Requirements for Application of Cost Accounting Method to Minimize Pollution in the Industrial Companies for the Purpose of Protection of Environment in the State of Kuwait

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ABSTRACT

The interest in environmental issues is not only limited to the developed countries alone but we can notice the same in the underdeveloped countries as well. Due to the recent increase in the number of industrial companies in the State of Kuwait, the issue of environmental protection became the concern of many local institutions who are concerned with environment. This is because the industrial processes have direct impact on the environmental pollution and the harmful effects of the same on the nature and all creatures on the planet. The present study aims at identifying the extent of awareness by the managements of the industrial companies of the importance of minimizing pollution. This is in addition to the existence of motivations to study and analyze the costs of minimizing pollution and the availability of requirements for measurement and accounting disclosure of the costs related to the environment which in turn will contribute in minimizing pollution.

This study involved all the employees working in the industrial shareholding companies in the State of Kuwait. For such purpose a random sample was taken, consisting of 105 employees. In order to achieve the study’s targets, a study tool was used to identify the requirements for applying a cost accounting method to minimize pollution in the industrial establishments for the sake of protection of environment in the State of Kuwait.

Having applied the tool on the study sample and ensuring it is applicable, the following results emerged:
- The awareness by the management of industrial companies and establishments contributes in hindering and minimizing pollution.
- Existence of motivations to study and analyze the costs related to minimizing pollution positively helps in maintaining the environment against pollution.
- Availability of requirements for measurement of the costs of minimizing pollution in the industrial companies in the State of Kuwait will assist in protection of environment against pollution.
- Existence of accounting disclosure of the costs related to minimizing pollution in the industrial companies in the State of Kuwait will help in maintaining the environment against pollution.

Among the major recommendations reached by the researcher is the importance of establishing databases by the Kuwaiti industrial companies in order to make available all the data and information that help in measuring the costs of environmental pollution damages and the cost of remedy of the same. This is in addition to maintaining uniform accounting records for the measurement of the environmental costs and the necessity of maintaining uniform disclosure methods in the financial statements by all the industrial companies operating in the State of Kuwait.

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