[01]

FOSTERING BIO-DIVERSITY MANAGEMENT THROUGH ACCOUNTING: THE CASE OF TEA PLANTATIONS

Thyaga Heenpallage [1], Chamara Jayakody [2], Upekha Atupola [3], Nuwan Gunarathne [4]

[1, 2, 3, 4] *Department of Accounting, University of Sri Jayewardenepura, Sri Lanka*

ABSTRACT

Tea sector plays an important role in the economy and bio-diversity of Sri Lanka. Due to various stakeholder pressures, the plantation companies are under pressure to better manage bio-diversity in their plantations. The key to better management of bio-diversity is identification, recording and continuous monitoring of its development or deterioration. Yet, it is little known how bio-diversity can be accounted for in this sector in a systematic manner. This paper therefore attempts to demonstrate how bio-diversity accounting can be applied in the tea plantation sector using Jones (1996) natural inventory model (NIM). NIM is a model that has received worldwide attention and recognition in accounting for bio-diversity and provides a systematic hierarchical framework to record, value and report natural habitats, flora and fauna. The researchers selected two tea estates in Lindulaa nd Maskeliya regions that belong to two large listed plantation companies in the country. Primary data were collected by visiting the estate and having interviews with the middle and estate management. By analyzing internal company records such as log books, sighting records and other reports, the secondary data were collected. The collected data were analyzed as per the hierarchical levels in the NIM. The study finds that the tea plantation companies use their own model to account for bio-diversity in their estates and those models are largely in consistent with the NIM. However, higher layers of the NIM cannot be applied due to the lack of information. This leaves plantation companies with incomplete bio-diversity accounting reports which can limit their international recognition. The study suggests systematic adoption of bio-diversity accounting, such as NIM, can foster bio-diversity management in plantation sectors while earning international accreditations and financial benefits.

Keywords: Biodiversity, Natural inventory model, Recording biodiversity, Sri Lanka, Tea plantations