

# Social Accounting and Its Influence on Sustainable Development in the Municipality of Los Olivos-Lima, Peru

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## Abstract:

This research is epistemically based on determining the influence of social accounting on sustainable development. Accounting is a necessity for all companies as well as the use of different programs required by the company. The social accounting is surely an information system which is related to the society, environment and human resources, turning operations into healthy practices. This study proposes the following general hypothesis: social accounting has a significant impact on sustainable development of the Municipality of Los Olivos-Lima, Peru. Information of workers and inhabitants of Los Olivos district was analyzed in this research. A survey was applied to 220 participants and, then the statistical analysis was made by a chi square test, using the SPSS statistical software. The research purpose is to determine if social accounting has an influence on sustainable development of the Municipality of Los Olivos-Lima, Peru. The finding for the general hypothesis was 6.545 with a degree of freedom, showing that the calculated Chi was greater than Chi table 3.841 which, according to the scientific theory, allows us to reject the null hypothesis and, therefore, to accept the hypothesis proposed by the authors. Finally, it was concluded that social accounting significantly influence on the sustainable development of the Municipality of Los Olivos-Lima, Peru.

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## I. INTRODUCTION

Currently ecological associations and movements are mobilized by environmental pollution, being the systematic behavior of the economy, it is difficult to foresee all the effects that a specific economic measure or policy will have on a given economic system, therefore, it is required to formal tools that are capable of accurately representing the base situation and projections of the counterfactual situation.

Within this framework, one of the existing tools is the Social Accounting Matrix (SAM), which captures a disaggregated image of an economy, with a matrix representation of all the transactions and transfers (monetary) that occurred in that economy

in a given period.

Accounting is a necessity for all companies and the use in different programs as required by the company, being able to handle significant data and information to apply in decision making in different aspects. For this reason, it is said that accounting has an address in the social system with the purpose of measuring, analyzing, evaluating and also controlling, accounting in the social aspect is very much related to human reality, whether individual and collective. There is no logic in facilitating the social reality since it is important to relate to the economic, financial and administrative reality. In addition, social accounting analyzes the importance of working together with the social areas and

accounting practices, because after being a plea, it is the need for companies to prepare with all the information and help of instruments that facilitate communication known also as Social management, which is an activity in satisfying workers who have needs and priorities, obtaining a better standard of living in the population, increasing the quality of their products and projects, since they preserve a healthy environment inside and outside the company also protecting natural resources [1]

In Peru, social accounting begins in the development of the application of tasks, the action that occurs in the environment and population close to companies. There are diverse definitions and positions about social responsibility, which is an important union between the future professional field of accountants and society. Companies that present a commitment to society in this way perform, develop as an active and conscious way, the definition of social responsibility is improving over the years, the organization Peru - 2021 mentions with the suggestion Howard Bowen, that companies should take into account the social significance of their determination with society [2]

The municipality of los Olivos district was taken as an election, which is made up of four municipal agencies in different places and the services it provides to the public are: Property tax, municipal taxes, and among other activities. There is ignorance of the application of social accounting; social accounting complies with the measurement, disclosure, valuation and above all socially responsible through control. It would be a society concerned about future generations and everything that surrounds us. Furthermore, Sustainable Development focuses on the perception of the three fundamental pillars such as: social, economic, financial and environmental, which is essential for the present and the future of the new generation. Thus, it will be taken as the space and place to carry out the research in the municipality of los Olivos and as a research problem we have, how does social accounting influence sustainable development in the municipality of the district of los Olivos 2019? Then,

the technique will be applied through a survey and the instrument such as the questionnaire will be used. Likewise, to give epistemological support to the research we will cite the background:

#### Social accounting

"The emergence of social accounting is an information system that is directed through society, the environment and human resources by disseminating the operations to be practiced through organizations in order to have structured and useful reports.[3]

"In companies there is a series of information that is elaborated in order to cover the demands. The grouping of the data is mentioned in various ways such as: social information of the company, accounting on social responsibility and information based on social accounting. Thus, the objective of social accounting is to resemble through a set of techniques in which it mentions information that generates identity to reflect diverse social aspects, being able to impact its activity on employees, the social community, the environment and ethically "[4]

[5]The state is the main mediator in the area of social responsibility, representing the role of administrative element and executor of predetermined policies resulting from a consensus effort to determine the use of resources provided by society. In addition, in Latin America in the sixties and eighties it had a minimal transcendence of the social responsibility of part of the identity towards society since its important role is cultural and it was socially attributed to the State, passing the years in the nineties There is a time of privatization and lack of regulation in the economy and to lean towards the Anglo-Saxon model that mentions the company's social responsibility in the face of environmental problems.

With respect to the main divisions of social accounting, they have an aim that is to support the development and study of the country, this is based on the fact that the state is the mediator between policies and population, so according to[4], taking into account in evaluating and performing through a

table:

DIVISION	OBJETIVO	BASIC AREA OF UTILIZATION	ASSOCIATED TOPICS
Social responsibility accounting	Separation of individual items with social impact.	Private sector	1. Reports for employees. 2. Accounting of human resources. 3. Industrial democracy 4. Environmental accounting.
Full impact accounting	Measurement of the total costs of running an organization.	Private sector	1. Strategic planning. 2. Cost benefit analysis
Socio-economic accounting	Evaluation of projects financed by the public sector	Public sector	1. Cost benefit analysis. 2. Zero base budget and programs.
Accounting for social indicators	Long-term non-financial quantification From social statistics	Public sector	3. efficiency audit. 1. National accounts 2. National statistics.
Social accounting	Attempts to represent accounting in global terms.	Public and private sectors together.	1. Systems theories 2. Mega accounting trends.

Díaz (2014)

### Sustainable development

This same epistemological view allows analyzing problems of the interrelation of the environment and sustainability. The development built in the western world was based on the mechanistic and rationalist paradigm, from a vision of dominance over nature. The construction of a new paradigm required a radical change in the thinking and attitudes of human beings.

In this sense, environmental logic requires development as an internal event to the very essence of the environment. This vision leads to acting on any economic and social sphere, from an approach in which nature and the environment are considered as strategic factors of development. [6]

[7]The following theories are mentioned which are:

Neoclassical Theory: It takes the initiative in giving itself a change in the traditional to a dynamic one with special attention as entrepreneurs, for this reason there is a follow-up of changes in the economy with a modern level, taking into account the collaboration of entrepreneurs, shareholders to

carry out a growth, in this theory two types sustainable development are mentioned: The linear that announces the underdeveloped countries are in transitory form due to the inevitable delay. The dual announces the presence of two sectors: industry with the capitalist and agriculture with the pre-capitalist.

Latin American theory: also called economic commission theory for Latin America (ECLAC), it is manifested by the importance of improving the economic and social development of Latin America. Thus, it is the same one that carried out the socioeconomic assessment in order to join the world economy, applying strategies for primary legislation, the issue of wage increases driven by exports, industrialization and supporting companies such as savings and investment.

For this purpose, the following general problem has been formulated

How does social accounting affect sustainable development in the municipality of the olive district 2019?

The Study Hypothesis is; Social accounting has a significant impact on the sustainable development of the municipality of los olivos 2019.

The study objective is; determine if social accounting affects sustainable development in the municipality of the olive district 2019.

Likewise, the justification is based on Social Accounting and Sustainable Development are essential because it symbolizes society together with the need for the company's progress and sustainability in the future. According to [8] as a tool, social accounting is giving important substance, for decision-making in participation with the community and the environment. In addition, sustainable development, we have from the [9] states that "the satisfaction of needs is manifested today, but without involving future generations. Expressing a social, economic and ecological vision, as a principle in all public policies and regions, focusing worldwide on caring for the environment". (P.22)

Given this, the following general hypothesis is proposed

Social accounting influences sustainable development in the municipality of Los Olivos-Lima, Peru

Also, the following hypotheses are raised

a) Social accounting influences the financial economy in the Municipality of the District of Olives-Lima, Peru.

b) Social accounting influences the environment in the Municipality of the District of Olives-Lima, Peru.

c) Sustainable development influences social responsibility in the Municipality of the district of olives-Lima, Peru.

## II. MATERIALS AND METHODS

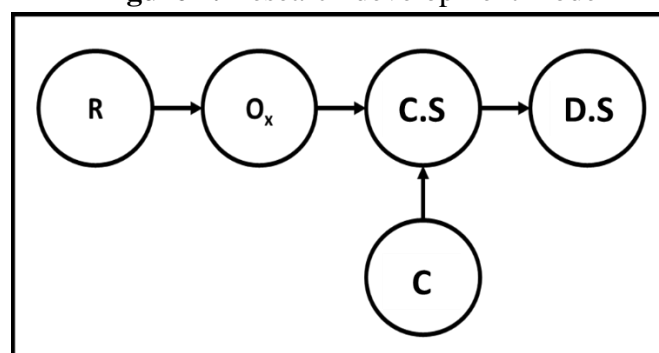
Statistical data was obtained from the survey applied to the 220 people

The following processes were taken into account for the methods:

- Descriptive process, to observe reality.
- Analytical process, for the systematization of scientific theory data.
- Inductive process, to generalize the results.
- Deductive process, to carry out the synthesis of the background
- Inductive - deductive process, to write the conclusions.

The researchers agreed on the following model, shown below:

**Figure 1.** Research development model



Source: self-made

Where:

R = Reality of the company.

Ox = Observation of the problem.

C.S = Social accounting.

D.S = Sustainable development

C = Application of the questionnaire.

The instrument for carrying out the data collection was a 25-question survey, whose answers were structured using the Likert scale. The survey sought to obtain data regarding the dimensions and indicators of the two variables (social accounting, sustainable development), as can be seen in the variable operationalization table.

OPERATION OF VARIABLES					
TITLE: social accounting and its influence on sustainable development in the municipality of los olivos-Lima, Peru					
VARIABLES	CONCEPTUAL DEFINITION	OPERATIONAL DEFINITION	DIMENSIONS	INDICATORS	technique / instrument / measuring scale
Social accounting	Set of techniques in which the information that generates the identity is mentioned to reflect diverse social aspects, being able to impact its activity on employees, the social community, the environment and ethically "(Díaz, 2014, p.34).	It consists of society, the environment and human resources. In addition, the participation of companies.	Responsibility Social	Industrial activities Environmental policies Information system	
			Recurso humano	Collaborators Population Provider Client	
sustainable development	Economic and social sphere, from an approach in which nature and the environment are considered as strategic factors of development. Revista de Analisis Economico (2011).	Sustainable development, that development that is capable of satisfying current needs without compromising the resources and possibilities of future generations.	Economy financial Environment	Economic development Development programs. investment plans Responsible initiative Addressing environmental problems Risk evaluation Community participates	survey / Questionnaire / Ordinal
				Biodiversity	

Source: (self-made)

To process the data, the steps have been followed:  
Step 1: Construction of a data matrix: For the elaboration of the selection and storage of the obtained information.

Step 2: Use of the instruments of computer technology: the information stored in the data matrix, and process it with statistical software SPSS.

Step 3: application of statistical tests: they were applied, depending on the data obtained and the purpose expressed in the research design.

The information obtained from the application of data collection techniques and the respective statistical treatment allowed the specific analysis to

be carried out, which aimed to study in detail the most relevant characteristics with respect to the object of investigation.

### III. RESULTS

The test for explanatory level investigations was performed, which is the chi-square test for both the general hypothesis and the four specific hypotheses initially proposed, in case the result is greater than 3.8415 (chi table for 0.05% margin of error) , the hypothesis will be accepted. Next, the statistical processing results will be presented and the results obtained were:

	value	gl	Sig. Asymptotic (2-sided)
Pearson's Chi-Square	171,157	90	,001
Likelihood ratio	119,160	90	,010
Linear by linear association	6,545	1	,001
N of valid cases	220		

Source: questionnaire



When performing the general hypothesis test, with the chi square test, it is observed that there is an association between the variable social accounting and sustainable development, because the calculated chi (6,545) is greater than the chi table (3.8415). Likewise, for the hypothesis test that is stated

because the value of the sig is 0.001, less than 0.05, therefore, the general hypothesis is accepted: Social accounting influences sustainable development in the municipality of los olivos-Lima, Peru.

#### Specific Hypothesis Test

**Table 2.** Chi-square tests for variable social accounting and financial economics.

	value	Gl	Sig. Asymptotic (2-sided)
Pearson's Chi-Square	153,107	80	,001
Likelihood ratio	117,460	80	,002
Linear by linear association	6,344	1	,010
N of valid cases	220		

Source: questionnaire

When carrying out the specific hypothesis test 1, with the chi square test, it is observed that there is an association between the variable social accounting and financial economy, because the calculated chi (6.344) is greater than the chi table (3.8415). Likewise, for the hypothesis test that is stated

because the value of the sig is 0.010, less than 0.05, therefore, specific hypothesis 1 is accepted: Social accounting influences the financial economy in the municipality of Los Olivos-Lima, Peru.

**Table 3.** Chi-square tests for variable social accounting and society dimension.

	value	gl	Sig. Asymptotic (2-sided)
Pearson's Chi-Square	173,607	90	,000
Likelihood ratio	129,260	90	,005
Linear by linear association	7,144	1	,001
N of valid cases	220		

Source: questionnaire

When performing the specific hypothesis test 2, with the chi square test, it is observed that there is an association between the variable social accounting and society, because the calculated chi (7,144) is greater than the chi table (3.8415). Likewise, for the hypothesis test that is stated because the value of the sig is 0.001, less than 0.05, therefore, specific hypothesis 2 is accepted: Social accounting influences the society of the municipality of los olivos-Lima, Peru.

	value	gl	Sig. Asymptotic (2-sided)
Pearson's Chi-Square	123,407	90	,000
Likelihood ratio	129,260	90	,002
Linear by linear association	5,124	1	,001
N of valid cases	220		

Source: questionnaire

Table 4. Chi-square tests variable sustainable development and social responsibility dimension.

When performing the specific hypothesis test 3, with the chi square test, it is observed that there is an association between the variable sustainable development and the dimension of social responsibility, because the calculated chi (5,124) is greater than the chi table (3.8415). Also for the

hypothesis test that is stated because the value of the sig is 0.001, less than 0.05, therefore specific hypothesis 3 is accepted: Sustainable development influences the social responsibility of the municipality of los olivos-Lima, Peru.

**Table 5.** Chi-square tests variable sustainable development and human resource dimension.

	value	gl	Sig. Asymptotic (2-sided)
Pearson's Chi-Square	143,707 <sup>a</sup>	90	,001
Likelihood ratio	199,160	90	,002
Linear by linear association	4,366	1	,001
N of valid cases	220		

Source: questionnaire

When performing the specific hypothesis test 4, with the chi square test, it is observed that there is an association between the variable sustainable development and the human resource dimension, because the calculated chi (4.366) is greater than the chi table (3.8415). Likewise, for the hypothesis test that is stated because the value of the sig is 0.001, less than 0.05, therefore specific hypothesis 3 is accepted: Sustainable development influences the human resource of the municipality of los olivos-Lima, Peru.

## DISCUSSION

After having carried out the statistical analysis of 220 people, who are workers and residents, the following is concluded:

The general hypothesis is verified: Social accounting influences sustainable development in the municipality of Los Olivos-Lima, Peru. (See table No. 1). They confirm this result. This is sustained taking into account what has been stated in the report by [9] States that "the satisfaction of needs is manifested today, but without involving future generations. Expressing a social, economic and ecological vision, as a principle in all public policies and regions, focusing worldwide on caring for the environment ". Given what has been proven in the

general hypothesis, we contrast the specific hypotheses 1. Social accounting influences the financial economy in the municipality of Los Olivos-Lima, Peru. (see table N°2). They confirm this result. The approach is based on the theory expressed by [10]. Latin America theory: also called economic commission theory for Latin America (ECLAC), is manifested by the importance in improve the economic and social development of Latin America. Thus, it is the same one that carried out the socioeconomic assessment in order to join the world economy, applying strategies for primary legislation, the issue of wage increases driven by exports, industrialization and supporting companies such as savings and investment. On the other hand, specific hypothesis 2. Social accounting influences the society of the municipality of los olivos-Lima, Peru. (see table N°3). Confirm this result. Corroborating with what [11] "Set of techniques in which he mentions information that generates identity to reflect diverse social aspects, being able to impact his activity on employees, the social community, the environment and ethically". reinforce with what [12] says. "That there is a reciprocal link between social accounting and its environment in which it operates." While the specific hypothesis 3 Sustainable development influences the social

responsibility of the municipality of los olivos-Lima, Peru. (see table N°4). That confirms this result. Epistemologically sustains it [13]The environmental paradigm requires seeing development as something intrinsic to the very essence of the environment. That vision leads to acting on any economic and social sphere, from an approach in which nature and the environment are considered as strategic factors of development. Likewise, specific hypothesis 4 sustainable development influences the human resource of the municipality of los olivos-Lima, Peru. (see table No. 5). That confirms this result, corroborated by what [12]states. The state is the main mediator in the area of social responsibility, representing the role of administrative element and executor of predetermined policies resulting from a consensus effort to determine the use of resources provided by society. In addition, in Latin America in the sixties and eighties it had a minimal transcendence of the social responsibility of part of the identity towards society since its important role is cultural and it was socially attributed to the State, passing the years in the nineties There is a time of privatization and lack of regulation in the economy and to lean towards the Anglo-Saxon model that mentions the company's social responsibility in the face of environmental problems. In effect, social accounting as part of business information seeks that public and private institutions meet the needs of its internal and external users, for this they must take into account that the company is a social economic unit obliged to manage resources with social responsibility that allow the fulfillment of the demand of the society that is administered as a consequence of an adequate and sincere management since at present as professionals we must know of the responsibility that companies have regarding the socio-environmental impacts that derive from their activities, taking Taking this social perspective into account, accounting science has to adjust to the transformations, since it is the new information demands that come both internally and externally due to the expansion of social responsibility, knowing that the sustainability of

natural resources must be managed so that they are not deplete it must add Ionize to traditional accounting information the values of a social, ethical, and environmental type that land as social accounting [14]

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