

Critical Accounting Activism and the Public Sphere

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This paper explores the recent trends that have influenced how we understand modern accountability relationships. These relationships involve how corporations relate to their external stakeholders and other significant parties. A continuum of ideas is introduced to investigate these obligations and suggest some ways forward. In particular, liberal, communicative and radical arguments are discussed to consider how accounting might democratise the institutions of civil society. Thereby providing ideas about how accounting can contribute to the current financialisation and ecological problems confronting modern communities. The approach is necessarily a theoretical one and explores whether accounting for the public interest can ever satisfy accountability relationships. One aspect of accounting's public role can be critiqued by examining the extent to which they provide common and public goods.

Introduction

Neu, Cooper and Everett (2001) commented that accounting is capable of creating change within the public spheres of modern liberal democratic societies (see Everett, Neu & Shiraz Rahaman 2007). Their arguments contribute to the critical accounting project by providing examples about how accounting can inform modern communities. This paper examines the critical base on which many public interest arguments have been constructed to investigate the interconnections between accounting and a strategy for change that utilises language theory (see Shapiro, 2007).

In addressing these challenges the paper examines the postmodern turn in critical accounting to determine whether it can contribute to our understanding of the public sphere.

The key aim of the paper is to investigate whether liberal and postmodern conceptions of accountability allow people to achieve their life-goals as shaped by the environments that we live in. In this regard, the paper comments on the increasing attention on the notion of a public sphere and whether interpreters and other post-structural approaches have the potential to create social change. The paper's concern is about how accounting can contribute to the public sphere in a world of half-understood structural domination: that is, in a world of increasingly environmental degradation and financialised decimation of modern communities.

Structure

The paper is structured in three sections. First it examines the dominant idea of environmental accounting and the concept of nature on which it is based. Second Habermas's notion of the public sphere is revisited to explore its relevance for accounting.¹ Third, I examine some postmodern responses to examine how radical accounting theory has developed². The last section offers different ways to think about accounting and how it might be reconstructed in the public spheres of a civil society (Anderson, Haslam & Lee, 2006; Anderson, Haslam, Lee and Tsitsianis. 2008; Lehman, 2007a, 2007b).

Early Justifications for Environmental Accounting

As the ecological gulf between humanity and nature widens a raft of accountability literature has attempted to fill out accounting's role. From an environmental-accounting perspective ideas from influential lobby groups such as the World Wildlife Federation, the Sierra Club and Deep Ecology have been explored (Burritt and Maunder, 1991). Early

¹ Habermas, 1984, 1987, 1992a, 1992b.

² Connolly, 1993; Taylor, 1992, 1999, 2000, 2001.

environmental accounting literature called for a fundamental shift in how humans consider the environment which has in turn led to more calls for romantic and localised relationships between humanity and nature. While in most recent times a dominant neo-classical economic focus has been influential that challenges accountability as broadening itself from its narrow stewardship role. The logic of methodological individualism, moreover, shapes a dominant ecological-economic focus in emphasising carbon-trading trading, eco-credits and other market based policy instruments. This economic and instrumental logic underpins environmental policies that are dominating the debate at the moment. *The Garnaut Report* Commissioned in 2007 observed:

The emissions trading scheme (ETS) is the centre-piece of a domestic mitigation strategy. To achieve effective mitigation at the lowest possible cost, the ETS will need to be supported by measures to correct market failures or weaknesses related to innovation, research and development, to information, and to network infrastructure. Establishing an ETS with ambitious mitigation objectives will be difficult and will make heavy demands on scarce economic and finite political resources. The difficulty of the task makes it essential to use the most efficient means of achieving the mitigation objectives. That means efficiency both in minimising the economic costs, and in distributing the costs of the scheme across the Australian community in ways that are broadly seen as being fair. (Garnaut, 1997, p. 20).

The criteria of sustainability involve a conceptual framework which assumes free-market objectives and environmental objectives can be integrated.³ However, the free-market arguments on which sustainability is based also rely heavily on the same markets to produce the revenue sufficient to fund ecological restoration projects. Both market and individual incentives were intended to create funds to solve environmental problems. The *Brundtland Report's* (1987) reliance on economic incentives reflects this instrumental approach to reasoning, commonly used by economists in a desire to maximise outputs and minimise costs.

Recent developments in terms of carbon trading and other market initiatives has seen environmental accounting began to align itself with dominant liberal frameworks as a

mechanism to reform processes of governmentality. Here Wildavsky's (1994) article and its critique of radical accounting offered a libertarian response. A second, raft of literature emerged from the early 1990's calls and urged a model of accountability that aims to create better relationships between the accountant and the accountee (see Gray et al., 1996). The third involves ideas drawn from interpretative and subversive directions that have questioned the environmental viability of procedural and liberal accountability models is developed as means to solve the conundrums of a democratic public sphere (Francis, 1991, Laughlin, 1990; Chwastiak & Lehman, 2008; Lehman, 1999, 2002, Neu, 2001).

In his critique of environmental accounting Wildavsky recently disagreed with the assumption that an environmental crisis is real and impending (Wildavsky, 1994). He believed that modern environmental accounting and environmental theory are based on the spurious assumption that an environmental crisis exists, and that if such a crisis were to eventuate, the market mechanism would offer the most promising path to solving it. This has become evident in the predilection for carbon trading and other environmental accounting derivatives. Lehman (2009) argued that in relying on the market mechanism, Wildavsky's model assumes that by making more economic resources available it is possible to rectify any damage done to the environment. It is therefore worth remembering Wildavsky's (1994) argument:

From the axiom of Connectedness (the healthful and harmful consequences of any given thing are intertwined in the same objects) it follows that water drowns, natural food contains the same amount of poisonous substances as an entire year's pesticide residues from the agricultural and food-processing industry... It also follows that harms to environmental values, to the extent they exist, are no different than other harms. Singling them out for attention is a sign of special privilege. If all the harms done in the world, either agreed or claimed, had to be subtracted from national product accounts, there would literally be no end to them. Environmental accounting is like bringing a class action suit without having to provide evidence. (Wildavsky, 1994, p. 479)

Free-market libertarians 'such as Wildavsky' assume that if the market is allowed to operate without impediment, social and environmental issues can be solved by technological means (see Lehman, 1999).

The essence of the notion of accounting implied in accountability is based simply what Gray et al., (1987, 1988) call the middle-ground as paraphrased by Tinker et al.:

[I]n which the status quo is accepted...[where] the ambition is neither to destroy capitalism nor to refine, deregulate and/or liberate it...(from Tinker et al., 1991, p.29 quoting Gray et al., 1987; 1988).

This article takes a different direction to the dominant discourses in social and environmental accounting by Gray et al.⁴ in that the aim is to argue for basic institutional alterations using ideas from John Rawls (1971, 1993), Charles Taylor (2001) and Vincent (1990). In rethinking what justice means for accounting theory the argument adds theoretical rigour to the middle-road: noting that this theoretical analysis was not the original intention of Gray et al., (1988, 1991).

Their early work seemingly failed to explore the ideological assumptions that has resulted in a major challenge to that position by Tinker et al., (1991) who argued that the middle-ground is 'relativist', 'pluralist', and is merely an exercise in 'imminent legitimation'. In particular, the libertarian supposition that no environmental crisis exists has been outlined thus:

...again there is substantial agreement that the use of CFCs and halons has led...to an increased incidence of skin melanomas, cataracts and related diseases... I believe the opposite is more nearly correct. At a minimum, if the ozone layer thins for a few weeks over the Antarctic, thereby increasing ultraviolet radiation in those areas, one cannot get sick in London or New York. The sheer gullibility of similar reports in these books is remarkable. (Wildavsky, 1994, p. 473)

Intuitively two points are relevant. First, scientific evidence now indicates that global warming is real and impending, and this requires some political and economic response (see, for example, Kendell et (1992) and in particular, the recent climatic change report (Rozenbeigh et al., 2007) which indicates that there are discernible changes in global warming). Second, market-based liberalism forecloses debate and dialogue in the public sphere because it is assumed that the role of the state should be minimal and limited.

⁴ Gray et al., (1987, 1988, 1995, 2002).

In consigning accountability to free-market political and environmental mechanisms, the value that many people feel exists in nature becomes reduced to a pricing issue where the aim is to balance what people are willing to pay to preserve nature against other goods (such as carbon trading). When the pricing mechanism is the means to balance social and environmental interests, the role of the political sphere becomes secondary to the economic sphere. In effect, the creation of social and environmental harmony depends on the ability of the market mechanism to accrue political power to enforce market decisions concerning the political process. The underlying assumption within the market model is to separate political processes from the economic to provide a rational means to resolve social conflicts. But rational procedures remain within the confines of the current system without investigating how the public sphere can be used to transmit different values and ideas. For example, this is the logic on which sustainability has been based – to manage the interests of development and others committed to the preservation of the planet. The notion of managing fails to develop a reconciliation sufficient to put people in touch with the world.

A central problem with free-market accountability models concerns the difficulty that economists have concerning the relationship between their revealed truths about the market and distortions imposed on their efficiency visions by the normal politics of a far-from-ideal polity. These concerns create a need to develop an accountability perspective that challenges the free market and provide political means to resolve conflicts concerning the natural environment. Gray et al. (1997) and Owen et al. (1997) have provided useful ways to develop the criterion of accountability and argue that it involves reporting to relevant publics. Unfortunately, the early accountability mechanisms developed by Gray et al. (1995, 1996) and Owen et al. (1997) have the potential to slide unconsciously back to pragmatic managerialism. It is probably for reasons similar to these that Gray (2002) argued for new ways to imagine the social and environmental accounting project.

A third liberal manifestation is to broaden the ideology and explicitly critique the dominant assumptions of free-market liberalism. A useful way to begin thinking about reform liberalism is to consider Andrew Vincent's investigation and return to the work of New Liberal theorists such as Thomas Hill Green. This body of work, in a sense, anticipates that of Charles Taylor (1992) whose work acts as a background to this essay. Vincent reminds us that Green was one of the New Liberals who advocated a role for the state to alleviate economic hardship (and this seems most apposite in recent times of financial crisis).

This positive role for the state, however, was in distinct opposition to the classical liberal view that the state should only protect people's private sphere and the market would solve all our problems on their own. From a classical and procedural perspective, it is argued, that the New Liberals violated central liberal tenets and should have been defined not as new liberals, but as socialists cleverly disguised. This, then, involves extending the parameters of liberalism to create an enriched understanding of the relationships between people and their natural environment. This, arguably, can be undertaken through an exploration into how these policies actually contribute to the development of liberalism. Vincent states:

[I]n saying that such an action is worthwhile, we move beyond the remit of negative liberty, which was to argue that freedom is simply a state of non-restraint; and yet the argument seems to move in this direction under its own steam. (Vincent, p. 144).

This way of thinking about liberal ideology can be extended to the craft of accounting as a response to simply developing more procedure. Moreover, Vincent's call to think about the work of reform liberals such as T. H. Green and John Rawls provides a means to explore Tinker's (2003) interesting work in the public sphere with the American reformer Ralph Nader. Here Tinker and other critical accounting theorists explored the recent formation of an Accounting Integrity Society. At one level, Tinker's participation may be seen as an

attempt to re-empower the public sphere in the spirit of Burrawoy's observation that our last line of defense against the unethical behaviour of some capitalist entrepreneurs is critique: the society can be interpreted as a means to effect struggles. (Burrawoy, 2000, p. 173). These attempts recognise the need to continue critique in a high-tide of capitalist expansion and development – it is this space in the literature that this paper is located. The aim is to offer ideas to re-theorise and re-enchant the public sphere thus acting in the interests of the community.

Here, an important corollary, in exploring the role of accounting in the public sphere involves recognising that the 'social' is integral to the 'environmental' in creating a role for accounting in the public sphere. Moreover, this way to think about accounting and society offers a stark contrast with the many apologetic approaches to environmental studies that glide over any analysis of social antagonisms (that challenge the core of our social order) and attempt instead to focus all attention on "measurement", or "pricing", or "standards". Gray and other early middle of the road theorists – notwithstanding the flirtation with 'Neo-Marxism' offered little general analysis of the relations of capitalism, and how they apply to specific physical environments. The movement from the economic dynamics of capitalism to the micro structures of the text, writing and difference fails in the role of macro-political processes remain under-theorised. That is, the ability of capitalism to absorb and deflect reform measures has not been given adequate consideration.

The crisis of Marxism and its postmodern replacement, as a dominant discourse, has enhanced an individualist instrumentalist outlook. As Marx himself was at pains to point out, each form of capitalism develops its own vision of socialism. Burrawoy observes:

Today we have to think of socialism not in or even against this nation state but above and below the nation-state, in the global-local nexus, regional communities strung together on a global net, inspired by imaginaries that descend from the critique of state socialism. Yet it is difficult to discern anything more concrete. We should remember that, although the *Communist Manifesto* lays out a blueprint of sorts, an intermediary program appropriate to the time, it also insists that visions of an alternative future emerge in close connection to revolutionary movements. When such movements are in

abeyance, as they are today, we fall back on showing how what exists is fickle, that it is neither natural nor eternal, but the product of specific conditions. Our last line of defense is critique: contrasting reality with potentiality, “what is” with ‘what could be’. Without a sensibility to alternatives there can be no effective struggles, and without struggles there can be no realistic visions. (Burrawoy, 2000, p. 173).

The absence of alternative visions without struggle offers no effective means to reform corporate environmental and social accounting. The problem with constructing different reform visions inevitably leads to some political ambiguity. This is reflected in the empirical incoherence in this body of the accounting literature that has not theorised the common goods needed for societies to function. That is, as a first tentative step without vibrant, nested public spheres the battle to revitalise ‘the public sphere and reclaim politics for an empowered citizenry will face a Sisyphean battle, especially since corporate colonization, the global capitalist order, media myth-making, and “post-modern” social fragmentation are all so firmly entrenched.’ (Bloggs, 1997, p. 777).

Defining the Public Sphere: Anti-Politics and the Public Sphere

Habermas’s (1992b) *Structural Transformation of the Public Sphere* is a seminal work in understanding how language theorists have attempted to escape the pitfalls of capitalism. A first point to remember is that Habermas’s early work was in response to the pessimism of theorists such as Adorno and Horkheimer. Here it is worthwhile mentioning that the historically specific arguments of *The Structural Transformation of the Public Sphere*, had by the 1970’s, given way to *Communicative Action (Two Volumes: 1984, 1987)*. In this regard, it is worth remembering that even later work Habermas appeals to the Neo-Kantian universalism of the theory of communicative action (see Habermas, 1999). It is the communicative work which has been appealing to accountants concerns with activism and democratic citizenship. Indeed, Broadbent, Laughlin, Power and Puxty have explored Habermas’s attempt to reform society through the development of language and discourse.

In Habermas's *Theory of Communicative Action* (two volumes), the development of society is assumed to occur at two levels. On the one hand, Habermas idealises the directly interpersonal relations of the life-world as a counterpoint to the systemic integration with its dehumanization and reification. On the other hand, especially in more recent work he explores the capacity of specific institutionalised discourses like law to develop communicative action as a means of societal rationalization and integration. Here, it will be remembered that Tony Puxty observed that Habermas's theory extends Marxian insights by claiming that society's ethical and moral development occurs through discrete and observable historical stages. Habermas argues that the life-world is a cultural space which gives meaning to societal life: this means it is itself a reservoir of human social development that contrasts with the more tangible systems.

Put differently, it is 'through [our] social reality which gives these systems meaning and attempts to guide their behaviour through steering media' (Laughlin, 1987, p.486). Systems, on the other hand, are the self-regulating actions around specific mechanisms or media, such as money or power (Broadbent et. al., 1991, p.3) are developed. Life-worlds are the communicatively formed over time life experiences and beliefs which guide attitudes, behaviour and actions. Systems are expressions of life-world concerns and can be represented at the micro-level as functionally, tangible organisations. Habermas stated:

We speak of social integration in relation to the systems of institutions in which speaking and acting subjects are socially related (vergellschafteten). Systems are seen here as life-worlds that are symbolically structured. We speak of system integration with a view to the specific steering performance of a self-regulated system. Social systems are considered here from the point of view of the capacity to maintain their boundaries and the continued existence by mastering the complexity of an inconstant environment, Both paradigms, life-world and system, are important. (Habermas, 1974, p.4).

In Habermas's more communicative oriented work Marx's emancipatory telos and its association with the agency of the proletariat working class has been transferred to the discursive structures of society. This first level of development is the world of the

economic and is broadly concerned with how people dominate the natural world.

Habermas' second level is the communicative realm:

The two levels are related, but independent. Thus although we acknowledge the Marxian insight that labour is fundamental in the economic process, and hence that the employment relation is necessarily one of exploitation, we do not thereby suppose that a political and social superstructure is a result derivative of and dependent on that process. The level of human interaction has its own laws of development (Puxty, *Universal Pragmatics*, 1991, p.7).

According to Habermas the ideal speech situation must pass a series of filters which involve (a) the comprehensibility of the utterance; (b) the truth of its propositional component; (c) the correctness and appropriateness of its performatory component; (d) authenticity of the speaking subject. (Habermas, 1973, p.18, found first in Puxty, 1986, p.98).

Clearly, Habermas's work distances itself from the grand and totalising theories of Marxism or Leninism which no longer hold up to critical scrutiny.⁵ Progress, according to Habermas, therefore is achieved through language and in communicative structures. This way to rethink the public sphere effectively replaces Marx's analysis of the historical dynamics of capitalism (Rockmore, 1989, pp.1-17). As a consequence, Habermas argues that 'true' knowledge must guide the development of the human subject and this knowledge frees itself from mere human interest' and is knowledge based on 'ideas'. Habermas consequently turns Marx's philosophy of consciousness into a philosophy of communicative action a means to reform the institutions of the public sphere. This is, arguably, based on the supposition that human interaction is reflected in language and it is this social interaction which generates change. In particular, Habermas has taken these twists and turns in part as a response to the collapse of socialism in many parts of the world. His attempt reflects an attempt to ameliorate the problems of instrumental reason

⁵ The ideal speech situation can be adapted to act as a yardstick for accountants to reflect on the information that they publish - would it pass the truth tests in the ideal speech situation?

and scientific approaches to the social sciences. Habermas uses the concepts of systems, life-world and steering to deliberate on the development of society in the quest to create a more just and free system.

In his most recent work Habermas reconceptualises the philosophy of consciousness through language thereby providing him with an opportunity to re-formulate Kant's categorical imperative; namely, the idealised speech situation attempts to arrive at meaningful and undistorted 'truth' claims between alternate claims within a society (the utterances of significance between interlocutors). Habermas responds to these Hegelian inspired critics of Kant who had argued that a universal approach neglects to take adequate account of the socially embedded nature of the human subject. The ideal speech situation draws social participants from society together in the quest to achieve a consensus. Accountants could use the model to devise better processes to communicate information between members in society (cf Forester, 1992). In combining the method of Kant with Hegel's phenomenology the ideal speech situation draws from a society through its language structures to reform and steer the self-regulated system. Here, the ideal speech situation acts as a gauge, or filter that admits or disqualifies various communicative claims as advanced in the public sphere. Here Habermas seeks to redeem ethics in 'the communally followed *procedure* of redeeming normative validity claims discursively.'

Furthermore, it is only through the communicative structure of an actually carried out discourse, involving all those affected by a proposed norm, that the necessary "*exchange of roles* of each with every other [is] forced upon us. Ethical outcomes are developed through language, emancipation and freedom consequently follow from unrestricted communication. The good life becomes a consequence of rational discourse free from forms of domination. Arrington and Puxty (1991, p.45) explain:

Habermas provides an ethical-political model - what he calls the "Ideal Speech Community - as a regulative ideal to guide public argument oriented toward the formation of a rational consensus with respect to the shape and rationality of interested

social actions. That model binds public argument to the following procedural conditions of justice-in-argument, and it is the ethic that provides the foundation for his social theory.

The ideal speech situation dependent on the above four key requirements- unrestricted participation, equality of status, equality of chances to continue or terminate the discourse, equal degree of truthfulness and cooperative motives (Ferrara, 1987/8, pp. 248-249; Arrington and Puxty, 1991, p.45). The fundamental issue facing accounting in the public sphere is whether discourse acts as a mechanism to carry out the communicative claims concerning the 'good' society.

It is in this construct that Habermas believes that through 'cognitive self-reflection a theory that possesses an emancipatory cognitive-interest can sustain the traditional philosophical claim for truth' (Rockmore, 1989, p.42). Moreover, Habermas argues that through existing communicative structures human technical interests have colonised the life-world. Accounting is one such colonising force which must be tamed within the dictates of communicative reason. To reach true understanding in a life-world requires a cultural tradition that ranges across the whole spectrum of human knowledge, not just the fruits of science and technology as instrumentally conceived. Habermas says as much:

As far as philosophy is concerned, it might do well to refurbish its link with the totality by taking on the role of interpreter on behalf of the lifeworld (Habermas, 1987, p.313 found in Baynes, Bohman and McCarthy 1991, p.293).

Accounting, in neglecting the totality, in favour of a conceptual framework approach severs its links with the life-world thereby making itself immune to broader conceptions of human reasoning and understanding. As a consequence, the instrumental logic that plagues accounting creates a blindness and immunity to social and ecological issues as they impact on academic accounting and legal disciplines.

The achievement of a universal pragmatic theory of language is reflected in Habermas's development of the concept of an ideal speech situation. The idealised speech model acts as a barometer of the type of discourse that would lead to an ethical outcome

which would create a consensus within society. Yet, this way of thinking about the institutions of the public sphere is based on a 'view that only in a world empty of *telos*, or ultimate meaning, is it possible to think of the self as independent of any attachments'. A limitation of Habermas's way to think about reform accounting is that it relies on procedural reason to filter out different claims that are advanced within society. That is, a procedural *modus vivendi* limits the options available to the self's being defined as independent of communal affiliations and free to choose its own ends (Sandel, 1980).

Here, the purpose of Habermas' model is to **assess** communication that is incompatible with the good or better life. As stated Habermas sets a procedural test that substantive claims must pass in order to be normatively valid. This test consists in universal rules of discourse – reciprocal accountability, inclusiveness, freedom to question claims and to presuppose counter-claims, non-coercion. These reflect the legitimate procedural constraints that we are entitled to make, that indicate the basis for rational agreement regarding the 'justness' of a given norm, and of assertoric statements.

In Habermas's vision a technical world of calculation and control the individual is viewed as detached from nature and able to live life freely (Habermas, 1981a, 1981b). On this view of the world the natural environment is assumed to be simply a reservoir standing in wait for humanity. Here a new role for accounting can be developed through a vision of the good that brings people together in a spirit of openness and magnanimity. This way to think about the good society is in conflict with those approaches that seek to maximise market value at the expense of community development.

Criticisms of the Public Sphere: Postmodern accounting as post-political accountability

Lyotard's phrase 'an incredulity toward metanarratives' sparked a postmodern turn in political philosophy. The postmodern turn involves recognising the confining totality when the concept is sublimated within the idea (Lyotard, 1994, p. xxiv). For accounting the utility of postmodern approaches is that they allow us to rethink the communicative function of a text and what a text means. Postmodern arguments in an accounting context have added to the critical accounting literature that no straightforward correlation exists between validity claims and fixed external reality exists. Postmodern theorists argue that language is not constitutive of morality, nor does language disclose anything in particular. Language is simply trace.

That is, language is assumed to merely reflect some particular conception about what is truth. Therefore, no necessary constitutive relationships between people and the environment exist. Borrowing Nietzschean terminology, language and universal claims to truth merely reflect a will to power. The will to environmental power reflects the interests of some at the expense of the majority. There are no means to order, or demonstrate why one interpretation is better than another. From a Derridian perspective, all we can do is to deconstruct the text to understand all the forces at play. This is because there is nothing left other than personal and subjective interpretations, where environmental protection groups would be assumed merely seek to maximise their own interests. It is therefore problematic whether nature's intrinsic value is independent of valuing subjects or reflects different bands of power and knowledge. Nothing exists outside the text. Derrida says of a limitless text that:

[it] presupposes that in no instance can one fix something outside of the sphere of the differential referrals, that would be something real, a presence, or an absence, something which itself would not be marked through the textual *différance*. (Engelman quoting Derrida, 1987, pp. 107-108).

Here, Derrida is claiming that '*reality is a text*' where the text is 'an openness without limits to the differential referral.' His interpretation of language, therefore, has profound implications for the social sciences and how we think about nature. There exist no reason to preserve the natural environment. For instance, the role of interpretation and understanding in the public sphere becomes nothing more than the endless play of different interpretations. Derrida stresses the fragmentation and decentering of the subject. This tends to support the criticisms offered by Wildavsky (1994) that the environmental crisis, for example, reflects a certain epistemological conception of reality. Critics of such reforms, emanating from postmodern quarters, through to the public sphere, such as William Connolly, emphasise subjectivity, fragmentation and a need to deconstruct traditional metaphysical assumptions (Connolly, 1993).

Stressing the power of discourse, they argue that language does not reflect any objective conception of 'the good' and therefore no intrinsic values rank higher than any other. This is because all dialogue reflects the subjective preferences of the speaker that are shaped in turn by the cultural affiliations of that interlocutor. In an environmental, context this would mean that the dilemma between humanity's transformation of the natural world turns ecosystems into metaphysical constructs, but this method might have potentially disastrous consequences. A problem with the thrust of postmodern accounting is that it tends to devalue the common values that make up the public sphere and submerge the structural features of capitalism that make it such an enduring institution. The dynamics of social and institutional accounting implications are submerged in the whirl pool of difference and diversity.

A post-structural emphasis on discourse could lead to neglect of considerations of structural power wielded by trans-national corporations. A postmodern 'new age', at worst, could be a destructive or simply distracting attempt to create the 'hyper-real'. The question

for accountability researchers involves an open-ended politics which defy attempts at theorisation. More seriously, a contempt for ontology does not suggest good prospects for a postmodern reform strategy that engages the will of the people. The issue of accounting is that any non-technical set of values cannot be easily implemented and will tend to be dismissed as nonsense.

In another accounting article based Esposito et al. (1998) have explained some of the anti-political trends in the public sphere in which accounting has become embroiled:

It would be naïve for everyone to be fully assuaged by reassurances of politicians and economists about the massive changes taking place around us. This would be blind to various forms of contravening evidence and signals. For we know that structural dislocations and job destruction characterize our globalizing economy, even if we can only dimly grasp what these changes will auger for the longer term. More than ever, we worry about work and are working longer hours; we are more than ever driven, nervous, seemingly trapped in a cybernetic cage perhaps ever more insidious than the steel one it extends. (Esposito et al. 1998, p. 13)

The argument presented by Esposito et. al implies that instrumental forms of reasoning have created an accounting structure which detaches ethics from a morality whereby our lives are directed by rules and procedure. Arguably, their perspective dovetails with that of the American sociologist, Carl Boggs (1997, 2007), who also has written extensively on the decline of the public sphere and the rise of empire. Boggs argued that:

As pre-industrial society gradually yielded to modernity, politics has been transformed from country to another and involves a more broadened and democratic public sphere'. (Boggs, 1997, p. 741).

A role for accounting in the public sphere involves exploring accounting and modern democratic theory which has failed to consider that advancing modernization has degenerated into a pale replica of the goals of accounting, accountability and democratic governance. These trends, arguably, have given rise to a political situation where much of the capacity to forge citizenship and create civic involvement has degenerated. One clear by-product of these trends is a Hobbesian vision of the world as nasty, mean and short.

With the decline of the public sphere there has also been a trend to occlude the common values in existence in communities which can be teased out to heal differences and respect diversity (see Taylor, 2001a, 2001b). These values have been replaced by economic incentive structures which are assumed to accommodate difference and allow diversity to flourish. Economic motives are designed to change behaviours; this strategy, however, appeals only to the lowest common denominator that shapes people's responses to matters at the heart of democratic citizenship.

The Public Sphere and Accounting

Even more alarming is that in late capitalism, we have witnessed the decline of the public sphere and severe financialisation problems (see Haslam et. al. 2008). Here it is important to redefine and rethink the role of the public sphere which, according to Jurgen Habermas in *The Structural Transformation of the Public Sphere*, was that common ground opened up by language – the common space between interlocutors. More particularly, with the emergence of print media in the eighteenth century provided new means of communication became available. A central theme of Habermas's book is the emergence in Western Europe in the 18th Century of a new concept of public opinion emerged (discussed above). Dispersed publications and small group or local exchanges come to be construed as one big debate, from which the "public opinion" of a whole society emerges. In other words, it is understood that widely separated people sharing the same view have been linked in a kind of space of discussion, wherein they have been able to exchange ideas together with others and reach this common end-point.

The central question that Habermas poses in this book is what is this common space? 'It's a rather strange thing', states Charles Taylor, 'when one comes to think of it. (Taylor, 2001, p. 23). He continues:

What is this common space? It's a rather strange thing, when one comes to think of it. The people involved here have by hypothesis never met. But they are seen as linked in a common space of discussion through media - in the 18th century, print media. Books, pamphlets, newspapers circulated among the educated public, vehiculing theses, analyses, arguments, counter-arguments, referring to and refuting each other. These were widely read, and often discussed in face-to-face gatherings, in drawing rooms, coffee houses, salons, and/or in more (authoritatively) "public" places, like Parliament. The sensed general view which resulted from all this, if any, counted as "public opinion" in this new sense. (Taylor, 2001, p.23).

The people involved in the public sphere have never met, but are intriguingly linked in a common space of discussion which is opened up by new media mechanisms. Craig Calhoun (1992) has stated that Habermas began to explain that through media such as the print media in the 18th century new forms of communication emerged – the type of strategies promoted by Michael Sandel in *Democracy's Discontent* that also recalled face-to-face gatherings in Boston and other American cities in the early part of the 19th century' (Taylor, 2001, p. 23). The sensed general view which resulted from all this, if any, counted as "public opinion" was first expressed by Charles Fox to the British House of Commons.

Habermas explained:

It is certainly right and prudent to consult the public opinion. ... If the public opinion did not happen to square with mine; if, after pointing out to them the danger, they did not see it in the same light with me, or if they conceived that another remedy was preferable to mine, I should consider it as my due to my king, due to my Country, due to my honour to retire, that they might pursue the plan which they thought better, by a fit instrument, that is by a man who thought with them. ... but one thing is most clear, that I ought to give the public the means of forming an opinion. (Habermas, 1992, pp. 65-66).

Now this space provides an opportunity for accounting to become involved in this common sphere thereby contributing to the common values that make up a society. Yet, since the 1970s there has, arguably, been a decline in the role of the public sphere. In the 18th century print media opened up this new space but what is now needed are new and multiple sites of

power and resistance against the colonising force of corporatisation, harmonisation and globalisation. This is not just an argument for more sites to discuss and narrate the failures of capitalism, but an explicit call to understand the processes which has resulted in the malaise of radical politics. The politics of revolutionary change has been marginalised and submerged the quest to reform accounting and business in society and maximise share price returns. Even more pressing for modern society is the need to consider how accounting has been influenced by this cultural trend which has slowly been transforming itself to the dictates of technology, rather than technology transforming itself to the dictates of culture. This trend, when combined with the technological transformation of the world, limits and makes more difficult reform strategies. Accounting and business research, then, blindly follows these strange and contradictory trends and entrenches a culture of bureaucratic and instrumental control. The end product invariably is a failure to create a critical and socially meaningful discourse. In the process, bureaucratic and technical trends further damage and narrow the prospects for attaining freedom are created.

Modern life, consequently, has been shaped by the dictates of bureaucratic tutelage and an ingrained accounting simply attempts to codify reality rather than change it. Or, alternatively, at the very least to begin to create a discourse which considers the possibilities for radical change. This article in attempting that task considers the role of accounting in a world where public intervention and social awareness have become so trivialised. The modern world seems to have created a social structure where prospects of revolutionary change are now a distant dream. From this perspective, the recent wave of Foucaultian and Derridian research attempts to transform modernity but these strategies themselves can be interpreted as just an[other] strategy to reform modernity.

While Marxian and radical fixations on class struggle, the processes of labour and its relation to the social totality have been submerged within a postmodern assault on

modernity's macro-institutions; arguably, thereby further severing any connections between critique and action. This essay, therefore, is one attempt to chart the dominant contours which have shaped accounting's role in the public sphere. Moreover, these trends have made its technical and procedural role ingrained thereby reducing and minimising the possibilities for emancipation in exploring humanity's normative possibilities.

The Depoliticised Culture of Modernity and the Public Sphere

The role of the public sphere is assumed to lie within civil society and assists the democratic process. According to the sociologist, Craig Calhoun, the public sphere consists of much more than a free-market and involves citizens having their say in society's common affairs. The common sphere is shaped by the supposition that an enriched and direct civil society. For democratic governance these sites must be informed by accounting structures that facilitate not only the market, but also to provide information to citizens so that fully informed decisions can be made. Moreover, with the collapse of grand revolutionary models the role of civil society might be the last line of defence to combat the colonising force of instrumental reason. At the very least, Calhoun's work remembers Habermas' argument (discussed earlier) that to understand the public sphere involves developing means to create free association and transform the institutions of governmentality. This is with the express purpose of providing and enhancing the opportunities for freedom to be enhanced.

Yet, in the late 1990's and the early years of the 2000's it is obvious that the social movements of the 1960s and 1970s have slowly been shrinking. The trend that submerges sites of resistance against capital's logic of accumulation arguably points toward an anti-political trend that reduces an appreciation of the importance of culture. Since the late 1970's, or thereabouts, the public sphere has slowly been in decline. While social

movements such as the World Wide Fund for nature and the anti-globalisation movement have been evident it seems to be the case that they are under attack from a conservative and myopic ideological tide.

These anti-political trends are clearly discernible in accounting journals such as *The Accounting Review* and *Journal of Accounting and Economics*; that is, only econometrically inspired technical papers are published which arguably mirrors an ideological stance (see Williams, 2002). While none of these phenomena are especially novel, the net effect has been to give rise to conservative governments that manipulate media and intelligence, create a depoliticised and uninformed citizenry. Any form of critical or imaginative politics is debunked. Accounting and politics, therefore, are increasingly the domain of corporate and elite interests who benefit from the political process. For example, the cost-benefit and accounting interpretations associated with the handling of Iraq's alleged arsenal of Weapons of Mass Destruction reflect the strange and circular logic that guides liberal-democratic modes of governance.

Accounting is not an innocent bystander in this distributional conflict over governmental resources. Accounting has superseded market competition as the primary arbiter of resources between the government and the defense industry and this is the mechanism by which a subsidy to the rich at the expense of the poor and middle class has been institutionalised. (Chwastiak, 1998, p. 355).

The strange and partial democratic responses from the various Western administrations create a mood of cynicism; that is, it reflects an anti-political trend which has become deeper than ever before. Here it is worth mentioning that the neo-conservative and right-wing lobbies have attacked any form of government intervention thereby creating and perpetuating the myth of big government as bad. Yet, this selective reading of accounting and economic data hardly makes any mention of the nexus between government and corporate business conglomerates. For example, as Chwastiak (1998) has reminded us the military industry has benefited from the recent wave of limited wars. It is perplexing that

the dominant ideology supports this industry, but prefers to tear down any structures that contribute to the common good (education, health and welfare). Here, one can only concur with Foucault's observation that the mechanisms of governmentality control and monitor people's life-world thereby perpetuating the status quo and its technologies of elite domination. Yet the argument presented here remains committed to the nurturing of commonalities that are broad enough to allow difference to flourish.

The ideological profundities of the most recent Bush administration provide ample testimony to these democratic dilemmas. More particularly, the failure to create effective mechanisms of corporate governance has perpetuated a downward spiral where trust between people is a distant shore. As the accounting profession acts as the guardian of the knowledge economy it further propels and strengthens the free-market as a means to solve social and environmental relationships. The reduced social role for accounting in the public sphere symbolises a mood of disenchantment and anomie itself reflecting and entrenching a market focussed social world. The atomism of the public sphere, together with the carving up of society, with free-market incentive structures only embroiders the commodification of the social world. This is a world where citizen involvement is marginalised to periodic elections. In a fascinating range of articles Arnold, Hammond and Sikka have attempted to create an enabling accounting which leads to openness where other voices can be accorded respect. The trends and trajectories which have decimated the public sphere, arguably, have also narrowed and limited the craft of accounting in the public interest.

Conclusion

The question that faces modern accounting and the technological forms of life is how to reform and regain a place for counter-movements and revolutionary visions within the democratic process of a technological society. It has been argued that the public sphere has

been restructured within a technological set of parameters that shape culture and being rather than the other way around. Thus, accounting is confronted with the dilemma concerning whether it can act as an enabling technology to re-empower citizens against the tyranny of technological reason. Attempts to reform the public sphere and reclaim an approach which takes seriously the political and social values faces a Sisphyean battle when corporate capitalism and post-modern fragmentation have the debate firmly within their terms of reference.

Perhaps, the central question facing the Left, including the role for reform and radical accounting, is whether political movements can repoliticise and tackle the entrenched interests of capital. This is especially the case in a world where political debate has been trivialised and processes of financialisation accelerated. In this article an argument has been presented which contends that archaeological, environmental and social accounting have been assimilated into normal politics. This, it has been argued, is reflected in recent accounting pronouncements that accounting and business are 'knowledge' problem solvers.

Yet, the question facing modernity is whether the public sphere can be democratised and how counter-movements might regain a position to alter the course of hegemonic capitalism. As Michael Burawoy has observed 'Today Marxist intellectuals have to work much harder to convince others that 'they have a world to win' not just after capitalism, but after communism too' (Burawoy, 2000, p. 173).

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