

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

COMMENTARY

By

Dr Mary A Kaidonis
Senior Lecturer
School of Accounting and Finance
Faculty of Commerce
University of Wollongong
Wollongong, NSW 2522
Australia
telephone: +61 2 42213681
fax: +61 2 42214297

The editors described this as provocative and I was eager to be informed and challenged. O'Regan's claim to be sympathetic to Critical Accounting and his promise to "articulate in sober terms" gave way to O'Regan's frustration, distain and ultimately to reveal his confusion. If previous authoritative writers have failed to inform or enlighten, what contribution could I make? Do I respond the emotive phrases used? Do I sensor my responses? Or should I be amused and have some fun too? I have decided to do all three by offering two commentaries; one which takes O'Regan's paper seriously and I also offer "an uncensored commentary" which is playful and indulges in stretching the concept of "poetic licence". O'Regan refers to the Critical Accounting Movement and I shall refer to this as *the movement* hereafter.

I shall start from the middle of O'Regan's paper, as it here that he acknowledges some offerings of *the movement*. He does not intend that this be a comprehensive account of the movement, and he includes the following: accounting as a human construction, the politicisation of the standard setting process, the subjectivity of mainstream accounting, and the problematics of not having a "convincing ontology" (O'Regan, 2003, p 7). That accounting constructs social practice and is not a mere technical discipline with claims of objectivity are also presented. O'Regan is cognisant of *the movement's* attention to class and labour and the role that institutionalised accounting practices have in enabling their control. Further, he recognises that issues on environmental matters have also been brought to focus by *the movement*.

This attempt to be representative of the movement's contribution, however brief, is welcomed. It was presented succinctly and as O'Regan promised, "in sober terms". However, this brief middle section was flanked by extensive and expressive rage. Whilst I found the expression passionate and full of metaphors it failed to inform or sustain a coherent argument. I was disappointed, because O'Regan alluded to authors who were not usually within the movement's repertoire, but he failed to offer new insights. If the movement can be better informed and can evolve then I suggest that O'Regan put these ideas forward.

Instead, O'Regan conveniently lumps theories, paradigms, political movements all together, as is dismissive of any distinctions between these. If O'Regan does not understand that there can be stark differences as well as commonalities between "Marxists revolutionaries, feminists, utopian environmentalists, thirdworldists (and) practical reformers" (p 3), then he is the one who is not "tolerant of ambiguity" (p15). Instead he replicates his accusation that the movement is a "self-justification in the reductionism of modernists dogmas" (p 4) by reducing the movement to simplistic dichotomy. The complexities, ambiguities and distinctions are played out in the debates which O'Regan recognises as "intensely vitriolic" (p 4). However, O'Regan sees these as mere internal squabbles rather than attempts of proponents to articulate their positions. These positions are expressed passionately and I note that O'Regan has no hesitation in doing the same.

It seems the articulation of the positions is inaccessible to O'Regan, since "(t)hey speak a special mandarin language, impenetrable to outsiders" (p 5). That the language of an alternate discourse may be complex attests to the nature of the issues. It may be a fair criticism, though, to argue that proponents of alternate movements may not be sufficiently cognisant of audiences that may be curious, but, not yet competent or familiar with the dominant discourse. In that sense, the movement can fairly be accused of not making efforts to be accessible to the broader readership. Of course simplifying their ideas in order to make them palatable may have the effect of diluting and decontextualising the relevance of the arguments. This is not desirable.

O'Regan's response to the impenetrable language is to sprinkle little Latin and French gems a long the way. I'm sure Bourdieu may have a comment or two to make about linguistic competencies and the role they play in exclusion. Is it an attempt to demonstrate the movement's alienating effects to the uninitiated? In any case, I enjoyed O'Regan's use of language. My personal favourite was O'Regan's reference to "*Abracadabras*" (p 15). Although his use of a variety of metaphors is colourful, it was lamentable that they were mere substitutes for cogent argument. However, he ought to be conscious and equally despondent when *bulls* and *bears* describe movements of capital markets, *angels* rescue venture capitalists and *neural networks* model decision making in finance. For some, the discourse of capitalism may also be

an impenetrable language. However, I fear that the language of capitalism is often a mere tautology in the quest for an explanation.

It is correct that Critical theory is ideological. The movement does not pretend otherwise. Indeed, postmodernists distance themselves from *an* ideology and wish to accommodate multiple possibilities. However, capitalism, a product of modernism, does not acknowledge its own “rotten ideologies” (p 13). That capitalism has an ideology is not the issue. However, let us not forget that accounting, with its most profound and simple contribution, the accounting equation, provides the framework, argument and conclusion for capitalism. After all, *assets minus liabilities equal proprietorship*. Yes, the whole point of the balance sheet is to represent the shareholders’ interests and no one else’s. If the ideological framework of this is not apparent to O’Regan, then the movement has failed to inform and has been a mere irritation. Rather, false consciousness (or blissful ignorance) is perennial or at least persistent.

Capitalist systems are portrayed as robust. Where these are associated with democratic systems of government, they also claim to rely on a free press, therefore they can be and should be subject to critique and public scrutiny. The movement is no more than an echo of this and does not threaten to destabilise capitalism as much as insatiable corporate directors and their share options threaten to do so. It is when corporate directors’ unethical conduct is considered rational, is normalised and is legitimised as inevitable (only natural) by the accounting profession that the public, not just critical accounting academics, take issue or are even outraged. *The movement* as a critique, at a theoretical level or at a practical level, merely rattles the cages, from within and from without. There is little evidence of capitalism abating or dwindling. Unlike O’Regan, I do not think *the movement* is anywhere near dismantling any “practices on which our prosperity and security depend” (p 12). To challenge institutional structures of capitalism is an essential part of the capitalistic system’s claim of superiority over other dominating systems. Contesting ideas and expressing opposition is the essence of the systems that capitalism claims to uphold.

O'Regan feels that "just possibly, life is amplified and not diminished by current accountancy practices" (p 10) and later he reminds us that "one man's (sic) reform is another man's (sic) subversion" (p 11). Yes indeed. One could argue that the recent spate of corporate collapses (a la Enron) have demonstrated just how interdependent layers of society are and that many systems (labour systems, retirement funds, customers and so on) are sustained and maintained when the capitalists system is working or seems to be working as intended. However, it depends on which layer one may find themselves as to whether they see their life as amplified or subverted. The free market, especially the share market is not a surrogate for public interest(s). When "reality eventually asserts itself" (O'Regan, p 10) it is not sufficient to say accountants just followed the rules, and that accounting is not to blame. Accountancy may not be the sole culprit, but it is complicit in the realities it eventually conveys. It is the mark of a mature discipline when it is able to critique itself and take responsibility for the impact that accountancy can have.

No doubt, responsibility may be an understatement, as according to O'Regan, "the movement's enslavement to conventional leftist dogma" (p 11) seeks to insight "hatred" and "hostility" with the intent to reform or even revolt. When critical accounting, the movement, is reduced to these terms, then I, too, hesitate to be labelled by such terms. As Marx (Groucho) is claimed to have said that he would not join any club that would have him! However, I do believe that it is important to give critique, reflexivity and all its forms, space to be heard. *The movement*, however it is defined, should be subject to critique. Not only *should it* be subject to critique, *it is*, that is why the disputes can be "intensely vitriolic" (p 4). It is for this reason that O'Regan's paper has been given space in this journal, and why I have commented. I do like O'Regan's last sentence and it is worth reiterating. "Maturity, however, is tolerant of ambiguity, and seeks not to abolish it but to learn to accommodate it, in relations of mutual influence"(p15). Yes indeed.