

Green Finance and Its Impact Towards the Capital Market With Approach Dramaturgy

Frivaldo YesbaRianus P¹⁾, Mifta Aulia Mustafa²⁾, Syarifuddin Rasyid³⁾, Darmawati⁴⁾
^{1,2,3,4)} Accounting / Economics and Business, Hasanuddin University

*Corresponding Author

Email: Frivaldo074@Gmail.com, Auliyah883@gmail.com, syarifuddin.rasyid@fe.unhas.ac.id,
darma.ak@unhas.ac.id

Abstract

Green finance plays a strategic role in promoting sustainability practices in the capital market. This study uses Erving Goffman's dramaturgical approach to analyze how companies, specifically PT Unilever Indonesia, construct a sustainability image on the front stage through sustainability reports, green bond issuances, and public communication strategies, while facing real challenges on the back stage, such as cost efficiency and profitability demands. This study reveals that although green finance conceptually supports the Sustainable Development Goals (SDGs), its implementation in the Indonesian capital market still faces obstacles such as information asymmetry, the dominance of short-term considerations, and the need for convincing performative displays. The research method used is an interpretive qualitative approach with dramaturgical analysis. This exploratory study aims to uncover the meaning and branding strategies employed by companies in the context of green finance, and their impact on investor perceptions in the capital market. The analysis focuses on the narratives, symbols, behaviors, and self-presentation strategies used by companies to demonstrate their sustainability commitments, while also understanding the dynamics between public image and internal reality. The results show that the success of green finance depends heavily on the balance between public image and the actual integration of sustainability practices into a company's business strategy. Companies that consistently implement Environmental, Social, and Governance (ESG) principles are able to increase investor confidence, market value, and long-term competitiveness.

Keywords: *Green Finance, Capital Market, Dramaturgy, Sustainability, ESG, PT Unilever Indonesia.*

INTRODUCTION

Activity management sustainability - focused finance environment, not solely related with problem profit or loss financial. The main goal from green finance is create balance between growth economy and conservation environment, with direct cash flow to friendly projects environment and sustainability. Other terms that are often used in a way alternate with green finance including *sustainability finance* and *environmental finance*, which are the same emphasize importance integration aspect environment in taking decision finance.

Approach dramaturgy, developed by Erving Goffman, sees interaction social as a show in which the actors (in matter This company, government, or institution finance) displays image certain in front of public (front stage), while motives, strategies, and realities Actually often hidden behind screen (back stage). Green finance is often used as tool imaging For show commitment company or institution finance to sustainability and responsibility answer environment in front public, regulators, and investors, Report sustainability, green bonds issuance, and campaigns communication friendly environment is part from "stage front" where company display self as caring actor environment.

Green finance, a concept focused on environmental sustainability, has become a strategic issue in global capital markets. This concept emphasizes allocating funds to environmentally friendly and sustainable projects, thus creating a balance between economic growth and environmental preservation. In Indonesia, the implementation of green finance is beginning to be seen through the issuance of green bonds, green sukuk, and other sustainable financing. These instruments are expected to accelerate the transition to a low-carbon economy while supporting the achievement of the Sustainable Development Goals (SDGs).

Despite its significant potential, the implementation of green finance in the Indonesian capital market still faces significant challenges. Several studies have found a gap between companies' public image and actual practices. Cho and Patten (2007) emphasized that environmental disclosures are often used as a means of legitimacy, rather than solely reflecting actual commitments. Muslichah (2020) demonstrated that integrating green finance into business strategy can enhance a company's reputation and market value, but this outcome is significantly influenced by the consistent application of ESG (Environmental, Social, and Governance) principles. Findings by Cicchiello et al. (2022) also demonstrate that global dynamics, such as the COVID-19 pandemic, can shift investor priorities from environmental issues to short-term economic considerations.

In this context, Erving Goffman's dramaturgical approach offers a unique perspective for understanding corporate interactions with the public and investors. This approach views companies as actors on a stage, where the "front stage" projects an image of sustainability through sustainability reports, the publication of green instruments, and public campaigns, while the "back stage" holds internal dynamics such as cost efficiency, profitability targets, and operational challenges.

This research focuses on PT Unilever Indonesia as a case study, given that the company consistently integrates sustainability principles into its business strategy and is active in the capital market. Using an interpretive qualitative approach and dramaturgical analysis, this study aims to uncover the company's sustainability branding strategy, identify challenges in implementing green finance, and analyze its impact on investor perceptions and capital market dynamics in Indonesia.

RESEARCH METHODS

This research uses an interpretive qualitative approach, which, according to Creswell (2014), aims to understand the meaning of social phenomena from the perspective of participants. In this context, the research focuses on how actors in the capital market particularly companies, investors, and regulators construct, manage, and project a sustainability image through green finance instruments and practices.

The dramaturgical approach introduced by Erving Goffman (1959) serves as the primary analytical framework. Goffman viewed social interactions as a theatrical performance, where each actor has a "front stage" to project an ideal image to the public, and a "back stage" that houses internal realities, hidden strategies, and challenges. In green finance studies, this framework allows researchers to unravel the differences between the public image of sustainability (e.g., through sustainability reports, green bond issuances, and ESG campaigns) and the actual practices behind the scenes, such as cost efficiency, profitability, and meeting environmental targets.

The collected data was analyzed using Goffman's stage-based dramaturgical analysis, mapping the elements of the front stage, back stage, script (narrative), actors, and audience. Data validity was maintained through source triangulation (Patton, 2015) and member checking to ensure the researcher's interpretation aligned with the participants' understanding.

Qualitative study explorative , purposeful to reveal the meaning and imaging strategies carried out by the company in the context of green finance and its impact to investor perception in the capital market. Research This No only explore connection between green finance and capital markets, but also interpret *How* actors said " displays self " in supporting green finance. Focus the main thing is narrative , symbols , behavior , and presentation strategies self in context sustainability in capital markets.

RESULT AND DISCUSSION

Results

Green finance, which includes instrument such as green bonds, green sukuk , and investments friendly environment , has develop rapidly in the Indonesian capital market. Since 2020, the growth instrument This reaching 25% per year , with a total issuance of green bonds of up to IDR 45 trillion in 2024. Product innovation finance sustainable This interesting interest of global institutional investors and encourage transformation company going to ESG (Environmental, Social, Governance) practices . The implementation of green finance has been proven give impact positive for a consistent company operate not quite enough answer social and conservation environment . Muslichah's study (2020) shows that companies that integrate green finance into their business strategies experience improvement reputation , attractive investor support , and building market confidence . This is reflected in the increase mark company in term long as well as stability price shares in the capital market.

PT Unilever Indonesia Tbk succeed integrate principle sustainability in four main pillars : climate , nature , plastic , and livelihoods . Through initiative subtraction plastic new , usage plastic recycle repeat , management waste , and innovation product friendly environment , Unilever strengthens image and reputation in the eyes of investors. Unilever's implementation of green finance has an impact positive on the capital market, seen from increase price UNVR shares by +6.49% in April 2025, with strong transaction volume and market capitalization . Disclosure transparent and measurable sustainability is also not cause impact negative significant in the report finance , signifies green finance integration is running balanced with performance financial . Green finance has an impact positive on the capital market with increase reputation , investor confidence , and value company , provided that implemented in a way consistent and transparent . Approach dramaturgy to reveal importance balance between image public and internal corporate realities in build market confidence . The success of green finance is not only measured from growth instrument finance green , but also from how far the company capable integrate sustainability in a way real in business and operational strategy they .

Companies that are consistent implementing green finance and ESG (Environmental, Social, and Governance) principles shows commitment to sustainability and responsibility answer social , which often increases image and reputation good in the eyes stakeholders interests . This is can interesting attention and trust from investors who are increasingly notice aspect sustainability in taking decision investment . In addition , the implementation of ESG principles help company manage risk related with issue environmental and social , as well as increase efficiency operational and innovation . In the long term length , thing This contribute to the improvement mark company and stability price shares in the capital market, because the market tends to give appreciation to sustainable and responsible company answer .

In general Overall , the integration of green finance and ESG is a strategy that is not only support sustainability environment and social , but also provide benefit sustainable economy and reputation for company .

Discussion

Approach Erving Goffman's dramaturgy is used For analyze How company display image sustainability in the future public (front stage) and how their internal reality (back stage). In the context of green finance, companies often utilise report sustainability , green bonds issuance , and campaigns communication friendly environment as a " show " on stage front For show commitment to sustainability to public , regulators, and investors.

However , behind screen , company face challenge real in manage cost , maintain profitability , and meeting sustainability targets in a way realistic . Approach dramaturgy help to reveal dynamics between impression public built company with internal challenges faced . In the

case of Unilever, although image strong green displayed in front public , company still must balancing between demands sustainability and business targets . Implementation of green accounting and economics green increase efficiency operational as well as strengthen image , although cost environment No always impact significant on profitability term short .

Investors now the more critical in evaluate authenticity commitment sustainability company . They are more choose companies that are consistent apply ESG principles , so that push company For No just do imaging , but also ensure practice sustainability truly integrated in operational they . The capital market provides appreciation to sustainable and responsible company answer , which is reflected in improvement mark company and stability price shares , transparency , accountability and honest reporting become key in build investor and public confidence . Balance between imaging and practice it is very important for green finance to really work. impact positive on the capital market. Green finance does not only support sustainability environment and social , but also provide benefit sustainable economy and reputation for company . Instrument such as green bonds and green sukuk the more in demand in the Indonesian capital market, with growth significant since 2020. Green finance enables company access funding with more costs low , increase reputation , and reduce risk related issue environmental and social, However , the implementation of green finance in the Indonesian capital market is still face constraint like asymmetry information , dominance consideration term short , and needs will convincing performance . Investment beginning in infrastructure green and technology friendly environment need cost additions , and changes practice business that has been established Can eat time as well as source power . In addition , the measurement impact environment in a way accurate and applicable consistent metrics become challenge alone for the Company.

The application of green finance and ESG principles helps company manage risk related issue environment and social , improving efficiency operational , as well as push innovation . In the long term length , thing This contribute to the improvement mark company and stability price shares in the capital market, because the market tends to give appreciation to sustainable and responsible company answer , the company that consistent implementing green finance and ESG principles shows commitment to sustainability and responsibility answer social , which increases image and reputation in the eyes stakeholders interests . This is interesting increasing investor attention and confidence notice aspect sustainability in taking decision investment .

Approach this also highlights the role of investors as " spectators " is increasingly critical in evaluate authenticity commitment sustainability company . Investors now more choose companies that are consistent apply ESG principles , so that push company For No just do imaging , but also ensure practice sustainability truly integrated in operational they

CONCLUSION

1. Green finance plays an important role in driving sustainability in the capital market. Green finance is not only an instrument for funding environmentally friendly projects, but also a corporate strategy to improve reputation, attract investors, and build market trust. Instruments such as green bonds , green sukuk, and ESG-based investments are increasingly in demand in the Indonesian capital market, with significant growth since 2020.
2. Green implementation finance by PT Unilever has a positive impact on the capital market. Unilever Indonesia consistently integrates sustainability principles into its business strategy, such as reducing new plastic, using recycled plastic, waste management, and innovating environmentally friendly products. This commitment is reflected in transparent and measurable sustainability reports, and has an impact on increasing stock prices, transaction

- volumes, and market capitalization. Investors increasingly trust and are interested in companies that seriously implement sustainability principles.
3. The dramaturgical approach reveals the dynamics between public image and internal corporate practices. Through the lens of Erving's dramaturgy Goffman , it can be seen that companies like Unilever display a green image on the “front stage” through sustainability reports, green bonds , and public communications. However, in the “backstage,” companies continue to face challenges of costs, profitability, and achieving sustainability targets. This approach helps understand how the impressions a company builds affect investor perceptions and capital market dynamics.
 4. The balance between image and real practice is very important . In order for green finance really has a positive impact, companies must maintain consistency between public image and real practices internally. Transparency, accountability, and honest reporting are key to building investor and public trust.

REFERENCES

- Aghnitama , E., et al. (2021). Analysis Corporate Profitability and Its Impact towards Company Value.
- Anggraini , FRR (2006). " Disclosure Social Information and Influencing Factors Disclosure Social Information in Report Finance Annual (Empirical Study on Companies Listed on the Jakarta Stock Exchange) ."
- Brammer, S. & Pavelin , S. (2006). "Voluntary Environmental Disclosures by Large UK Companies."
- Cellier, A. & Chollet, P. (2010). "The Impact Of Corporate Social Responsibility On Stock Prices: An Event Study Of Vigeo Rating Announcement." Universite Paris-Est.
- Cho, C. H. & Patten, D. M. (2007). "The Role of Environmental Disclosures as Tools of Legitimacy: A Research Note.
- Clarke, J. & Gibson-Sweet, M. (1999). "The Use of Corporate Social Disclosures in the Management of Reputation and Legitimacy: A Cross Sectoral Analysis of UK Top 100 Companies."
- Cicchello, A. F., Cotugno, M., Monferrà, S., & Perdichizzi, S. (2022). Credit spreads in the European green bond market: A daily analysis of the COVID-19 pandemic impact. *Journal of International Financial Management & Accounting*, Advance online publication. <https://doi.org/10.1111/jifm.12150>
- Creswell, J. W. (2014). *Research design: Qualitative, quantitative, and mixed methods approaches* (4th ed.). SAGE Publications.
- Dewi, IGAAO & Irianto, G. (2011). " Dialectics and Reflection Critical The Reality of ' Sustainability ' in Practice Sustainability Reporting: A Habermas Narrative." SNA XIV.
- Dowling, J. & Pfeffer, J. (1975). "Organizational Legitimacy: Social Values and Organizational Behavior ."
- Elkington, J. (1997). *Cannibals with Forks: The Triple Bottom Line of 21st Century Business* .
- Garcia-Ayuso, M. & Larrinaga, C. (2003). "Environmental Disclosure in Spain: Corporate Characteristics and Stakeholder Influence."
- Gao, S.S., et al. (2005). "Corporate Social and Environmental Reporting: A Longitudinal Study of UK Listed Companies.
- Goffman, E. (1959). *The presentation of self in everyday life*. Doubleday.
- Hackston , D. & Milne, M. J. (1996). "Some Determinants of Social and Environmental Disclosures in New Zealand Companies."
- Lutfi, M. (2001). " The Influence of Social Disclosure on Stock Prices."

- Muslichah , I. (2020). " The Influence of Green Finance on Company Value and Financial Performance .
- Muslichah, M. (2020). The effect of environmental and social disclosure on firm value with financial performance as intervening variable. *Jurnal Akuntansi & Auditing Indonesia*, 24(1), 22–32. <https://doi.org/10.20885/jaai.vol24.iss1.art3>
- Patton, M. Q. (2015). *Qualitative research & evaluation methods: Integrating theory and practice* (4th ed.). SAGE Publications.
- Reichelt, H. (2010). "Green Bonds: A Model to Mobilize Private Capital to Fund Climate Change Mitigation and Adaptation Projects."
- Shapiro, J. S. & Walker, R. (2018). "Why Is Pollution from US Manufacturing Declining? The Roles of Environmental Regulation, Productivity, and Trade."
- Sunil, K. & Momany, M. (2020). "Green Finance: Challenges and Opportunities
- Supardan , D. (2011). *Sociology of Symbolic Interaction* .
- Tinker, T. (1980). "Towards a Political Economy of Accounting: An Empirical Illustration of the Cambridge Controversies."
- Widodo, S. (2010). *Modern Sociological Theory* .
- Zuhroh , D. & Sukmawati , IPPH (2003). " Analysis The Broad Influence of Social Disclosure in Report Company Annual Report on Investor Reaction ." VI Surabaya National Accounting Symposium