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# A prolegomenon to the relation between accounting, language and ethics

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This essay outlines the preliminary structure of a moral ontology of accounting understood as discourse. To speak of an ontology of accounting is to speak of the most general features of accounting, those features of its existence that are present irrespective of variations in observed “accountings,” of ways in which accounting manifests itself in lived experience. To speak of a moral ontology is to construe those general features as products of human choices and actions which follow from axiological (value-based) commitments to pursue the good and just life, however that life might be understood, and indeed understood differently by different persons. Thus a moral ontology stands in distinction from, for example, a naturalistic ontology, one “freed from the freedom” of axiological horizons. Within its embeddedness in a moral ontology, the enactment of accounting takes empirical form as discourse – as an act of someone saying (writing) something about something to someone else (Ricoeur, 1976; Arrington & Francis, 1993). Thus if we seek to understand accounting’s force in the world, a force that is always valued and evaluated in terms of consequences for the good and just life, we get our most general understandings from attending to the ethics of language and its use. My task in this essay is to introduce the structure of what the elements of accounting’s relation to the ethics of language and its use might be. Expanding upon that structure remains a task for future work.

## **Keywords**

between, relation, accounting, language, ethics, prolegomenon

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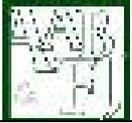
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## **A Prolegomenon<sup>1</sup> to the Relation Between Accounting, Language and Ethics**

C. Edward Arrington  
Professor of Accounting, The University of North Carolina at Greensboro, USA

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### **ABSTRACT**

This essay outlines the preliminary structure of a moral ontology of accounting understood as discourse. To speak of an ontology of accounting is to speak of the most general features of accounting, those features of its existence that are present irrespective of variations in observed “accountings,” of ways in which accounting manifests itself in lived experience. To speak of a moral ontology is to construe those general features as products of human choices and actions which follow from axiological<sup>2</sup> (value-based) commitments to pursue the good and just life, however that life might be understood, and indeed understood differently by different persons. Thus a moral ontology stands in distinction from, for example, a naturalistic ontology, one “freed from the freedom” of axiological horizons. Within its embeddedness in a moral ontology, the enactment of accounting takes empirical form as discourse – as an act of someone saying (writing) something about something to someone else (Ricoeur, 1976; Arrington & Francis, 1993). Thus if we seek to understand accounting’s force in the world, a force that is always valued and evaluated in terms of consequences for the good and just life, we get our most general understandings from attending to the ethics of language and its use. My task in this essay is to introduce the structure of what the elements of accounting’s relation to the ethics of language and its use might be. Expanding upon that structure remains a task for future work.

*Key Words:* Accounting; ethics; language; accountability; discourse ethics

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### **INTRODUCTION: HUMAN ACCOUNTABILITY**

As Agnes Heller puts it, humans must work to subsist, and they are language users (1988, p. 22). These two aspects of the human condition give rise to the possibility of accounting, of giving economic accounts. *Homo faber*, man-the-maker, transforms the world through labor. With the possible exception of economic actions necessary for survival, economic activity is moral activity inasmuch as it is a consequence of reflection on the gap between the “actual given” and the “possibly better,” reflection on the fact that we are makers of the material conditions of our lives. Imagining the “possibility better” is the first moment of ethics; it is a teleological moment when one grasps some image of the good. And, because we are acting in community with others, in intersubjective relations such that our economic activities have consequences for others that can be morally evaluated, we can, as *homo loquens*, as man-the-speaker, be called upon to give economic accounts. Such accounts render our actions intelligible or unintelligible, acceptable or unacceptable, efficient or inefficient, profitable or wasteful, effective or ineffective,

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<sup>1</sup> Prolegomenon means a preliminary essay, suggestive of more comprehensive work to follow.

<sup>2</sup> Axiology is the branch of moral philosophy concerned with values.



optimal or suboptimal, successful or failed, just or unjust, fair or unfair, good or bad, warranted or illegitimate, and ethical or unethical, across a vast array of experiential dimensions for others as well as for ourselves. The ubiquity of providing accounts to others leads one prominent moral philosopher to grant the “provision of accounts” status as the most distinctive feature of the human:

The importance of the concept of intelligibility is closely related to the fact that the most basic distinction of all embedded in our discourse and our practice in this area is that between human beings and other beings. Human beings can be held to account for that of which they are the authors; other beings cannot. To identify an occurrence as an action is in the paradigmatic instances to identify it under a type of description which enables us to see that occurrence as flowing intelligibly from a human agent’s intentions, motives, passions and purposes. It is therefore to understand an action as something for which someone is accountable, about which it is always appropriate to ask the agent for an intelligible account (MacIntyre, 1984, p. 209).

And, as MacIntyre continues, failure to render authors/agents and their actions morally intelligible leaves us little to rely upon if we are to understand at all:

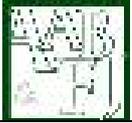
When an occurrence is apparently the intended action of a human agent, but nonetheless we cannot so identify it, we are both intellectually and practically baffled. We do not know how to respond; we do not know how to explain; we do not even know how to characterize minimally as an intelligible action; our distinction between the humanly accountable and the merely natural seems to have broken down (*ibid.*).

This sort of hermeneutical breakdown is at the core of our confusion about complex occurrences in which it is difficult to isolate agency, to answer the question of “who” is in fact accountable. Much of the difficulty in corporate accountability stems from a sociological nexus in which agency is occluded in just this way. The complexities of corporate settings and the attendant difficulties they cause in isolating agency become even more problematic when one considers the power of modern corporations as a force over the moral quality of lives. I think that Phillips and Margolis (1999) are correct in their assessment that:

...corporations are among the most powerful social entities on earth. They are the grand social institutions of our time (Pfeffer 1998, Stern and Barley, 1996), perhaps the sole remaining effective social institutions, expected to not only fuel free-market economies, but to carry burdens once the province of government, education, and religion. Business organizations control vast resources, cross national borders, and affect every human life. Their pervasive impact on human lives rivals that of history’s most powerful czars, kings, and emperors (pp. 619-620).<sup>3</sup>

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<sup>3</sup> This essay does not even attempt to delve into a comprehensive rendering of corporate moral force. That is far beyond the scope of a single work (or a single scholarly lifetime for that matter). But I do hold that the argument presented here is necessarily relevant to any construal of economic accounting, including corporate accounting as we know it.



Even in simpler economic settings, the very concept of agency requires attention to a range of moral quandaries in which agentive freedoms, constraints, and talents are enmeshed. These quandaries must be worked through in discourse oriented toward understanding the accountability of persons. They cannot be simply reduced to some abstract singularity like, for example, a motive or a presumed “nature,” though such reductions make theories of accountability parsimonious and mathematically tractable.

### **TOWARD A MORAL ONTOLOGY OF ECONOMIC ACCOUNTABILITY**

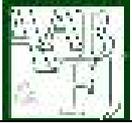
In this brief essay I want to exploit some parallels between economic activity and discourse in order to suggest a way to ground inquiry into accounting ethics within a moral ontology of language.<sup>4</sup> An economic activity is one in which someone constructs something that influences the lives of both themselves and others. A range of moral uncertainties arise from such a simple definition. First, the “someone” who acts has a unique subjectivity, a unique identity, one shaped around all of the critical moral questions that have centered modern ethics on the notion of the “self” – freedom, power, values, rights, talents, duties, motives, constraints, passions and desires. The “who” of economic agency is complex indeed, and credible notions of accountability must work through an intelligible sense of what the “agent” means. That is the first reason why we are reluctant to hold one “agent” accountable in the same way that we would hold some other “agent” accountable – even if the outcomes of their actions are identical. Second, the “something” constructed in economic activity has to be interpreted. This is what makes it so difficult to speak of the “facts,” of the “objective meaning” of economic outcomes. This is particularly problematic when economic constructions lack physical form, as, for example, when we speak of “intellectual capital” or “intangible assets;” we simply do not know except in the most tenuous way what they, in fact, are. Finally, economic activity and its outputs influence others – the activity and its output are not just embedded within but transformative of a world shared by others. Were that not true, the very idea of asking for an economic accounting would make little sense inasmuch as the activity itself would be of no consequence to others and therefore of no moral interest to them. Just like agents, these “others” bear within themselves the same implicatures of subjectivity that vest their appeals for economic accounts with authority.

The parallel between economic activity and discourse is transparent: discourse is an event in which someone says (writes) something about something to someone else. It has an agent (the one who says), a construct (the about something), and a community of others (an audience). It is indeed itself an economic event, one ideally oriented toward the production of understanding. A discourse ethics, as I seek to introduce in this essay, would focus upon what it means to produce understanding in a moral way, a way free from coercion, exploitation, and all of the things that we view as morally suspect in interactions with others. That is, in my opinion, what an ethic of accounting is about: ensuring that the giving of economic accounts is compatible with the norms of ethical discourse.

There is a tension in this essay that I need to explain. When I speak of accounting I am, in general, trying to speak in a way far broader than what the conventional boundaries of a practicing profession can contain. While professional accounting is certainly one context in which economic accounts are given and received, it has particular characteristics that make it

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<sup>4</sup> Throughout, I am indebted to the work of Paul Ricoeur, a scholar who has deeply influenced my thought.



more appropriately understood as a systemic function inside the protocols of commercial and organizational systems. The ethicality of that conventional discourse depends totally on the moral desirability of the manner in which systems function as well as the moral desirability of the output of those systems. By comparison, and following Roberts (1991) and Arrington & Francis (1993), I seek to broaden the scope of accounting to suggest a ubiquitous activity that makes reference to something that all persons do – describe and explain the economic activities and circumstances of themselves and others. Families are a good example, as are journalists and politicians. If the essay oscillates in and out of these two senses of accounting, it is simply because I am continually seeking to understand accounting in terms of both. [ I have always wished that accounting would be developed and taught in the broader sort of way].

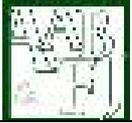
From here we can specify the ontogenetic<sup>5</sup> origin of accounting as a moral discourse, as the saying (writing) of something about economic activity to someone else, with economic activity understood as originating from human purposes to transform the conditions of lived experience. Justification for such transformation can only be moral; that is, it must be grounded in values and preferences for the good life. Why do we work? Why are we interested in profits? Why do we desire wealth? Why do we value things? This moral ontology must not be forgotten even as we routinely come to view economic activity in the narrow context of, say, steps in a functional process for which we are not compelled to reflect upon the moral character of the activity itself. [This, for example, encompasses most conventional accounting inasmuch as we bracket, or set aside, moral questions about business itself]. The economic activity is morally contestable inasmuch as axiological postures will differ between the agents who produce it and others who live with it, and that difference may appear and reappear in various forms as the economic outcome endures through space and time with consequences neither intended nor reasonably imaginable. Economic transformations are actual events, acts of force that yield modifications of the objective, material conditions of actual experience as it is to be valued and evaluated in terms of the practical pursuit of the good life. As Schweiker explains:

...we can say that humans are beings guided by purposes and driven by interests who exert force on others and an interdependent world even while we also suffer the forces and relations of others and the world. As *moral* agents we give various accounts of those actions, relations and sufferings in a way that binds us to others, manifests the character and inconsistencies of an identity, and thereby renders force a question of power subject to ethical evaluation. The transformation of force to morally assessable power is crucial to moral existence (1993, p. 240).

It is the need to move from agency understood as force, to agency understood as power, to agency understood as *morally assessable* power that causes us to engage in that practice that we call accounting. It is through accounting discourse that we move from the simple presence of economic outcomes to an ethical understanding of how those outcomes come to contribute to moral identity as well as to the course and direction of the pursuit of the good life.

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<sup>5</sup> This term is taken from biology to mean the development or developmental history of an individual organism.



Language serves as a medium to “make sense” out of our world, and it is all too easy to forget that this “sense making” poses significant complexities in the performative context of discursive events.<sup>6</sup> But what exactly are the components of sense making with regard to economic account giving, and what ethical concerns are relevant to any “sense-driven” discourse, including this particular type of discourse?

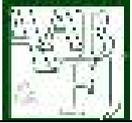
There is no obvious point of departure into this question. One could begin with the “sense making” of the economic agent him- or herself or alternatively with the “sense-making” of others who must live with the consequences of that agency for their economic experiences. Those various “senses” differ depending upon the different values, histories, desires, and experiential horizons across participants and include, for example, even non-sentient beings like unborn generations and the earth itself, beings who must have others speak for them. One could, of course, ground a starting point in a political choice – a choice about “who counts,” about “who-is-accounting-to-whom” in some sort of hierarchical context that is presumed to structure the value-space in which account giving is already choreographed. This, for example, is common to agency-theoretic structures of accounting, structures in which we presume a *normative* politics such that superordinate parties (principals) specify the conditions of what constitutes acceptable economic behaviors on the part of subordinate economic actors (agents). It would also be common to structures which grant priority to some particular group as, for example, with FASB presumptions in favor of shareholders or some variants of Marxist presumptions in favor of the working class. In all of these examples, the semantic and pragmatic character of the discourse then only makes sense to the extent that it corresponds to the normative protocols of accountable action that are both extra-discursive at a theoretical level and pre-discursive at a practical level. For our purposes, let’s seek in what follows to attend to the nature of accounting discourse and its relation to ethics in a more general way, a way that can nonetheless encompass more local understandings of economic accounts and their relations to ethics.

### **ECONOMIC INTELLIGIBILITY: “WHAT IS GOING ON?”**

The concept of intelligibility provides one way to begin to build a structure for the theoretical relation between accounting and ethics. Irrespective of the unique identities of participants in accounting discourse, irrespective of the scope and nature of the economic outcomes that are the objective referents of accounting discourse, and irrespective of the historical and experiential context in which the accounting discourse is embedded, economic agents, economic events themselves, and the impact of both on others’ experiences are things to be rendered intelligible through the discursive practice of account giving. The task of moral reasoning must wait upon the prior task of reasoning about the question of all intelligibilities – “**What is going on?**” The “what” of the “going on” embeds within itself the desire for some degree of belief about facticity which itself requires objective understanding (of the economic event itself), intersubjective understanding (of the event as enmeshed within shared human

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<sup>6</sup> In a recent article intriguingly titled “Making Up Users,” Young (2006) describes the historical processes through which the FASB specifically and accounting theorists more generally abstract away from the complexities of sense making in accounting, preferring instead to simply “posit” a rather one-dimensional “user” with narrowly circumscribed “needs” for accounting. As she suggests, this is a rather arrogant and empirically useless reduction of participants in accounting discourse to an imaginary personae whose “interests” seem to fit rationales compatible with the notion of accounting as an empirical social science extracting its data from security price archives.



experiences), and subjective understanding (of the event and its relation to the private lives of those presumed affected by it, the private lives of agents as well as others).<sup>7</sup>

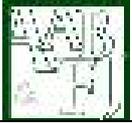
The initial task is descriptive, not in the reductive sense of positive science or operational definitions but in the holistic sense of phenomenology. Let's call this first moment of intelligibility "sense-making" and introduce some foundational concerns of economic accounts as they are oriented toward it. At this level, one has not yet arrived at a point of departure into *evaluative* understanding as, for example, when one seeks to understand economic events from the moral point of view. Rendering an economic event intelligible is necessary for and antecedent to moral discernment and evaluation.

**Objective intelligibility.** Economic artifacts are products of human labor. They are events "in the world"; they are themselves candidates for questions of the facts – of what is going on. To speak of the objective aspects of an economic artifact is to speak of what it donates to the meaning of *practical life* as that life is experienced through an understanding of the *facts*. To speak of the facts is to speak of those aspects of the comprehension of practical life that depend upon the terms "true" and "false" and "is" or "is not", not just in the sense of scientific validity but also in the sense of connecting objects to preunderstandings about what the objects that make up the world are. It is the linguistic nexus in which the question "What is *that*?" produces an *answer*; or, identically, when we ask an agent "What did you make?", and the response is "I made *that*." Objective intelligibility occurs when the *answer* to the *that* has validity through confidence in the belief that the answer corresponds to the *truth*, yielding a psychic comfort in the belief that we are not deceived about the objects that make up the world in which we live.

This can be a massively complex struggle in the context of economic objectivity. Take, for example, notions of a production function, of total assets, or of net income. Such terms appear in a context calling out for objective validity, for comfort in the claim that we can know them as *true*. As part of the answer to the question "what is going on?" we fill in the objective components with an extensive range of abstractions, preunderstandings, experiences, and beliefs which cannot be accounted for by metaphors of observation, of "pointing to," as one might find in, say, a natural science. For the objects of such a science of economic and accounting "things" – the very data, the very stuff, of accounting and economics of a corporation – are linguistic and hermeneutic to their cores. Indeed, the very *that* which was made objectively intelligible and true can become unintelligible as it appears and reappears at different times and places altered in its very nature by shifts in its own experiential context. "Truth" then becomes renegotiated, repeated, played out again and again. The objective intelligibility of an economic event depends upon some construal of the scope of extensionality, of *which* world one chooses to locate the event within. We can, for example, understand the intelligibility of economic events within corporate activity as located in the varying extensions of place and time (the corporation itself, the local community, the global economy, today, years from now, etc.). Conclusions about the objective facticity of an event are differentially understood, differentially sensible, depending upon what we mean by "the world" in which the event unravels.

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<sup>7</sup> This "three world" relationality is central to the work of Jürgen Habermas (1984; 1987; 1989) and to those who have drawn upon Habermas' work in theories of accounting (see, for example, Arrington & Puxty (1991), Power & Laughlin (1992; 1996)).



**Intersubjective intelligibility.** Economic events project themselves into a world of others. Often, because agentive force is also power, that which is produced is simply “thrown into” a world of others who neither expected it, desired it, nor would choose to live with it had they been able to prevent an agent’s idea from becoming an action. Actions are always irreversible, and their consequences are there for others, like it or not. Just as with objectivity, economic events must be rendered *intersubjectively* intelligible. They are not just in the world; they are in a world populated by other persons, and the relation between economic events and other persons must be understood, rendered intelligible. This social component of the world can be quite local, the *oikeo* (a particular community, organization, etc) or global, present for the whole inhabited earth (*oikumene*).<sup>8</sup>

This intersubjective moment of intelligibility is not yet evaluative or even political; it is quite simply an attribute of *description* such that “the what” of an economic event lacks intelligibility without a concern for the facts about the “who” of its production and the “to whom” or “for whom” the event is present.<sup>9</sup> While objective intelligibility was oriented hermeneutically toward the question of truth, of facticity, of “what *that* is,” intersubjective intelligibility is embedded in abstractions, preunderstandings, experiences and beliefs that connect the truth of the *that* to the lifeworld of a people who need to understand economic events as connected to themselves. Rather than an objective sense of seeking the facts, they seek a social sense of the facts as intelligible in the context of a world understood as *theirs*, a world now transformed because of the presence of the economic *that* amongst them.

**Subjective intelligibility.** The intelligibility of an economic event always has uniqueness for those who seek it; that is, in coming to understand “what is going on” how something becomes intelligible is shaped by the private experiences, private thoughts, and private desires of the one who is in fact doing the thinking itself.<sup>10</sup> That may be the economic agent, and it may be a theoretically infinite number of others who, through space and time, discover that the economic event is relevant to them. Economic events mean what they mean, and therefore their intelligibility depends in part, on the relation that we privately have with them – a relation having to do with things like how the event is influenced by the opportunities and limits of the identities of agents (their talents; their resources; their obligations, etc.) or the desires and preferences of those for whom the outputs of the event become embedded in their individual (not social) lives.<sup>11</sup>

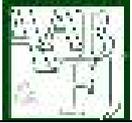
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<sup>8</sup> See Schweiker (1987).

<sup>9</sup> This is not unlike the Aristotelian sense of how the facts of “human world” *vis-à-vis* the facts of the natural world are knowable through the exercise of different types of intellectual virtues (e.g., *phronesis* as opposed to contemplation).

<sup>10</sup> We have no “God’s-eye” view of things, no facile and transparent access to some notion of noumenal awareness, of knowledge of “the-thing-as-it-is-in-itself” independently of the mind who thinks it. As Richard Rorty puts it, we see by our own lights since those are the only lights that we have; or, in Hans-Georg Gadamer’s terms, interpretation announces itself in a context already formed through our “enabling prejudices.”

<sup>11</sup> Subjective intelligibility is usually begged off by those who assume some human nature determinative of economic identity. That’s rather easy and rather unconvincing.



To return to the quote from Schweiker above, the initial focus on the question of intelligibility – of what is going on – is a necessary antecedent to a concern with ethics. It is premature to jump to questions of ethics and moral evaluation in economic accounting without taking seriously the manner in which what he calls “force” (agentive or corporate) must be first rendered intelligible. In our terms, he is pointing out how the complexities of economic experience must first recognize that giving accounts is, at its origins, an activity in which economic events become intelligible – intelligible *to someone* in the context of *their world* as lived in community *with particular others*. The activity of creating intelligibility is antecedent to and necessary for subsequent concerns with ethics, with *evaluating* economic events from the moral point of view. It is only after this excursion into the intelligibility of economic events that we can now turn to the central focus of this brief essay; that is, the relation of accounting to the ethics of language and its use.

### **ACCOUNTING ETHICS: DISCURSIVE EVALUATION OF ECONOMIC ACTIVITY UNDERSTOOD AS MORALLY ASSESSABLE POWER**

Let’s start with the simplest case of accounting: a single economic agent presumed accountable to a single person, the one interlocutor who participates in the discourse.<sup>12</sup> Let’s use the agent/interlocutor rather than the agent/principal since we do not want to impose a *normative* politics on accounting. Let’s assume as well that the only purpose of the discourse is to judge the agent’s accountability, a purpose best explained by repeating the earlier quote from MacIntyre:

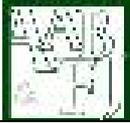
To identify an occurrence as an action is in the paradigmatic instances to identify it under a type of description which enables us to see that occurrence as flowing intelligibly from a human agent’s intentions, motives, passions and purposes. It is therefore to understand an action as something for which someone is accountable, about which it is always appropriate to ask the agent for an intelligible account (MacIntyre, 1984, p. 209).

The ethical content of this discourse parallels in structure the objective, intersubjective, and subjective dimensions relevant to our earlier discussion of intelligibility. Now, however, the *intent* of the discourse is not intelligibility but *evaluation*; that is, the focus of understanding must now turn us toward the moral assessment of the economic force and power embodied within the economic event itself.<sup>13</sup> We are now able to adapt Jürgen Habermas’ extension of this three-world model into our evaluation since he focuses on the objective, intersubjective, and subjective validity claims necessary to moral assessment of action. Let’s adopt that model but adjust it to the particular context of economic accounting.

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<sup>12</sup> This may not be the simplest case since persons engage in account giving to themselves.

<sup>13</sup> For rhetorical purposes, I have split this essay into a concern with intelligibility and a concern with moral assessment. That is a rhetorical necessity, unlike what I believe persons actually do. It seems to me that we pursue intelligibility and assessment contemporaneously, often with undesirable consequences. Since we do not know what we are assessing, we have not yet come to a satisfactory answer to the first question: what is going on? Why should we evaluate what we do not know?



### **Objective moral assessment of economic action: a teleological horizon of accounting discourse**

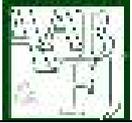
The locus of objective validity in accounting discourse oriented toward moral assessment is the economic object itself. In our simple paradigm, that object is the answer to the question of *what* was produced through the agent's action. That object is a consequence of an end-in-view on the part of the agent at the moment of teleological reflection prior to labor, reflection on what sort of "thing" might contribute to the good, what sort of work is morally worth doing. Since the object is constructive of economic reality for not just the agent but the interlocutor as well; and, since teleological horizons (perspectives on the good) will likely differ between the agent and the interlocutor, then a *moral* conception of the *truth* of the object is up for discussion. What is good for some is not so good for others; and, since others for whom the object may not appear so "good" must nonetheless live in a world constituted by the object, interlocutors are warranted in raising questions about the teleological validity of production. The responsibility of the agent is to be responsive to those questions in a nonstrategic way, a way oriented toward mutual understanding.

### **Intersubjective moral assessment of economic action: a deontological horizon of accounting discourse**

Agents act in an intersubjective world already constituted through norms to which agents are expected to conform. There are common values, laws, rules, and mores presumed obligatory, constitutive of a moral lifeworld, constitutive of entitlements (or rights) presumed normatively binding (see Habermas, 1984, p. 86). The accounting discourse now shifts away from the teleological context of objective assessment and into a discourse oriented toward determining whether or not the manner in which labor took place was *right* according to norms, to ". . . general ought sentences or commands that count as justified among the addressees" (*ibid.*) Since such norms are always subject to interpretation at many levels; and, since norms are differentially binding as the context of action is accounted for, economic accounting remains open to the contestability of whether or not action was or was not norm-conformative. This is particularly problematic in complex, role-based economic settings where norms conflict or in settings in which the participants themselves understand their lifeworlds differently. That sort of world is common in a global economy.

### **Subjective moral assessment of economic action: a virtue-based horizon of accounting discourse**

Recall from MacIntyre that action is to be understood as "flowing intelligibly from a human agent's intentions, motives, passions and purposes" (1984, p. 209). If the action cannot be understood in terms of an agent's subjectivity, then it is probably impossible to imagine how the agent might be accountable for the action since freedom is always a component of subjective identity. There is a subjective world of moral compartments (beliefs, values, preferences, wills, desires, motives, etc.) that is private, not shared by others unless and until questions about them are raised in discourse (see Habermas, 1984, p. 52; Arrington & Puxty, 1991, pp. 42-43). Habermas explains through a dramaturgical metaphor:



From the perspective of dramaturgical action we understand social action as an encounter in which participants form a visible public for each other and perform for one another. . . . A performance enables the actor to present himself to his audience in a certain way; in bringing something of his subjectivity to appearance, he would like to be seen by his public in a particular way (Habermas, 1984, p. 90).

Determining reasons for agentic action requires inquiry into the identities of agents; identity cannot be reduced to singular assumptions presumed universal (e.g., self-interest) without losing the very *telos*<sup>14</sup> that makes a discourse of economic accountability meaningful in the first place. The major point of the discourse – judging the reasonableness of an agent’s action – depends upon unraveling the complexities and nuances of subjectivity. If actions are simply attributable to a “nature” (and there are many such “human natures” to choose from), then the entire discursive process is pointless. Indeed, agents have a moral right to express their subjectivity, to “account for themselves” and, in so doing, seek meaningful resolution of questions about *why* they acted in a particular way. Loosely put, this component of the discourse is *virtue-revealing* since it is suggestive of both practical and moral character. There is always a uniqueness and specificity to individual agents, and any credible sense of moral evaluation requires that interlocutors *listen for* rather than *assume* that they know why agents acted the way that they did.

### **The therapeutic, the self-educating moral force of economic accountings**

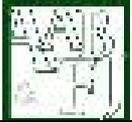
Economic accounts carry moral learning potential; that is, we come to know what sort of economic activities are good, what sort of economic activities are right, and what sort of characteristics of selfhood as it relates to economic activity are virtuous through those accounts. Our talents at moral discernment and moral judgment are hopefully always developing as we learn about the economic world in which we live. This therapeutic or self-educational aspect<sup>15</sup> of economic accounts is at the core of important ethical debates about, for example, global capitalism. Put simply, persons less accustomed to capitalistic commerce must learn for themselves both what the force of such commerce is and whether it is to be judged as warranted in terms of both the good-life-as-they-know-it and alternative possibilities for the good-life-as-it-might-be under this new economic regime. Even in a simple setting like ours – one agent and one interlocutor – moral concerns appear and reappear, change their shape and character, and move the discourse fluidly through the give and take of a dialogical exchange. That which is learned through the activity of account giving conditions knowledge and understanding such that participants walk away as different persons, however slight that difference might be. That difference changes the character of moral identities such that future acts of account giving will differ as well – moral meaning is always “on the move.”

### **CONCLUSION**

Throughout our discourse, I have argued that economic life is a profound component of the moral life simply because the material conditions in which lives are lived are important to the moral quality of life for all of us. I have argued the obvious as well: economic actions are purposive actions; they can be chosen for or against, and understanding those actions commits us

<sup>14</sup> Telos refers here to the end-in-view, an accounting that ends with moral assessment of economic power.

<sup>15</sup> I take the term therapeutic from Agnes Heller’s *General Ethics* (1988).

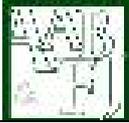


to understanding not just the values and intentions of their agents but also the objective, intersubjective and subjective consequences of the “world” that those actions construct. They are in this sense there to be known, judged, and evaluated through discursive practices, practices termed economic accounts. That is a moral task.

The moral task of economic accounting is, at the level of an *idea*, clear: utilize discourse (rather than say money or coercive power) to assist persons in understanding the force of economic events over their pursuit of the good and just life. That moral task, at a *practical* level, is complex almost to the point of intellectual resignation in the face of it. That is perhaps why so little has been written about accounting from outside the confines of a practicing profession, a profession clearly committed to the moral values associated with very narrow construals of the “goodness” of capitalistic commerce. In this brief essay I have sought to outline some of the more general features of what a moral ontology of accounting might be. Needless to say, as we move toward practical settings, like corporate economic accounts, a formidable range of social features enter into the ethics of accounting discourse as it is explained here. Systems-imperatives, structural features of global capitalism, political realities, and the influence of institutions like an organized profession enrich the moral horizon just as they challenge us intellectually to find a way to articulate their effects. This essay seeks only to describe an admittedly primitive ontology. However, it seems to me that no accounting practice deserves exemption from the ideas presented here *if that* practice seeks moral credibility for itself. Such questions are topics for another time.

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