THE IMPORTANCE OF GREEN ACCOUNTING IN THE BANKING SECTOR IN UZBEKISTAN: ANALYSIS OF DIFFERENCES IN PERCEPTIONS BETWEEN ACADEMICS AND PROFESSIONALS

By
Odiljonov Makhmudjon Murodjon Ugli[1], R Nelly Nur Apandi[2], Arim Nasim[3]
[1,2,3]**Universitas Pendidikan Indonesia**
E-mail: [2]nelly.nna@upi.edu

Abstract: *This study investigates the differences in perceptions between academics and banking professionals regarding the importance of green accounting in the banking sector of Uzbekistan. With a growing global emphasis on sustainability and environmental responsibility, green accounting has emerged as a critical tool for integrating ecological concerns into financial decision-making. Despite its relevance, its adoption in Uzbekistan remains limited. Data were collected from 20 academics and 20 banking professionals using a quantitative survey method. Descriptive statistics and an independent samples t-test were used to analyze perception differences. The results indicate that perceive professionals about green accounting as significantly more important than academics This gap reflects differing awareness, exposure, and priorities related to environmental accounting practices. The findings underscore the need for increased collaboration between academia and industry and policy interventions to enhance the understanding and implementation of green accounting in the Uzbek banking sector.*

INTRODUCTION

The accelerating forces of globalization and digitization have reshaped corporate priorities, forcing businesses worldwide to align profitability with environmental sustainability. In Uzbekistan, a transitional economy transforming from a centrally planned economy to a market economy increasingly integrated into global markets, the banking sector faces growing expectations to adopt green accounting. This practice measures and discloses environmental costs within a financial framework. However, the extent to which Uzbek banks prioritize ecological considerations remains ambiguous. While some institutions may openly support green financing, allocating funds to sustainable projects raises critical questions about the importance of green accounting reporting. Uzbekistan has shown gradual interest in sustainable finance as an emerging market, particularly following global trends and domestic policy shifts toward green growth. However, the extent banks incorporate green accounting principles—such as carbon footprint assessments, resource

efficiency metrics, and eco-risk disclosures—remains unclear.

Academics and banking professionals often have different views on the relevance of green accounting and accounting practice. Academics conceptualize it as a critical tool for transparency, risk management, and long-term value creation, envisioning an ideal system where banks rigorously assess and report on environmental impacts. In contrast, industry practitioners may perceive green accounting as a secondary concern, prioritizing short-term profitability and regulatory compliance over ecological stewardship. This disconnect highlights a fundamental tension between theoretical advocacy and practical implementation in Uzbekistan's evolving financial landscape. Existing literature on green accounting in emerging economies underscores a persistent gap between policy recommendations and real-world adoption. While prior studies emphasize the economic and reputation benefits of sustainable banking, actual progress depends not only on regulatory incentives but also on corporate governance and stakeholder engagement. In Uzbekistan, where rapid industrialization and economic growth dominate national agendas, the banking sector's commitment to green financing remains under-explored. *This study investigates the perceptual differences between academics and banking professionals regarding the importance of green accounting in Uzbekistan*. By analyzing their contrasting viewpoints, this research seeks to identify barriers to adoption, assess the feasibility of sustainable banking practices, and contribute to the broader discourse on environmental accountability in transitional economies. The findings aim to inform policymakers, financial institutions, and scholars seeking to align Uzbekistan's banking sector with global sustainability standards, highlighting the urgent need for regulatory incentives to drive this alignment.

LITERATURE REVIEW

Green accounting, also called environmental accounting, integrates ecological costs and benefits into financial reporting, ensuring that businesses account for their environmental impact alongside economic performance. The concept has gained traction globally due to increasing regulatory pressures, stakeholder demands, and the recognition that sustainable practices enhance long-term profitability. However, adoption remains inconsistent in developing economies, often hindered by weak enforcement, short-term profit motives, and limited awareness.

Prior studies in similar transitional economies (e.g., Kazakhstan and Azerbaijan) suggest that financial institutions often prioritize immediate returns over environmental considerations, despite public commitments to sustainability. From a banking industry standpoint, green accounting is frequently viewed pragmatically, weighed against profitability, regulatory compliance, and operational feasibility (Weber, 2017). While some banks acknowledge the reputational and risk-mitigation benefits of green financing, others perceive environmental reporting as an administrative burden with uncertain financial returns.

In Uzbekistan, where credit markets are still developing, banks may hesitate to fund green projects due to perceived risks, lack of standardized metrics, and insufficient incentives Empirical evidence from other regions indicates that banks are more likely to engage in green financing when supported by government policies, tax incentives, and international funding. However, without strong institutional drivers, sustainability

initiatives may remain superficial, limited to selective CSR activities rather than integrated accounting practices. Academics generally advocate for green accounting as a critical tool for sustainable development, emphasizing its role in enhancing transparency, improving decision-making, and aligning financial systems with ecological limits. Scholars argue that banks, as key capital allocators, should adopt environmental accounting to mitigate climate risks and support the transition to a low-carbon economy.

However, academic discourse often overlooks implementation challenges, such as the lack of standardized frameworks, data collection difficulties, and resistance from traditional financial institutions. The gap between theoretical recommendations and banking realities may be particularly pronounced in the Uzbek context, where environmental regulations are still evolving. Existing research highlights a gap between academic theories and practical applications. Academics often focus on the conceptual and methodological aspects of green accounting, while professionals prioritize its feasibility and impact on financial performance. This divergence is particularly evident in transitional economies, where institutional frameworks for sustainability are still evolving.

Hypothesis (H₁): There is a significant difference between the perceptions of academics and professional banking practitioners regarding green accounting.

RESEARCH METHOD

This study adopts a quantitative research design using a comparative survey approach to analyze and compare the perceptions of academics and banking professionals regarding the importance of green accounting in the banking sector in Uzbekistan. The study employed purposive sampling to select respondents with relevant knowledge and experience in the academic or professional banking sector. A total of 40 participants were surveyed; 20 banking professionals from commercial banks operating in Uzbekistan and 20 academics specializing in finance, accounting, and environmental economics from leading universities in Uzbekistan.

Primary data was collected using a structured questionnaire to assess perceptions of green accounting. The questionnaire included Demographic questions (e.g., age, experience, qualification). Perception statements were measured on a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree), and statements focused on perceived importance, relevance, applicability, and barriers to green accounting in the banking sector. Before full deployment, the questionnaire was pre-tested with five respondents from each group to ensure the clarity and validity of the items. Data Analysis Techniques Collected data were analyzed using SPSS or Excel, employing the following statistical tools: Descriptive Statistics to summarize demographic data and overall perception levels. Independent Samples t-Test: to determine whether there are statistically significant differences in the mean perception scores between academics and professionals.

In this study, a questionnaire was developed by that explains green accounting are:

I. Importance of Green Accounting in Banking
1. Green accounting is essential for the long-term sustainability of the banking sector.
2. Green accounting helps banks enhance their corporate social responsibility (CSR).
3. The integration of green accounting practices improves a bank's environmental performance.

4. Green accounting plays a crucial role in ensuring regulatory compliance in the banking industry.
5. Implementing green accounting increases transparency in financial reporting.

II. Banks' Environmental Responsibility
1. Banks should provide loans only to environmentally friendly businesses.
2. Reducing paper usage and implementing digital banking is an important green practice.
3. Banks should prioritize investment in eco-friendly projects.
4. Banks' operational practices (e.g., energy-efficient branches, online banking) significantly impact environmental performance.
5. Green financing should be a core component of banking services.

III. Challenges in Implementing Green Accounting
1. The lack of clear government policies is a major barrier to green accounting adoption.
2. High costs associated with green banking practices discourage banks from implementing them.
3. The absence of a standardized framework for green accounting creates confusion in the banking sector.
4. Customers are not sufficiently aware of green banking initiatives.
5. Bank employees require more training on green accounting principles.
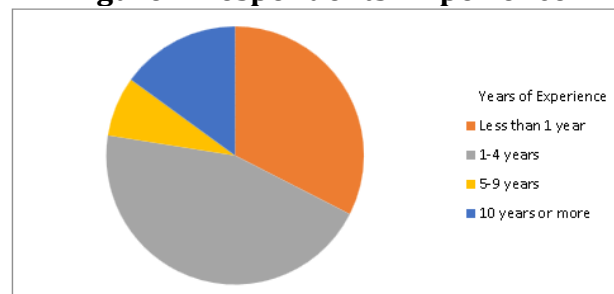
IV. Future of Green Accounting in Banking
1. The government should provide incentives for banks to implement green accounting.
2. Green banking practices will become a key differentiator for financial institutions in the future.
3. Collaboration between academics and practitioners can help improve green accounting implementation.
4. Public awareness campaigns are necessary to increase support for green banking.
5. The adoption of green accounting should be made mandatory for all banks.

RESULT AND DISCUSSION

This study aims to describe the perceptions of academics and bankers regarding green accounting. Data were collected from questionnaires distributed online. The number of respondents who filled out the questionnaire was 40, consisting of 20 academics and 20 banking practitioners. There were 13 female respondents and 27 male respondents. The following is a description of the experiences of the respondents in this study
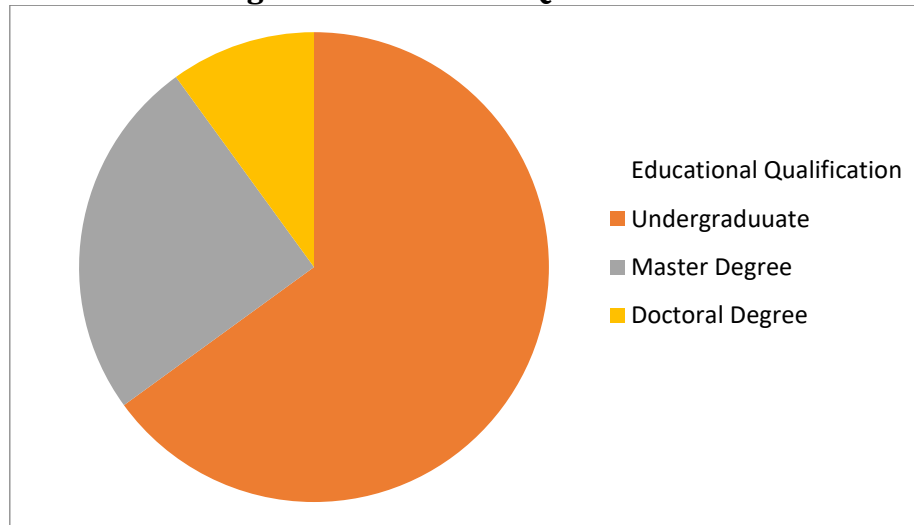
Figure 1 Respondents' Experience

Based on the background illustrated in Figure 2 regarding educational background. A

total of 26 people have a bachelor's degree background, 10 people have a master's degree background, and four people have a doctoral degree background. The following is Figure 2:

Figure 2 Educational Qualification

The first objective of this study is to determine the perception of green accounting from 4 things: The Importance of Green Accounting in Banking, Banks' Environmental Responsibility, Challenges in Implementing Green Accounting, and the Future of Green Accounting in Banking. Table 1 explains the differences in the average level of importance regarding the implementation of green accounting based on the perceptions of academics and professionals in the banking industry:

Table 1 Importance of Green Accounting in Banking

Number Qusetion	Academic Perception (AP)	Professional Banker Perception (PBP)	Result
1	3.85	3.65	AP>PBP
2	4	3.8	AP>PBP
3	3.85	4.15	AP<PBP
4	3.45	4.1	AP<PBP
5	3.85	3.85	AP=PBP

Based on table 1, questions 1 and 2 are more important for academics, while questions 3 are more important for professionals. Question 5 has the same average value between the academic perception and the professional banker's perception.

Table 2 Banks' Environmental Responsibility

Number Qusetion	Academic Perception (AP)	Professional Banker Perception (PBP)	Result
6	3.15	3.45	AP<PBP
7	4.05	4.2	AP<PBP
8	3.65	4.15	AP<PBP
9	3.6	4.15	AP<PBP
10	4	4	AP=PBP

Based on table 2, questions 6,7,8 and 9 are more important for professionals, while

question 5 has the same average value between the academic perception and the professional banker's perception.

Table 3 Challenges in Implementing Green Accounting

Number Qusetion	Academic Perception (AP)	Professional Banker Perception (PBP)	Result
11	3.55	3.95	AP<PBP
12	3.9	4.15	AP<PBP
13	3.6	3.9	AP<PBP
14	4	3.85	AP>PBP
15	3.9	3.85	AP>PBP

Based on table 3, questions 11,12 and 13 are more important for professionals, while question 14 and 15 are more important for academics.

Table 4 Challenges in Implementing Green Accounting

Number Qusetion	Academic Perception (AP)	Professional Banker Perception (PBP)	Result
16	3.8	4.4	AP<PBP
17	3.95	4.25	AP<PBP
18	3.8	4.05	AP<PBP
19	3.85	4	AP<PBP
20	3.2	3.8	AP<PBP

Based on table 4, questions 16,17,18,19 and are more important for professionals.

Table 5 Group Statistics

	GROUP	N	Mean	Std. Deviation	Std. Error Mean
PERCEPTION_GREEN_ ACCOUNTING	ACADEMIC_PERCEPTION	20	3.7500	.25701	.05747
	PROFESIONAL_BANKPERCEPTION	20	3.9850	.22308	.04988

Table 5 illustrates that the average value of each perception is different. Academic perception has a lower average value of 3.7500, while the average value for personal bank perception is higher at 3.9850

Table 6 Independent Samples Test								
	Levene's Test for Equality of Variances		t-test for Equality of Means					
							95% Confidence Interval of the Difference	
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
Equal variances assumed	.419	.521	-3.088	38	.004	-.23500	.07610	-.38905	-.08095
Equal variances not assumed			-3.088	37.263	.004	-.23500	.07610	-.38915	-.08085

Table 6 shows that the sig value (2-tailed) is 0.04, which is smaller than the ά value of 0.05, meaning that the hypothesis is accepted. It can be concluded that there is a significant difference between the perceptions of academics and professional banking practitioners regarding green accounting. Previous research conducted showed that the development of syllabuses in accounting learning still requires a connection between industry and academics so that learning materials do not differ from industry needs. This shows that there are differences in views between the perceptions of academics and professionals. In general, professionals will think pragmatically based on business decisions that are based on profit. However, in its development, practitioners' awareness of the importance of long-term benefits can explain that the perception of the level of importance of green accounting for banking practitioners is higher than the perception of academics. This is because the role of the Uzbek government has a greater concern for practitioners regarding the implementation of sustainability report issues for banking companies in Uzbekistan.

CONCLUSION

This study explores the differences in perceptions between academics and banking professionals in Uzbekistan regarding the importance of green accounting. The results reveal a significant gap: Professional Bankers expressed a higher appreciation of the relevance and benefits of green accounting compared to academics. The findings suggest that while the theoretical foundation and global momentum for green accounting are strong, practical implementation in the Uzbek banking sector is slower. The differences in perceptions highlight the disconnect between academic knowledge and professional practice, which may hinder the adoption of sustainable accounting frameworks. To bridge this gap, it is important to foster stronger collaboration between academia and the banking industry, supported by targeted policy development, capacity building, and training programs. Doing so will improve environmental reporting practices and contribute to the broader goals of sustainability and responsible finance in Uzbekistan.

Acknowledgements

REFERENCE
[1] World Bank. (2022). Uzbekistan Country Climate and Development Report
[2] Apandi, R. N. N., & Sofia, A. (2022). Development of information system audit syllabus with critical thinkingbased approaches. Journal of Positive School Psychology, 6(3), 366-376.
[3] Zhen, T., & Rahman, M. M. (2024). Greening emerging economies: enhancing environmental, social, and governance performance through environmental management accounting and green financing. Sustainability, 16(11), 4753.
[4] Schaltegger, S., & Burritt, R. (2017). Contemporary environmental accounting: Issues, concepts and practice. Routledge.
[5] Gray, R., Adams, C., & Owen, D. (2014). Accountability, social responsibility and sustainability: Accounting for society and the environment. Pearson Education.
[6] Joshi, M., Krishnan, G. V., & Sharma, D. (2019). Environmental accounting practices in developing economies: A case of South Asia. Sustainability Accounting, Management and Policy Journal.
[7] Ibrahim, M., & Abdulkarim, A. (2020). Green banking practices in Central Asia: A comparative analysis. Journal of Sustainable Finance & Investment.
[8] Weber, O. (2017). Sustainable banking: History and current developments. In Sustainable Banking (pp. 1–23). Springer.
[9] Bose, S., Khan, H. Z., Rashid, A., & Islam, S. (2021). What drives green banking disclosure? An institutional and stakeholder perspective. Journal of Accounting in Emerging Economies.
[10] ADB. (2021). Asian Development Bank report on green finance in emerging markets.
[11] Dikau, S., & Volz, U. (2021). Central bank mandates, sustainability objectives and the promotion of green finance. Ecological Economics.
[12] Khan, M., Muttakin, M. B., & Siddiqui, J. (2020). Corporate social responsibility disclosures and financial performance: Evidence from emerging economies. Accounting Research Journal.
[13] Larrinaga-González, C. (2020). Sustainability accounting and accountability in the public interest. Accounting, Auditing & Accountability Journal.
[14] Eccles, R. G., & Serafeim, G. (2013). The performance frontier: Innovating for a sustainable strategy. Harvard Business Review.
[15] Deegan, C. (2019). Social and environmental accounting. Routledge.
[16] Bebbington, J., & Unerman, J. (2018). Achieving the United Nations Sustainable
[17] Kuznetsov, A., & Kuznetsova, O. (2019). Institutional context and sustainability practices in transition economies. Journal of Business Ethics.
[18] Chen, J., Siddik, A. B., Zheng, G. W., Masukujjaman, M., & Bekhzod, S. (2022). The effect of green banking practices on banks' environmental performance and green financing: An empirical study. Energies, 15(4), 1292.