable resource exploitation. In this context, environmental accounting can provide better insight into the long-term impacts of economic decisions, helping communities make more informed choices (Saputra et al., 2021). By understanding the relationship between economic activity and environmental and cultural impacts, communities can better maintain their identity and traditions (Laksmi et al., 2024).

This study also aims to explore how communities can use environmental accounting to raise awareness of cultural and environmental values (Saputra et al., 2024). By documenting and reporting the impacts of their activities, communities can strengthen their case for protecting their cultural heritage from external threats (Manurung et al., 2022). This information is not only useful for the community itself. However, it can also be a tool to communicate to external parties, including government and tourists, about the importance of cultural preservation (Saputra et al., 2023a).

This research is expected to produce deeper insights into the interaction between environmental accounting and cultural heritage preservation. The results are expected to not only contribute to the development of accounting theories that are more responsive to cultural and environmental contexts but also provide practical recommendations for communities and policymakers who focus on sustainability. Thus, this research aims to provide a broader understanding of how communities can adapt and survive in the face of modern challenges while maintaining their cultural identity.

Environmental Accounting. Environmental accounting is a discipline that integrates economic, social, and environmental aspects into accounting practices. According to Möller and Schaltegger (2005), environmental accounting functions to measure and report the environmental impacts of business activities. It is important in the context of sustainable development, where wise management of natural resources is becoming increasingly crucial (Abad-Grillo & McNaughton-Smith, 2024). Environmental accounting is not only limited to measuring environmental costs but also includes developing policies to reduce negative impacts on the environment.

Cultural Heritage. Cultural heritage refers to traditions, practices, and values that are passed down from generation to generation. According to UNESCO, cultural heritage includes historical sites, arts, customs, and knowledge that shape the identity of a community (Caciora et al., 2021). Preserving cultural heritage is a challenge in the modern era, where globalization and modernization often threaten the existence of local traditions (Shi & Tsai, 2020). Therefore, it is important to develop strategies that can protect cultural heritage from external pressures.

Environmental Accounting and Cultural Heritage Conservation. The integration of environmental accounting in cultural heritage conservation has begun to gain attention in the literature. Several studies have shown that environmental accounting can help raise public awareness of the importance of preserving cultural traditions and practices. For example, a study by Peira et al. (2023) showed that environmental accounting can serve as a tool to educate the public about the impacts of economic activities on cultural heritage.

Impact of Natural Resource Exploitation. The unsustainable exploitation of natural resources often leads to environmental degradation and threatens the preservation of cultural heritage. Research by Chang et al. (2013) shows that environmental degradation can result in the loss of



traditions and cultural practices that are rooted in people's relationships with their environment. Therefore, people need to understand the long-term impacts of their economic decisions and adopt more sustainable practices.

METHODS

This study used a qualitative approach designed to explore the experiences and views of local communities regarding the role of environmental accounting in preserving cultural heritage in Tenganan Pegringsingan Village, Bali, Indonesia. A qualitative approach was chosen because it allows researchers to understand the complex social and cultural context and the interactions between communities and their environment. Tenganan Pegringsingan Village was chosen as the research location because it is known for its unique traditions and culture, as well as the challenges faced by modernization and tourism. This village is a relevant example to explore how environmental accounting can contribute to cultural heritage preservation. Data collection was carried out through three main techniques: in-depth interviews, participant observation, and document analysis. Data obtained from interviews, observations, and documents were analyzed using a thematic analysis approach. The researchers identified key themes that emerged from the data, such as community awareness of the importance of cultural preservation, the impacts of resource exploitation, and the role of environmental accounting. Each theme was further analyzed to understand the relationship between environmental accounting and cultural heritage preservation. To ensure the validity and reliability of the study, the researchers conducted data triangulation, which is comparing information obtained from various sources. By involving various stakeholders and using diverse data collection methods, this study aims to provide a comprehensive and accurate picture of the role of environmental accounting in cultural heritage conservation.

RESULT AND DISCUSSION

The results of this study were obtained from in-depth interviews, participant observation, and document analysis conducted in Tenganan Pegringsingan Village. Some key findings related to the role of environmental accounting in preserving cultural heritage in this village are as follows:

Public Awareness of the Importance of Cultural Preservation. Through interviews, the majority of respondents showed a high awareness of the importance of preserving their traditions and culture. They acknowledged that local culture, such as handicrafts and traditional ceremonies, is an integral part of their identity. Many respondents stated that modernization and tourism bring challenges but also open up opportunities to preserve culture if managed wisely. Public awareness of the importance of cultural preservation is a strong foundation in efforts to preserve cultural heritage (Sara et al., 2021). It is in line with the theory that a strong cultural identity can help communities face the challenges of modernization. The Tenganan Pegringsingan community showed that they have a strong commitment to preserving their traditions despite having to face external pressures (Yang et al., 2023). Environmental accounting plays a role in increasing this awareness by providing clear and measurable information about the impact of economic activities on culture (Sara et al., 2023). By understanding the relationship between economic practices and cultural preservation, communities can be more proactive in preserving their traditions.

The Role of Environmental Accounting in Natural Resource Management. Respondents also expressed that the implementation of environmental accounting has helped them to manage natural resources more sustainably. By understanding the impact of their economic activities, communities can make more conscious and responsible decisions (Tweneboea Kodua et al., 2022). For example, some community groups have started to implement environmentally friendly agricultural practices



and use resources efficiently to maintain environmental sustainability. The implementation of environmental accounting in this village has helped the community to manage natural resources sustainably. Previous research has shown that environmental accounting can contribute to more efficient and responsible management (Solojida & Latan, 2017). In Tenganan Pegringsingan, the community has started to implement environmentally friendly agricultural and craft practices, which not only support environmental sustainability but also local culture (Martins, 2016). This sustainable management creates a balance between economic needs and cultural preservation. The community realizes that economic success does not have to sacrifice their traditions but can go hand in hand if done with the right approach (Androustoupoulou et al., 2019).

Active Participation in Decision-Making Process. One significant finding is the increased community participation in decision-making processes related to resource management and cultural preservation. Environmental accounting provides a framework that allows communities to communicate more effectively with external parties, including government and tourists (Ivancsóné Horváth et al., 2023). With clear information about the impacts of their activities, communities feel more confident in voicing their needs and aspirations. Increased community participation in decision-making is one of the positive impacts of environmental accounting implementation. In this context, active participation is important to ensure that community voices are heard and accommodated in policies related to resource management and cultural preservation. It is in line with the principles of social justice and community participation in sustainable development (Saputra et al., 2023b). Community involvement in decision-making processes not only increases their sense of ownership of their culture but also creates a sense of responsibility to maintain and preserve it. With clear information about the impacts of their activities, communities feel more empowered to take necessary actions.

Transparency and Accountability in Use of Resources. The implementation of environmental accounting also contributes to transparency and accountability in resource use. Communities have begun to use environmental accounting reports to show stakeholders, including government and donor agencies, how they manage resources and their impacts on local culture (Saputra et al., 2023b). It increases trust and support from external parties. Transparency and accountability in resource use are key to building trust between communities and other stakeholders. The implementation of environmental accounting in Tenganan Pegringsingan allows communities to demonstrate how they manage resource responsibly. It also opens up opportunities for support from government and donor agencies (Reichborn-Kjennerud et al., 2019). With clear and measurable reports, communities can demonstrate that they are committed to preserving their environment and culture. It not only increases trust from external parties but also strengthens their cultural identity in the eyes of the wider community (Lindgren et al., 2019). Despite the many benefits, several challenges have also been identified in the implementation of environmental accounting. Many community members still lack an understanding of the concept of environmental accounting, and further training is needed to improve their understanding and skills. In addition, rapid modernization and tourism pressures often threaten the sustainability of existing cultural practices, requiring greater attention and strategies (McKay & Gardner, 2013).

CONCLUSION

This study explores the role of environmental accounting in preserving cultural heritage in Tenganan Pegringsingan Village, Bali, Indonesia, with a focus on how environmental accounting principles can help communities face the challenges of modernization and natural resource exploitation. Based on the findings obtained from interviews, observations, and document analysis,



several important conclusions can be drawn. Community awareness of the importance of cultural preservation is a key factor in efforts to maintain local identity and traditions. The Tenganan Pegringsingan community shows a strong commitment to preserving its cultural heritage despite external pressures such as modernization and increasing tourism. A deep understanding of cultural values and the impact of economic activities on cultural heritage is essential to ensure the sustainability of cultural practices.

Environmental accounting has proven to be an effective strategic tool in supporting the preservation of cultural heritage. By providing clear and measurable information about the impacts of economic activities, environmental accounting helps communities to make more informed and responsible decisions. It enables communities to manage natural resources sustainably, maintaining a balance between economic needs and cultural preservation. Increased community participation in decision-making processes related to resource management and cultural preservation is one of the positive impacts of implementing environmental accounting. Active community involvement not only strengthens a sense of ownership of their culture but also creates a sense of responsibility to maintain and preserve it. With clear information, communities feel more empowered to voice their needs and aspirations.

The implementation of environmental accounting contributes to transparency and accountability in resource use. Communities can demonstrate to stakeholders, including governments and donors, how they are managing resources responsibly. It increases trust and support from external parties and helps communities obtain the resources needed to preserve their culture. Despite the many benefits, challenges remain in the implementation of environmental accounting. A lack of understanding of the concept among communities requires further education and training. In addition, pressures from modernization and tourism often threaten the sustainability of cultural practices. Therefore, it is recommended that policymakers develop strategies that support cultural and environmental preservation and involve communities in decision-making processes.

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