

**REFLECTIONS ON THE CRITICAL ACCOUNTING
MOVEMENT: THE REACTIONS OF A CULTURAL
CONSERVATIVE**

By

David O'Regan

o_regandavid@hotmail.com

Abstract

The following reflections on the Critical Accounting movement are offered by an individual temperamentally and culturally “outside” the movement’s main intellectual currents of radical New Left ideology. Although strongly sympathetic to Critical Accounting, the author is unable to conquer a hunch that to expose the movement’s theoretical base to intellectual scrutiny would be to show much of it to be preposterous.

Critical Accounting inflames passions, and it frequently involves its adherents in strong philosophical and political commitments. In this context, it is only fair that the author emphasizes that this paper arose from attempts to reconcile his friendly disposition to Critical Accounting with intellectual sympathies that derive from culturally conservative thinkers, from F.A. Hayek to Roger Scruton to Eric Voegelin, whose texts are virtually ignored in the Critical Accounting literature.

Enormous issues of principle are raised by any enquiry into a vast subject such as Critical Accounting, and this paper does not therefore claim any degree of comprehensiveness. The author is conscious that his remarks do scant justice to the arguments of those who defend them, but hopes that the following reflections do not distort the subject matter too greatly. The paper is an attempt to articulate in sober terms ideas previously expressed, tongue-in-cheek, in essay form (O’Regan, 1998) and as *materia poetica* (O’Regan, 2000) ⁽¹⁾.

INTRODUCTION

The Critical Accounting movement seeks to reform - or, depending on one's point of view, subvert - current accounting practices and institutions, as a contribution to wider social change. The movement expresses its challenges to conventional notions of accountancy mainly through academic publications, though its themes occasionally burst through into more popular literature, and into the actions of reform groups.

The notes of the journal *Critical Perspectives on Accounting* set out the wider Critical Accounting agenda in claiming to provide “a forum for a growing number of accounting researchers and practitioners who realize that conventional theory and practice is [sic] ill-suited to the challenges of the modern environment, and that accounting practices and corporate behaviour are inextricably connected with many allocative, distributive, social and ecological problems of our era”.

This quotation clearly illustrates the movement's *contestataire* nature. In rather colourful terms, the author of this paper has summarised the Critical Accountants as “a body of New Left academics, disciples of Foucault, Marx and other leftist theorists, who identify in the social aspects of accounting mechanisms for sustaining existing power structures in society. They see accounting as an oppressor of disadvantaged groups by its assistance in the maintenance of the *status quo* of capitalism, with all the evil consequences that this is deemed to imply. They also accuse accounting of stunting the

emancipation and authenticity of the individual, by reducing him to a mere 'number', ripe for manipulation" (O'Regan, 1998, p.22).

It is a measure of the success of the Critical Accounting movement that many of its ideas have filtered into the mainstream. To quote David Solomons (foreword to Edwards, 1994, p.x): "To most of us brought up in a more orthodox [accounting] tradition, what these [Critical Accounting] writers have to say looks misguided, for their criticisms, overtly directed at accounting, seem really to be condemnations of society. Nevertheless, this school of thought, with all its excesses and defects, may be the most significant new turn in accounting thought as we approach the end of the twentieth century". Professor Solomons was correct to link Critical Accounting iconoclasm with a larger political agenda. The movement often seems offended by the mere existence of the profit-maximizing enterprise, and frequently uses its critique of accountancy as a pretext for attacking the market economy and current social arrangements. But Solomons was equally justified in pointing to the potential benefits of this very *engagée* literature.

Critical Accounting is a local manifestation of what may be termed the radical critique – the egalitarian and reforming impulse that has run through the veins of western civilisation since the philosophies of the Enlightenment exploded into the French Revolution ⁽²⁾. The systematic questioning of social convention claims legitimacy not only from rational theorizing, but also from intuitive and sentimental philosophies mediated by Rousseau. It has been suggested

(Roberts, 1985) that the western tendency to self-criticism can be seen in a positive light: self-criticisms act as the intellectual anti-bodies of a healthy organism. And many Critical Accountants undoubtedly act in good faith, on the basis of what they believe to be the highest moral principles. They see their objective as nothing less than the “intellectual emancipation” of accounting (Lowe & Tinker, 1975). Portraying themselves as crusaders against socio-economic injustice and “bourgeois conservatism”, the Critical Accountants self-consciously present themselves as “a force for radical emancipatory social change” (Galhoffer & Haslam, 1997, pp. 75 and 82).

The particular branch of radicalism from which Critical Accounting draws most of its ideological nourishment is critical social theory, a movement that has attempted to reassess conventions in many areas of society and cultural life, including the practices and institutions of the professions. Accountancy is one of the last professional bastions to withstand the critical assault. Lawyers, teachers, probation officers, clerics, and social workers have all witnessed their jurisdictions subjected to radical reappraisals, which tend towards the conclusion that traditional practices sustain immoral social and economic power inequalities. The radical critique has had varying degrees of success in influencing the professions. Perhaps the foremost example of the radical penetration - or subversion - of an entire professional philosophy has been in state education, now largely in thrall to a dewy-eyed and Dewey-based child-centred, sentimental orthodoxy.

A BROAD CHURCH

Power (1996, p.20) considers there to be “sufficient common ground to talk loosely of a ‘critical accounting school’”, but this school contains a wide variety of views. Sikka and Willmott (1997, p.162) describe the movement as a “broad Church”, an apt characterization for a movement composed of Marxist revolutionaries, feminists, utopian environmentalists, thirdworldists, and practical reformers. Owing to this spectrum of views, many Critical Accountants deny the existence of a Critical Accounting “movement”, or at least deny their adherence to one. However, it appears to the author that what unites Critical Accountants – a desire for radical reform underpinned by New Left ideologies – is more significant than what divides them. In many thought or belief systems, of course, it is often minor deviations that inflame the highest passions: the small difference of opinion with my brother can be more important to me than larger divergences of views with strangers. Christian sects, for example, often squabble more fiercely among themselves than with adherents to other religions. Similarly, the frequent attacks on one another by Critical Accountants appear to be a form of *odium theologicum* among sects of competing believers within a core philosophical system.

Therefore, like the French *nouveaux romanciers* (the experimental novelists like Alain Robbe-Grillet and Nathalie Saurraute who claimed not to belong to a “school of thought” yet were lumped into one by every-one else), the Critical Accountants form part of a loose but clearly-defined movement. Perhaps two

main branches of Critical Accounting dogma can be identified. First, some in the movement seek self-justification in the reductivism of modernist dogmas such as Marxism, Maoism, environmentalism, or thirdworldism. A second group comprises those who reject such grand narratives, and seek to push the boundaries of their radical critique into the tortured world of post-modernism, the cultural milieu characterised by “events that are transitory, selves that are fragmented, ideas that are constantly changing, all without any underlying universal laws or guidelines” (Montagna, 1997, p125). The Critical Accounting journals in particular contain a lively debate between modernists and postmodernists, and the competing sects of the radical critique frequently vent their fury at one another. These internal disputes can become intensely vitriolic, and (as previously noted) there is no shortage of mutual disparagement between the various parts of the movement.

Notwithstanding such theological disputes, it is evident that beyond the smoke of radical rhetoric both the modernists and postmodernists tend towards not dissimilar conclusions. The radical cries of both wings of the movement sound remarkably similar in their opposition to the free market and to traditional social structures. Critical Accountants of various hues essentially portray accounting as an upholder of dominant interests in society - socio-economic, patriarchal, cultural, and racial.

CORE BELIEFS

Although a self-consciously radical movement, Critical Accounting appears to be extremely conventional in its leftist posturing. Such originality as the movement has resides in the application of the *idées reçues* of critical social theory to the context of accountancy. Its writers seem to belong to the “professional second-hand dealers in ideas” described by Hayek (1998, p.9): the movement applies derivative ideas in ever-wider contexts, always eager to conquer new areas of accounting ⁽³⁾.

Critical Accounting's theoretical poverty may be attributed to its birth in the stable of critical social theory, in that it tends to suffer from some of the ills that afflict sociology more broadly. To quote one commentator: '[S]ome sociologists are at heart worshippers. They want creeds, prophets, dogmas, incantations. The death of God at the end of the nineteenth century and of Karl Marx at the end of the twentieth have left them seeking new prophets with new revelations. They find them in the likes of Habermas, Beck and Bauman, Althusser, Foucault and Baudrillard, names uttered with the uncritical reverence which in the past was accorded to Isaiah and St Paul. They speak a special mandarin language, impenetrable to outsiders, and resemble nothing so much as medieval theologians constructing hierarchies of the cherubim and the seraphim' (Richards, 1998, p.43).

Perhaps anti-conservatism and distaste for existing cultural norms and institutions may be seen as the common denominators of Critical Accounting theory. Elsewhere, the author (O'Regan, 1998, p.24) has put it as follows: "Those who feel sympathy for any of the conservative traditions - in the widest sense, including the libertarian wing - and who have benefited from reading Burke, Hayek, Nozick, Orwell, Popper, Scruton or Voegelin, to mention a few, will be disappointed by Critical Accounting. Such writers rarely appear in Critical Accounting footnotes and bibliographies, unless as representatives of an ill-defined 'enemy'... it would be sacrilegious to voice the notion that capitalism allows for wider diffusion of wealth and greater individual flourishing than any of the systems proposed by the ideologies of the New Left. We are encouraged to view society as riddled with illegitimate power structures, but there is no counterbalancing defence of Burkean notions of the loyalties and institutions that nurture civil society."

Therefore, among the writings of the movement's ageing *soixante-huitards*, there is little or no reference to the texts of those who lie outside radical leftist traditions. Citations of Burke, Popper, or Voegelin are few and far between. Instead, citations from Fanon, Foucault, Habermas and other members of the leftist pantheon are sprinkled through Critical Accounting pages like flotsam on a sea of dogma, revealing a hankering for intellectual legitimacy on which to base the movement's radical critique.

Critical Accountants are often former professional accountants who have switched to academic life, or “traditional” academics who have turned their backs on bourgeois culture to ally themselves with the world of the radical critique. Lehman’s *Accounting’s Changing Role in Social Conflict* (Lehman, 1992) displays the origins of the reforming passions that drive many in the Critical Accounting movement. Her book illustrates how and why Critical Accountants undertake attacks on the “traditional canon” (p.ix) as a means to social emancipation and individual liberation, and she describes her attachment to Critical Accounting dogma as “an act of revenge for the hours spent learning conventional accounting” (p.ix). The tone of the work can be gauged from the assertion that “the accountant as a caring and knowledgeable socially orientated citizen is virtually an unknown species” (p.2).

The theme of the Damascene conversion frequently echoes through this literature. The Critical Accountant is often a passionate convert, who expresses attachment to his new theology of critical theory in terms of a revelatory, or near-mystical experience (O’Regan, 2000). For example, one paper that attacks traditional accounting research paradigms is presented as “a form of cathartic *mea culpa*” for the authors’ previous “inapt behaviour” (Clarke et al., 1999, p.65). Gray (1998, p.205) describes how Critical Accounting “has pulled the scales from our eyes” in its exposition of “many of the taken-for-granted assumptions in both the practice and the theorising of accounting”.

If one were to identify a basic unifying theme among the disparate strands of Critical Accounting thought, it is perhaps the rejection of accountancy practices – including auditing - as a purely technical discipline. This contrasts with traditional perceptions of the accountant as a type of scoreboard operator, a simple messenger who reports the numbers. In the words of one northern captain of industry, the accountant has traditionally been perceived as “nowt but scorer” (quoted in Matthews et al., p.114), but for the Critical Accountants the prim logic of double-entry bookkeeping is not amoral. The movement dismisses what it deems to be the theoretical bankruptcy of “official images of accounting...as an abstract and timeless calculus” (Power, 1996, p.20), and it considers the “calculative expertise” of accounting to be “intrinsically and irredeemably social” (Miller, 1994, p.4).

To a certain extent, the judgmental aspects of accounting have long been widely acknowledged, even by those who cannot be included in the Critical Accounting camp. One can take the case of the explosion of “creative accounting’ in the late twentieth century (McBarnet and Whelan, 1999). In particular, Terry Smith's infamous analysis of these techniques (Smith, 1992) was met with great acclaim when it first appeared. Smith sought to demonstrate how corporate financial reporting was distorted by the application of suspect accounting techniques, and his ‘blob’ scores for companies (a blob representing the use of a creative accounting technique) passed into accounting legend.

Largely as a result of the Critical Accounting literature, it is now widely accepted that accountancy conventions are human constructs, and hugely contested ones at that. The judgement needed to determine accounting treatments offers immense scope for controversy, as can be seen in the “politicization” of accounting standard-setting processes. Accounting, in the English-speaking world especially, is not a technology of remorselessly grinding logic, and even those within mainstream accounting circles view their discipline as a very judgmental one: “measurement of the physical may involve principles far different from those governing measurement of, for example, the aesthetic and the economic; just as judges of ice-skating can award divergent marks without incompetence, so too accountants can assess values differently” (Baxter, 1981, p.283). The shaky theoretical basis for accounting is reflected in the discipline’s unsuccessful search over recent decades for its Holy Grail - a credible conceptual framework to establish a sound basis for accounting practice. Despite the best efforts of accounting authorities in English-speaking countries, the search for a convincing ontology of accounting has been problematic (Archer, 1993). It has been conceded that “presumably we just have to accept that there are no eternal scientific truths in accounting, or at least no ways of phrasing these to convey constant understanding and conviction in a changing world’ (Perrin, 1996, p.89).

The Critical Accounting movement goes beyond the previous observations, widely held outside radical circles, that accounting has subjective aspects. The Critical Accountants go further, to claim that accounting has unfortunate socio-

economic fallout: accounting doesn't merely mirror society, but actually *shapes* social practice. Miller (1994 p.3) has drawn attention to the fact that "accounting draws much of its social authority from the objectivity and neutrality accorded to the single financial figure in certain Western societies", and the Critical Accountants consider that such superficial objectivity merely adds a gloss of legitimacy to accounting's role in the maintenance of the *status quo* of social injustice. For example, the use of budgets and profit forecasts can be used by corporate management to drive wage negotiations - financial data can thus be mobilised against the interests of the workforce, though the assumptions underlying such data can be very contentious indeed.

Critical Accounting seizes on this line of thought to portray accountancy as a social weapon. Hoskin and Macve (1994, p.91) describe accountancy less as an impartial recorder of rational economic data, and rather as a powerful new way of "writing the world". This, it seems to the author, is the nub of the Critical Accounting argument. Accounting has lost the Edenic innocence of its self-perception as a purely technical discipline. Social and economic power is now at the root of accountancy. For the Critical Accountants, accountancy as a technology of capitalism is one of society's key "softwares" that construct reality. Capitalism maintains itself not only through its physical capital and support services (the police and the courts) but also through social practices and regulations that enforce its interests - the common law's focus on property rights and contractual duties, and accountancy's technologies of measurement and control. Mitchell et al. (1991, p.3) describe the large audit and accountancy

firms as the “police force of capitalism” and as “accessories to casino capitalism”. For many Critical Accountants, the accountant is a hired gun in the invisible hand of capitalism.

To many Critical Accounting eyes, therefore, current accounting practices amount to a “rhetoric device” (Broadbent, 1998, p.268) that props up the inequalities and brutalities of the market, and “promote[s] the views of the dominant actors in the class struggle” (Puxty, 1993, p.91). Accountancy is a technology of socio-economic control that is used to squeeze surplus value from labour, and ‘[c]lass warfare is institutionalised and perpetuated by accounting practices’ (Sikka et al., 1999, p.28). Thus, for example, management accounting “seeks not only to change people's behaviour...but also to change their *consciousness*; it seeks to make them 'cost-conscious', and more amenable to control, because that is necessary for the benefit of the employer” (Puxty, 1993, p.69, emphasis in original).

There are many angles to the Critical Accounting movement, of course: it does not focus exclusively on the class struggle. On environmental matters Gray advocates what he terms “deep green socialism” (Gray et al., 1996), and with the severity of a Savonarola he expresses an alternative agenda to current practices that seems to fit the mood of the times. Other writers criticize the use of accounting practices in the mistreatment of third world workforces, through mechanisms such as inequitable transfer pricing arrangements. This is seen as merely a continuation of the former colonial exploitation that was itself assisted

by accounting techniques: “accounting contributed to British imperialism by returning to the centers of calculation information that rendered distant territories and their occupants governable” (Neu, 1999, p.79). Other writers focus on the behaviour of professional bodies in their attempts to obtain a form of Weberian social closure, ensuring the exclusion of outsiders from the accountant's jurisdiction by means of screen of esoteric knowledge (Macdonald, 1995).

Other Critical Accounting writers tend towards the mystical. Take the following passage, for example, that seems to blend the intellectual inheritances of Michel Foucault and Helena Blavatsky in a bizarre cocktail (Broadbent, 1998, p.276): “The framework of conventional accounting in the public sphere is imbued with the ‘hard’ characteristics of the Universal Masculine, logic, reason and quantification. Other values, the ‘soft’ values associated with the Universal Feminine, such as the relationship base of teaching...or the beauty of the countryside...will therefore be relatively silenced given the invisibility they achieve.”

The latter is probably unrepresentative of the Critical Accounting literature, much of which is down to earth, and nowhere more so than in critiques of the external audit. This is perhaps the area in which the Critical Accountants have had significant success in conveying their reformist message. Regarding responsibilities for fraud detection, the accountancy profession sometimes seems to wish to take on the role of the Greek chorus: commenting on events

from the sidelines rather than being a participant in the action. However, public expectations of auditors' fraud detection responsibilities have - distressingly for the large audit firms - remained high. This "expectations gap" in financial auditing has been described as "the difference between how financial auditors are perceived (responsible for the detection of fraud) and how they see themselves (primarily responsible for forming a professional opinion on the financial statements)" (Power, 1994a, p.24).

Building on a long tradition dating back to the landmark *Kingston Cotton Mill* case of 1896 that the auditor is a "watchdog not bloodhound", the accountancy profession's approach has been to play down their responsibilities for fraud detection. In contrast, the Critical Accountants have challenged the profession's assumption that it knows how to best define an audit. In a seminal and eloquently expressed summary of the issues at stake, Sikka et al. (1998) argue convincingly that "in a society marked by numerous social divisions, it is inevitable that the meaning of social practices, such as audits, is contested" (p.299). As they put it: "The social practice of 'audit' does not have a single unambiguous meaning but rather, numerous competing meanings that exist side by side. Contrary to the profession's preferences, the meaning of audit has been associated with fraud detection, warning of impending bankruptcy, guaranteeing the accuracy of information and financial soundness, etc...This is not to say that 'audit' is meaningless, but rather that its meaning is contingent and negotiable: its fixing within relations of power is precarious and subject to redefinition" (pp.303-304).

POTENTIAL RESERVATIONS

There are several objections that a “conventional” or mainstream accountant may raise in protest at the Critical Accounting dogma sketched above. First, some may feel that, just possibly, life is amplified and not diminished by current accountancy practices. Second, even those who share some sympathy with the Critical Accountants’ reformist agenda may be sceptical about some of its claims – above all, that a technology of measurement should take some of the blame for the reality it records. One is reminded of the *Rosenkavalier’s* ageing Marschallin who - in a futile gesture against her fading beauty - gets up at midnight to stop all the clocks in her house. Whatever tinkering with the measurement technology that may take place, and whatever longings for changing the world that may be harboured, reality eventually asserts itself. The sceptic may therefore feel that, to a degree, the Critical Accountants are blaming the messenger (accountancy) for society’s wider ills.

A third objection to Critical Accounting that may be raised by accountants of a conservative temperament is the movement’s enslavement to conventional leftist dogma, which gives it a rather hackneyed and two-dimensional flavour. To say that the Critical Accounting literature is one-sided is to register the smallest protest: although often erudite, it is a body of writing saturated by a will to believe, frequently oozing an impetuous zeal for inflaming sentiments and mobilizing the actions of its readers. Not all observers may therefore view the

Critical Accounting movement as the benign antibody of a healthy, open society. One man's reform is another man's subversion, and there is a case to be made that Critical Accounting is merely a further manifestation of the radical left's Long March through the institutions. Some may identify Critical Accounting as a form of Jacobinism, defined by Edmund Burke as "private men form[ing] themselves into associations for the purpose of destroying the pre-existing laws and institutions of their country" (quoted in Crowe, 1997, p.22). They may therefore see Critical Accounting as but a new chapter in an old story - dogmas reappearing under myriad guises, like the avatars of a Hindu deity, twisting themselves into the sinews of new institutions and fields of human endeavour.

The sceptic who views Critical Accounting in this way may point to the dangers of translating some of the movement's wilder doctrines into practice. Indeed, a hatred of western-style accountancy practices has not been restricted to academic journals. Take, for example, the following manifestation of Maoist hatred of the market economy during the Cultural Revolution: "Debit-credit bookkeeping was attacked in unprecedented fashion, denounced as a sign of capitalism in China. It was asserted that debit-credit bookkeeping was founded upon the economic theory of capitalism and was used as a deceptive tool to cover the realities of exploitation in capitalist society. Those in favor of the debit-credit method were accused of being class enemies who wanted to use bookkeeping as a vehicle to obstruct and suppress the socialist enthusiasm of the people" (Chen, 1998, p.82). The motivation for the Maoist attack on

accounting seems to the author to be uncannily reminiscent of the dogma of much western Critical Accounting, a movement not generally noted for its defence of the market. The opposition of the Marxist wing of Critical Accounting to capitalistic resource allocations translates itself into hostility towards the practices and institutions that record these transactions. These Critical Accountants are enraged by accounting's measurement of profits, dividends, share options, commodity values, fat cat salaries for some, and low pay for others.

While attacks on and defences of capitalism both have a respectable intellectual pedigree, the Critical Accountants' opinions tend to be skewed towards the former. The Critical Accountants frequently accuse capitalism of reducing human complexity to numbers: individuals are summarised as national insurance numbers, pay-as-you-earn codes, and numbers in a payroll file. However, *pace* the Critical Accountants, capitalism is not the only system to use numbers to regulate society. More obvious manipulation by numbers is associated with totalitarian, utopian regimes. Indeed, totalitarian regimes have a greater need for management-by-numbers, owing their more intrusive nature. Socialistic regimes need huge amounts of accounting data in order to (mis)manage their economies through large-scale interventionism, while some of socialism's most oppressive regimes (most notoriously the National Socialists of Germany) have literally numbered their victims by the use of tattoos. The sceptic may therefore find the Critical Accounting attack on capitalism to be exaggerated and overly partisan.

RECONCILING THE IRRECONCILEABLE?

The preface to this paper stated that its writing was motivated by a desire to reconcile sympathy to the Critical Accounting movement with reservations over much of its theoretical structure. So what is the cultural conservative to make of the movement's intoxicating cries of liberation, and its tensions between reform and revolution?

First, there are the grounds of utility. Not satisfied merely to debunk, the Critical Accountants have pressed for valuable reform in both behaviour and institutions. Although at times its literature seems hopelessly utopian, it has helped to encourage practical reforms in areas like the structures of corporate governance, the reliability of financial data, and the accountability of institutions. From pension funds to building societies, and from accounting standards to auditing, the movement addresses organizations and practices on which our prosperity and security depend.

The movement has also changed the tone and terms of debate in the key area of external auditing. Some Critical Accountants must have felt the same sense of vindication at the implosion of Arthur Andersen (Toffler and Reingold, 2003) as that felt by capitalists at the fall of the Berlin Wall: the events represented not only the crumbling of institutions, but also of the rotten ideologies associated with them. Critical Accounting writing on auditing has generally been

impressive. After encountering the work of Power, for example, it is difficult to retain cosy notions of the efficiency and usefulness of the traditional external audit: Power and others have set the tone of debate, affecting public perceptions of auditing as often little more than “an industry of empty comfort certificates” (Power, 1997, p.123). The Critical Accounting arguments have been seductive and convincing, and never more so than when they flow from the eloquent pens of writers like Power. The large audit firms may not quite be the “emperors of darkness” described by Dunn and Sikka (1999, p.4), but the Critical Accountants have put forward serious and cogent arguments in favour of fundamental reassessment and reform of auditing.

Critical Accounting has drawn attention to other areas that await satisfactory reform. For instance, Hammond (1997) has looked at the struggles of ethnic minorities to establish themselves in the modern accountancy profession. This is extremely useful research, which - like critiques of external auditors - has potential to serve the public good. The staff handbooks of the large audit firms contain a smattering of ethnic minority faces, yet when the organizations are looked at hierarchically, the visibility of such faces thins out towards the top end of the pyramid. Without the Critical Accountants, such issues could be largely overlooked.

Nonetheless, it is important not to overstate the achievements of Critical Accounting, as valuable reform has also been articulately advocated by many mainstream accountants (the names Edward Stamp, W.T. Baxter and David

Solomons spring to mind, for example) who cannot be considered part of this radical movement. In any case, in the genealogy of ideas and action it is often difficult to establish clear-cut examples of Critical Accounting theories translated into practice. The Critical Accountants have at the very least changed the tone of accountancy debates, and some “mainstream” reformers may even be unaware of the sources of some of their arguments.

Nonetheless, irrespective of the degree to which one admires the Critical Accountants’ support for reform, the movement’s nakedly partisan nature does give rise to reservations – at least for this author. It is challenging to assess objectively a movement that seethes with radicalism and subjectivism, and whose recommendations are often phrased with exhortatory simplicity. Yet, despite the existence of the movement’s radical fringe, we are surely enriched by the presence in society of those willing to challenge the *status quo*. Although it is too early to reach firm conclusions in this area, the movement may well prove itself to be a valuable social antibody.

Finally, the author must state that this brief review of Critical Accounting did not reconcile support for much of its reformist message with a distaste for a large part of its ideology. Perhaps the Critical Accounting movement can be compared to obesity – that is to say, as the luxury of a wealthy society. While more than half the world’s population struggles to feed itself, and uses accountancy merely to calculate the likelihood of survival from one day to the next, state-paid academics in the English-speaking world spend their time

rooting out oppression amidst the barren rigours of double entry book-keeping. Only a pampered and leisure-oriented society could, it seems, devote resources to such an obscure and Luddite activity. Or the movement may act as a safety valve for rebellious souls, allowing them to engage in bloodless, intellectual terrorism through the pages of academic journals. Perhaps, more crudely, the movement may also be a career bandwagon, a tool allowing ambitious academics to exploit a trendy slant to a dull subject.

The author (O'Regan, 1998, p.24) was perhaps slightly overstating the case in writing that the "spectre of totalitarianism goose-steps through the murkier pages" of the Critical Accounting literature. Nonetheless, the movement frequently advocates socio-political arrangements reminiscent of the types of regime that have caused so much misery and death around the world, from North Korea to Cambodia to Ethiopia. Examples in the Critical Accounting literature abound. For instance, Gray et al. (1996, p.52), claim that the Soviet Union was "perhaps no further from the democratic ideal in its own way than the United Kingdom, which is sometimes claimed to be the cradle of democracy", an assertion that deserves no further comment. These darker aspects of the literature suggested to the author of this paper that Critical Accounting might be a type of *fin de siècle* phenomenon, a symptom of cultural decline among urban malcontents that parallels a wider destruction of traditional canons of belief and aesthetics.

However, even if such a conclusion were to be accepted – and the author realizes that much more needs to be said before we would be compelled to do so – it would not lead necessarily to a total rejection of Critical Accounting. Indeed, familiarization with the literature gradually mellowed the author's reactions. Despite dismay at calls for crusades under the banners of “deep green socialism” (Gray et al., 1996) or the “Universal Feminine” (Broadbent, 1998), and overlooking similar *abracadabras* put through all the tricks of rhetoric before being thrown in the faces of rational men and women, he acknowledges that serious and valuable reform are suggested by parts of the movement (in, for example, Mitchell and Sikka, 2002). There are also some signs of self-criticism in Critical Accounting, as indicated in one frank self-description of the “initial tendency to be happy to embrace any set of arguments that appear to run counter to the powers that be” (Fogarty, 1998, p.522).

Perhaps the author's inability to reconcile his sympathy with parts of the Critical Accounting reform agenda with reservations over aspects of its ideology reflects the fact that ambiguity is an inescapable fact of life. The frequent Critical Accounting tendency towards simplistic dichotomising - capitalism versus socialism, bourgeois versus proletarian, North versus South – displays a Manichean desire to divide the world into exhaustive spheres of good and evil. Maturity, however, is tolerant of ambiguity, and seeks not to abolish it but to learn to accommodate it, in relations of mutual influence.

FOOTNOTES

1. This paper has been developed from a previous, unpublished essay of 1999-2000. Although reviewers of the earlier paper wish to remain anonymous, I acknowledge their perceptive criticisms of the first drafts.

2. The writings of individual Critical Accountants reflect the influence of specific secular prophets. It may be said, for example, that Gray (Gray et al., 1996) draws on Rousseau; Power (1997) on Foucault; Puxty (1993) on Habermas; and Tinker (for example, 1985 and 1999) on Marx. In contrast, Sikka and Willmott (1997) adopt a very British-style pragmatism, venturing out of the campus to “practice” Critical Accounting by canvassing politicians and members of the professional bodies.

3. While Critical Accounting developed in the late twentieth century, an early study of the social implications of accountancy was DR Scott’s *The Cultural Significance of Accounts* (1925). I am grateful to an anonymous reviewer for drawing my attention to this work.

REFERENCES

- Archer, S. (1993) "On the methodology of constructing a conceptual framework for financial accounting." In Mumford, M.J. and Peasnell, K.V., (eds.) *Philosophical Perspectives on Accounting: Essays in Honour of Edward Stamp*. London: Routledge.
- Baxter, W.T. (1981) "The Future of Company Financial Reporting." In Lee, T.A. (ed.) *Developments in Financial Reporting*, Oxford: Philip Allen, pp.271-292.
- Broadbent, P. (1998) "The gendered nature of 'Accounting Logic': pointers to an accounting that encompasses multiple values." *Critical Perspectives on Accounting* Volume 9 No. 3, June, pp.267-297.
- Chen, S. (1998) "The rise and fall of debit-credit bookkeeping in China: history and analysis." *Accounting Historians Journal* Volume 25 Number 1, June, pp.73-92.
- Clarke, F.L., Craig, R.J., and Amernic, J.H. (1999) "Theatre and intolerance in financial accounting research." *Critical Perspectives on Accounting* Volume 10 No. 1, February, pp.65-88.
- Crowe, I. (1997) *Unwelcome Truths: Edmund Burke on Today's Political Conceits* [Research Report 24]. London: Social Affairs Unit.
- Dunn, J. and Sikka, P. (1999) *Auditors: Keeping the Public in the Dark*. Basildon: Association for Accountancy & Business Affairs.
- Edwards, J.R., (1994) (ed.) *Twentieth-Century Accounting Thinkers*. London: Routledge.
- Galhoffer, S. & Haslam, J. (1997) "Beyond accounting: the possibilities of accounting and 'critical' accounting research." *Critical Perspectives on Accounting* Volume 8 Numbers 1/2, February/April, pp.71-95.
- Gray, R., Owen, D. & Adams, C. (1996) *Accounting & Accountability: Changes and Challenges in Corporate Social and Environmental Reporting*. London: Prentice Hall.
- Gray, R. (1998) "Imagination, a bowl of petunias and social accounting." *Critical Perspectives on Accounting* Volume 9 Number 2, April, pp.205-216.
- Hammond, T.D. (1997) "From complete exclusion to minimal inclusion: African Americans and the public accounting industry, 1965 - 1988." *Accounting, Organizations and Society*, Volume 22, No. 6, pp.29-53.

Hayek, F.A. (1998) *The Intellectuals and Socialism*. London: Institute of Economic Affairs. [Originally published 1949, *University of Chicago Law Review*, 16:3]

Hoskin, K. & Macve, R., (1994) "Writing, examining, disciplining: the genesis of accounting's modern power." In Hopwood, A. & Miller, P. (eds.), *Accounting as Social & Institutional Practice*. Cambridge: Cambridge University Press, pp.67-97.

Lehman, C. (1992) *Accounting's Changing Role in Social Conflict*. London: Paul Chapman.

Lowe, E.A. & Tinker, A.M. (1975) "Sighting the accounting problematic: towards an intellectual emancipation of accounting." *Journal of Business Finance and Accounting* 4:3, pp.263-276.

Macdonald, K.M. (1995) *The Sociology of the Professions*. London: Sage.

Matthews, D., Anderson, M. and Edwards, J.R. (1998) *The Priesthood of Industry: The Rise of the Professional Accountant in British Management*. Oxford: Oxford University Press.

McBarnet, D. and Whelan, C. (1999) *Creative Accounting and the Cross-Eyed Javelin Thrower*. Chichester: Wiley.

Miller, P. (1994) "Accounting as social and institutional practice: an introduction." In Hopwood, A. & Miller, P. (eds.), *Accounting as Social and Institutional Practice*. Cambridge: Cambridge University Press, pp.1-39.

Mitchell, A., Puxty, A., Sikka, P. and Willmott, H. (1991) *Accounting for Change: Proposals for Reform of Audit and Accounting* [Discussion Paper No.7]. London: Fabian Society.

Mitchell, A., and Sikka, P. (2002) *Dirty Business: the Unchecked Power of Major Accountancy Firms*. Basildon: Association for Accountancy & Business Affairs.

Montagna, P. (1997) "Modernism vs postmodernism in management accounting." *Critical Perspectives on Accounting* Volume 8 Numbers 1/2, February/April, pp.125-145.

Neu, D. (1999) "'Discovering' indigenous peoples: accounting and the machinery of empire." *Accounting Historians Journal* Volume 26 Number 1, June, pp.53-82.

O'Regan, D. (1998) "The politics of accounting." *Salisbury Review*, 17:2, December, pp.22-24

O'Regan, D. (2000) "A critical accountant's lament." *Critical Perspectives on Accounting* Volume 11, Number 3, pp.335-336

Perrin, J. (1996) "Keep right on, towards corrigible accounting." In Lapsley, I. (ed.) *Essays in Accounting Thought: A Tribute to WT Baxter*. Edinburgh: Institute of Chartered Accountants of Scotland, pp.85-104.

Power, M. (1994a) *The Audit Explosion*. London: Demos.

Power, M. (1994b) "The audit society." In Hopwood, A. & Miller, P. (eds.), *Accounting as Social & Institutional Practice*. Cambridge: Cambridge University Press, pp.299-316.

Power, M. (1996) (ed.) *Accounting and Science: Natural Enquiry and Commercial Reason*. Cambridge: Cambridge University Press.

Power, M. (1997) *The Audit Society*. Oxford: Oxford University Press.

Puxty, A. (1993) *The Social & Organizational Context of Management Accounting*. London: Academic Press.

Richards, J. (1998) "Closing time in the gardens of the West: the state of higher education." In Andersen, D. (ed.), *Come Back Miss Nightingale: Trends in Professions Today*. London: Social Affairs Unit, pp.37-51.

Roberts, J.M. (1985) *The Triumph of the West*. London: BBC Books.

Sikka, P. and Willmott, H. (1997) "Practising Critical Accounting." *Critical Perspectives On Accounting*, Vol. 8 Nos. 1/2, February / April, pp.149-165.

Sikka, P., Puxty, A., Willmott, H., & Cooper, C. (1998) "The impossibility of eliminating the expectations gap: some theory and evidence." *Critical Perspectives On Accounting*, Vol. 9 No.3, April, pp.299-330.

Sikka, P., Wearing, B. and Nayak, A. (1999) *No Accounting for Exploitation*. Basildon: Association for Accountancy & Business Affairs.

Smith, T (1992) *Accounting for Growth*. London: Century Business.

Tinker, T. (1985) *Paper Prophets: A Social Critique of Accounting*. Eastbourne: Holt Saunders.

Tinker, T. (1999) "Mickey Marxism rides again." *Critical Perspectives On Accounting*, Vol. 10 No.5, April, pp.643-670.

Toffler, B.L. and Reingold, J. (2003) *Final Accounting: Pride, Ambition, Greed and the Fall of Arthur Andersen*. New York: Broadway.