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An Accountability Safari

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Working Papers Series

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Accumulation and Scarcity: An Accountability Safari

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Accumulation and Scarcity: An Accountability Safari

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Traditional notions of accountability and corporate governance derived from institutions of advanced capitalist states are argued to be inadequate for global gifting relationships, such as those exemplified in the Live 8 and G8 events of 2005. This paper demonstrates using a literature based analysis and critique, and that ideas of accountability have narrowed over time from a broader idea of stewardship for a community to accountability to the providers of capital. It is argued that this has led to the inadequacy of accountability and corporate governance mechanisms for calling to account economic relationships between geographically remote donor recipient relationships between states of different stages of market development. It is argued that new accountability and corporate governance mechanisms are needed because accounting avoids social responsibility by denying culturally determined legitimate meanings of value other than those constructed from the economic perspective. It is proposed that a construct of value from the gifting literature offers a transforming mechanism for remote donor recipient relationships' accountability and corporate governance.

1. Introduction

An examination of two political events, the Live 8 concert held on 2 July 2005, and the G8 summit held at Gleneagles, Scotland in the United Kingdom on 6 July 2005, both of which made attempts to rectify the injustice of poverty in Africa, provide a poignant narrative from which to demonstrate the inadequacy of accountability and corporate governance concepts in affecting justice in global wealth distribution. These two events are an extreme manifestation of the moral geography of the Northern vox populi pitted against the globalization of markets manifesto of the G 8 machine, both of which rhetorically claim as their mission the elimination of poverty through a just allocation of resources globally. Much criticism of the two events was forthcoming around the remoteness of the events both geographically and culturally from the forty seven countries comprising the African continent [1]. Both the 2005 Live 8 concert and G 8 summit are recognized as momentous high impact events which attempted to transform wealth distribution. However, both attracted criticism from their intended recipients. African leaders said that the concerts were a pointless exercise, while aid groups working in Africa claimed the effort was misguided and a gimmick (Epstein 2005). Comments directed at both events by Ugandan President Yoweri Museveni stated "Those Northerners in suits could do some good if they understood the issues well. I have heard recently they have been talking of aid. They

are talking of debt forgiveness. These are short-term palliatives, short-term painkillers. The real medicine is trade access, to open up their markets for our products” (Epstein 2005). Sibuele Sibaca, a then 21 year old South African stated “The whole of the world sees Africa as this basket case... We want the whole world to know that we want to be part of the solution” (Burkeman 2005).

The discourse emanating from these comments on debt forgiveness, resource allocation and trade access is couched in concepts of accounting, accountability and corporate governance. Chen (1975) and the *Australian Statement of Accounting Concepts (SAC) 2 Objective of General Purpose Financial Reporting* (CPA Australia 2007), demonstrate that both historical and contemporary views of accounting see its role as enabling an efficient and effective allocation of scarce resources. Accordingly, why, in such a crucial debate about solving the allocation of scarce resources to Africa where the very real consequences of failure are starved peoples, is the accounting profession and corporate governance academy quiet if accounting itself claims expertise in enabling the measuring and allocation of scarce resources? On the other side of the same coin, why did the general public who were very visibly mobilized into action around these events, not seek the knowledge and skills of the accounting profession in advancing their arguments in either the political or economic arena? These questions are all the more in need of an answer given acceptance of the critical accounting community’s view that accounting is more than a calculative practice and accounting is value-laden, self interested and has a socially constructing element (Tinker *et al*, 1982; Covalleski & Dirsmith, 1988, Hines, 1988). From this perspective, accounting as a measurement device can be construed as complicit in this atrocity of resource misallocation that has led to the abject poverty of many of the citizens of the African continent. Both events call into question the adequacy of accountability concepts in a globalized environment, and corporate governance concepts as they affect global wealth distribution.

What is now known as the G8 was first formed in November 1975 in Rambouillet France. The heads of state or government of the then six founder countries met, identifying themselves as major industrial democracies and in doing so inferring a moral imperative. Now the G8 is a group of eight advanced industrial nations, whose

heads of government meet annually, and their representatives known as “sherpas” meet more often, to discuss what they define as important economic, financial and political issues. The group currently comprises as full members the United States of America, Japan, Germany, France, the United Kingdom, Italy, Canada and Russia. The Live 8 organisation on 2 July 2005 held a series of ten simultaneous concerts across the continents of the G8 nations and South Africa, organised by Sir Bob Geldof. Tickets were distributed free of charge by phone ballot (Coates 2005), and over one thousand musicians performed without fee. For the first time such an event did not have as its objective to raise money, but to raise political awareness and influence corporate agendas and the agenda of the G 8. The event was facilitated by numerous corporate “partners” or sponsors including the major sponsors Volvo, AOL, Times Warner, various telephone companies, and Coca Cola. The concerts were broadcast across 182 television networks and two thousand radio stations. These concerts preceded the conference and summit of the G8 at Gleneagles Hotel, Perthshire Scotland on 6-8 July 2005. The concerts were also timed to coincide with two events, first the 20 year anniversary of Live Aid 2, and secondly to run parallel with the United Kingdom’s **MAKEPOVERTYHISTORY** campaign and the associated “freedom march” called *The Long Walk to Justice*, also held on 2 July 2005. Both events would not have been possible without the cooperation of the global corporate sector, for who the events afforded the opportunity to align their images with the ideas of democracy and economic freedom. These events too are conceptually unified by a subtext of the measurement and allocation of scarce resources, and accountability to aid agendas and for aid disbursements.

The purposes of this paper are threefold: first to highlight that a morality is inherent in the practice of accounting and accountability mechanisms, so that rather than being objective tools, they are activities with ethical consequences. The second purpose of this paper is to demonstrate that accounting and accountability principles as evident in the rhetoric and documents of the G 8 2005 and Live 8 events are flawed in their assumption of epistemological singularity of economic representations. Accountability is constructed from the position of advanced capitalist stages of exchange, and this is inadequate to impartially represent and mediate gifting relationships between advanced and emerging economic states. Such a use of

accounting and its constructs of accountability disadvantage the “other” emerging African states (Broadbent, J. 1995) and privilege the political practices of advanced economic states and organizations such as those identified by the Live 8 and G 8 events. Thirdly, the purpose of this paper is to demonstrate the inadequacy of current corporate governance, which has developed for relationships established as a result of market exchanges. Corporate governance is domiciled in axioms of the private sector and mature capitalist market mechanisms. This paper argues in an era of globalization where private corporations implode into the previously demarcated areas of public sector and not for profit bodies, corporate governance premised on exchange theory and market economics is limited and potentially harmful. It is argued that applying private sector corporate governance principles unquestioningly to public sector and not for profit organizations and relationships leads to simulacra of accountability rather than an authentic engagement.

Public sector and not for profit bodies base themselves on both the enlightenment concept of universalism and the idea of caring at a distance where the recipient or beneficiary is unknown to the giver, and where much of their work involves “gifting” scarce resources of donors to needy recipients. This paper argues that the public sector and not for profit organizations are best served by governance principles based on theories of the gift. The thesis of this paper is that under corporate governance based on exchange, wealth creation is axiomatic, which is problematic because the assumptions of present good corporate governance principles require that equivalence is necessary in any exchange (the absence of this being viewed as corruption). This creates an asymmetry of power in donor recipient relationships and more likely a privileging of the North [4] over non-western cultural constructions of wealth and value. It is argued governance principles based on gifting theory are transformative and enabling for those engaging with the public and not for profit sectors because it brings a different concept of reciprocity beyond equivalence, allowing a greater accountability beyond that for the commodity to that of the possession for asymmetrical exchange relationships.

A gifting relationship is established when something in it or of it cannot be reciprocated or paid back. Reciprocity is not essential when a gift is given, such as is the case of a blood donor (Boundas 2001). This is very different to the concept of an exchange or economic transaction. An economic transaction implies equivalence, equilibrium, and reciprocity. In an economic transaction something is given in anticipation of receiving something, for example labour for wages. Such an exchange does not have to be simultaneous but can occur over time and involve more than one person. This is different to a gift because a gift can never be a zero sum game (Boundas 2001).

In an era of globalization accounting and technology when combined, facilitate an immediate distance relationship between donors and recipients, in which donors are remote from the recipient(s) of their donation and from the consequences of their donations at work. Accountability systems that are used by the donors and imposed on the recipients of the donations allow a reductionism of the gifting relationship to an economic representation, and provide anonymity and distance for the donor. Responsibilities for gifting relationships are subjugated to financial accountability with a premise of reciprocity in the form of accountability and good governance. This results in an enforced privileging of capitalist concepts of exchange that are embedded in the accounting and accountability calculus over social concepts of giving and the gift. In this way morality in giving is subjugated to a rationalist system of representation. Systems of accounting and accountability, while only able to capture a financial relationship, are substituted as adequate symbolic representations of more complex social gifting relationships.

Two themes underpin this paper. First, accounting avoids social responsibility by denying culturally determined legitimate meanings of value other than those constructed from an economic perspective (Francis 1990, Funnell 1998). This leads to a privileging of the holders of capital, and makes possible economic inequality leading to geographical economic alienation. In the accounting calculus of assets minus liabilities equals owners' equity, inscriptions of relationships represented this way privilege a representation for owners of capital. Such a representation sustains an

economic and political inequity (Tinker and Neimark 1987). Accounting in this form has no ability to capture or represent cultural meanings and understanding present outside an exchange relationship, and so isolates the “other”. Benston (1982) identifies several ramifications of corporate accountability. First accountability is integral to an organization’s legitimacy in society, and secondly the corporate accountability concept attempts to manage a concept of fairness for those unable to protect themselves regarding the social effects of corporate activities. Benston (1982) argues that accounting is still tied to recording, reporting and auditing market transactions using economic values, and has difficulties accepting subjectively determined amounts or social activities of organizations.

The second theme of the paper is that a distinction is needed between an economic relationship and a gifting relationship, as they are conceptually different, and bring differing epistemologies. This paper argues that economic relationships of exchange have failed in answering African resource allocation problems because solutions have been premised on economic theory which has an assumption of mediating disequilibrium conditions.

A traditional Western notion of accountability attached to the funding of African states is now inadequate to mediate current global economic and social relations. In the situation of the North interacting with many African states, there is an interaction of advanced capitalist societies with less advanced capitalist societies, creating a crisis of stewardship from the mismatch of accountability needs at different capitalist stages and from differing cultural symbolic meanings construed.

In section two that follows, the assumptions of economic exchange are juxtaposed against those of gifting to expose the limitations of economic rationalist explanations of global gifting arrangements. Section three advances this argument further by demonstrating the ideological and cultural burdens embedded in dominant discourses of accountability and corporate governance that are based from an economic rationalist perspective. In section four a discussion of contrasting views of corruption and the persistence of poverty in Africa will be given from the perspectives of

exchange theory and gift theory. Section five offers a theoretically informed discussion, while conclusions are formed in section six.

2. Juxtaposing Concepts of Economic Exchange and Gift

Boundas (2001) argues that theories of the gift are often confused with theories of exchange. Explanations of exchange from economic rationalist perspectives demand equivalence in the exchange, as is demonstrated in the equilibrium point of supply and demand. For example, positive accounting theory's explanation for the presence of accounting standards is that the number and nature of what accounting standards are supplied are the result of a market demand for accounting regulation (Watts and Zimmerman 1990). The seller exchanges a commodity for something of equivalent value. This functionalist view has several underpinning assumptions, that individuals are fully informed when establishing the value of the item(s) exchanged. Individuals are assumed to be utility maximizers, and individuals meet in the exchange on an equal basis in a stable environment (Watts and Zimmerman 1990). Traders are utility maximizers where it is assumed that the market price captures all relevant aspects of exchange.

This is juxtaposed against the idea of a gift, which relies on disequilibrium in exchange. The assumptions of economic exchange do not hold in a gifting relationship. Ideally, a pure gift occurs when individuals give anonymously where there is no possibility for reciprocity from the recipient. One very close example to this is blood donations. Silk (2004) argues that the purest form of the gift is unattainable, for example even blood donors have a low level expectation of reciprocity in anticipating blood products will be available for them if it is needed. Derrida (1992) argues that the idea of an altruistic gift assumes a free will and not causality.

It is the identity and values of the owner embedded in the gift (making a gift more than a commodity in exchange) that creates and inscribes a moral geography between donor and recipient (Silk 2004). In the case of Live 8 and the G 8 this encompasses aid relationships connecting donors in the North with recipients, in these examples, in the African states. The ontological assumption underlying these relationships is

universalism as compunction for moral motivation. The assumption is altruistic. All humans are entitled to justice in all forms, including economic rights. Silk argues “Secular organizations can trace their inspirations for caring back to Enlightenment humanism. This is different to nearest and dearest caring because it is between stranger relationships where donor and carer never meet. This is universalism as a basis for moral motivation” (Silk 2004, p.231).

Boundas (2001) suggests that most gifting is less than its purest ultraistic form, proposing gifting theory assumes that people give because they expect to receive and that people return the gift because they fear others will stop giving. Unlike advanced market exchanges, the whole function optimally operates in a state of disequilibrium. A gift donor relies on the recipient being in debt for the reciprocity. If this is paid back in equivalent value there is no longer a gifting relationship, and so the social relationship unravels and consequently no longer exists (Boundas 2001). Gifts where the donor is dominant in a relationship require lower levels of reciprocity than economic exchange. However, there is often rhetoric of partnership and participation (Silk 2004). This is evident in the following statement from a G 8 document at the 2005 summit which states “The fundamental aim of the plan is to mobilize technical and financial assistance so that, by 2010, African partners are able to act more effectively to prevent and resolve violent conflict on the continent, and undertake peace support operations in accordance with the United Nations Charter” (Chapter 1, paragraph 11, G 8 Progress report 2005).

Deleuze and Guattari (1977) argue that the circulation of gifts with an expectation of lower levels of reciprocity form the basis of societies that are not advanced capitalist markets. Such a relationship Deleuze and Guattarie argue is neither based on any value in exchange nor any value in use. Rather, any exchange is valued by both parties as a calculation of risk in crossing the limit of expected reciprocity. For example, if recipients do not reciprocate with adequate accountability and governance as defined by the donor, the gifting relationship will cease. However, if equivalent accountability and corporate governance capability is achieved, the gifting relationship is no longer needed. While commodities can be exchanged, a gift subsumes the identity of the giver.

Bourdieu (as cited in Silk 2004, p.234) argues that gifts have a political dimension, where any expressions of concern, or acts of generosity that cannot be repaid set up a permanent asymmetry. Such caring from a distance makes use of intermediaries. Such intermediaries as Live 8, G 8 and **MAKEPOVERTYHISTORY** institutionalize and perpetuate an asymmetry between the recipients in African states and the donors in the North. Silk argues donor domination means that the donors and their intermediaries have power to specify the use and terms of gifted resources. This includes control over forms of accountability (Silk 2004, p.235).

Several such earlier examples of this phenomenon have been documented between Northern donors and African states recipients. Ayittey (1999) cites instances of the commitment of foreign aid and loans to “black elephants” (grandiose projects) or projects without economic benefit to the regions to which funds were allocated. The “black elephants” included “basilicas, grandiose monuments, grand conference halls, and show airports” (Ayittey 1999). Other foreign aid “blunders” cited by Ayittey (1999) include silos built in remote locations not visited by peasant farmers (US aid to Senegal), a fully-automated modern bakery without floor with which to bake bread (Canada aid to Tanzania), a banana-boxing plant where the break-even production point exceeded the output of bananas (Italy aid to Somalia), and a fish-freezing plant in a country where goats were raised (Norwegian aid to Turkana). Such examples come from the power of donors to specify the use and terms of the gifts which are embedded with donor expectations, values, economic motivations and cultural premises.

Integral to a gifting relationship, just as the gift itself is not reciprocated equally, nor is any donor accountability or donor legitimacy. “Motivations derived from commercial and political interests predominate...(Aid) has been used to further a new liberal agenda of deregulation allied with a drive for improved governance and moves towards the political model of Western liberal democracy” (Silk 2004, p.236). In such relationships the rules and institutional frameworks favour private financial interests that cannot share reciprocity of accountability to the public interest. This causes the perpetuation of the asymmetry. An example of this is contracts that must

be placed with firms located in donor countries. Accounting policy and practice cannot escape political struggles, and has economic consequences (Rappaport 1977, Zeff 1978).

Similarly, Silk (2004) argues that cultural and economic difference offers a critique of the ontological assumption of universalism used to explain gifting. Cultural and economic differences also challenge the ontological singularity of economic rationalism in economic exchanges. Silk (2004) questions whether caring should be based on the similarities or differences between persons? His point is that universal values are axiomatic and normative and as such are determined by the powerful. This is problematic, because as is the case in the Live 8 and G 8 circumstance, they impose Northern values. Universalism subjugates indigenous constructions of value. Universalism becomes a representation of differentiations of power. Tvedt (1998, p225) argues it is difficult to care for the other without invading the other. This is relevant because when we act at a distance, those geographically far away from us are vulnerable to our actions. Such new cross-cultural connections, amplified by technology enabling rapid global communications, demand a new moral accountability which is cognizant of and responsive to particular social and power relations between donors and recipients. Accountability and its requisite corporate governance need to move away from donor domination of accountability requirements as a moral imperative. This demands radical social change outside existing market and political structures (Dillard 1991).

Accountability for how donated monies are used is usually construed to be given by the recipients to the donors. This relationship privileges the donors and uses the economic rationalist metaphor of them being the owners of capital. Such a construction of a social relationship implies gifting because it imposes a form of reciprocity that can never be equal. When donors in such a relationship are corporations, they must act in the Northern sense of corporate accountability, privileging the capital providers above public interest. Stepping outside an economic rationalist perspective, existing at any one time may be multiple competing public interests. Similarly, constructions of accountability from the government often follow a Westminster form, where the recipients of monies are accountable to the parliament

for their allocations. Such constructions undermine the idea of equality in reciprocity of accountability. That is, there is no encouragement for donors to step outside a functionalist economic framework to be culturally accountable for how and what they give. The contribution of gifting theory to accountability is that it encompasses a moral geography that links the object of the gift, the giver and the receiver.

3. Ideology and Cultural Burdens in Concepts of Accountability and Corporate Governance.

The limitation of current accountability and corporate governance mechanisms in promoting authentic gifting relationships in global aid relations is further considered in this third section. First contemporary definitions of corporate governance and accountability are examined. Secondly, drawing on two investigations, one of the historical origins of stewardship and accountability, and two of the development of accounting as a way for the elite to solidify a power base; the origins of the terms accountability and corporate governance are introduced. It is demonstrated that their meanings over time have been captured by the capitalist lexicon resulting in the privileging of an economic elite. It is observed a change in emphasis has occurred from a societal function in emerging economic states moving to an individualistic view as economies develop, with advanced capitalist states embracing an ideological preference for economic rationalist institutions promoting utility maximization of individuals at the expense of societal cultural understandings. This discussion is relevant to attempts to redress the imbalance in global economic welfare, because the imposition of advanced capitalist constructions of accountability and corporate governance are privileged by stronger economic states, and this marginalizes any value exchanges that do not require equivocal reciprocation as exemplified in gifting such as takes place through the institutions Live 8, G8 and **MAKEPOVERTYHISTORY**.

Contemporary explanations of accountability and corporate governance are premised on the assumptions of economic rationalism. These are limited in that good corporate governance in any sector is built on the premise that it serves the efficient and effective allocation of scarce resources. While it is outside the scope of this paper to

argue the merits of varying definitions of corporate governance, this paper takes a broad view of the term as defined

“Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The corporate governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations and society”
(*Sir Adrian Cadbury, 2000*).

Such a definition is consistent with historical constructions of accountability as exemplified in the writings of Schmandt-Besserat (1981), and Chen (1975). Such a definition alludes to financial representations of corporate governance and accountability only, as being inadequate for societal and communal goals. In contrast to this it is observed that the Accounting Framework (CPA Australia 2007) privileges financial representations only (Barton 2005, Carnegie and West 2005). The Accounting Framework in describing the objective of financial reports, states that

Financial reports also show the results of the stewardship of management, or the accountability of management for the resources entrusted to it. Those users who wish to assess the stewardship or accountability of management do so in order that they may make economic decisions; these decisions may include, for example, whether to hold or sell their investment in the entity or whether to reappoint or replace the management.

(*Accounting Framework, Paragraph 14 CPA Australia 2007*).

There is a clear link between accounting, being accountable, and good corporate governance. Statement of Accounting Concepts (SAC) 2 (CPA Australia 2007), for example, defines *accountability* as

The responsibility to provide information to enable users to make informed judgments about the performance, financial position, financing and investing, and compliance of the reporting entity (paragraph 5)

Paragraph 14 further states

Managements and governing bodies are accountable to those who provide resources to the entity for planning and controlling the operations of the entity. ... because of the influence reporting entities exert on members of the community at both the microeconomic and macroeconomic levels, they are accountable to the public at large.

This view of accountability is premised on economic rationalist assumptions of individual wealth maximization and market efficiency. However, this essentially

economic view has evolved from an originally broader concept of stewardship. The work of Chen (1975) who traced the origins of the stewardship function from its religious basis in early civilisations to its application to modern business enterprises is used in describing the changing expectations of reciprocity in exchange transactions over time with emerging economic development.

According to Chen (1975) the religious basis of stewardship was premised on the view that all things were created by God for use by all humans. If ownership of things and property was required in order to use them, then the human owner must use those property rights to satisfy the needs of society as a whole (p.534). Chen further argued that social responsibility was the primary stewardship function because the “owner of the property” was the steward of God (p.535). Such an early view is embracing of a moral geography, and reciprocity was not expected to be equivalent, nor assumed to be satisfied in financial terms only.

With the spread and development of capitalism where trade was for profit as opposed to subsistence, a survival of the fittest mentality emerged along with a concomitant erosion of the social responsibility aspect of stewardship. In other words, managers were primarily morally responsible to owners of business entities rather than to society at large (Chen p.537). Such a shift narrowed the focus of accountability from a societal view to an entity view, with accountability being initiated and restricted primarily to economic exchanges.

Social responsibility again became an aspect of stewardship with the expansion of business and an increase in the size of business organisations (Chen p.538). As business entities became larger and more complex, management not only had more power, but more responsibility in that decisions not only impacted on owners, but employees, suppliers, customers and society in general (Chen p.539). However, such accountability originated in an economic exchange of equivalence, with the underlying assumption that a financial representation of accountability is adequate for society. Such an assumption must be questioned as an adequate form of accountability for global aid relationships, given the allocation of billions of dollars in aid to Africa and the fact that poverty has increased. Such circumstances proffer that

there has not been an efficient allocation of resources, that is to say, there has been a failure of corporate governance and accountability within the global village.

In the same manner, the historical origins and evolution of tokens and money and the parallel developments of accounting and market complexity can be seen to dismantle the stewardship ideals as described by Chen (1975) of a moral duty to God to create social justice in distributing scarce resources in society. The use of tokens (money) and its artefact inscriptions (accounting) developed over time as a technology demanding equivalence in exchanges, drawing those who had command over scarce resources away from an altruistic notion stewardship.

The work of Schmandt-Besserat (1981), for example, recorded and interpreted the finding of clay tokens dating from 8000 BC at ancient Near and Middle Eastern archaeological sites as early forms of accounting and pre-cursors of modern day writing and numeracy. The work of Schmandt-Besserat links accounting through a progressively more complex token system with the evolution of society from an agricultural or subsistence basis to urban formation and settlement. Just as Chen saw a change in concepts of stewardship in the wake of the rise of capitalism, Schmandt-Besserat believes that increasingly sophisticated accounting was related to the emergence of an elite society controlling the economy of redistribution within increasingly larger communities. Evidence of this, according to Schmandt-Besserat, is three-fold. Evidence of a token system was not found in one early Syrian community until it had grown from a small compound to a village some 5 or 6 times its original size. In keeping with the views of Chen and the social responsibility aspects of stewardship, Schmandt-Besserat has surmised that, based on evidence at the site, the emergence of the token system coincided with the evolution of society from an egalitarian community to a structured society including city-states and the use of bureaucracy and administrative processes to oversee the accumulation and use of community resources.

The increasing complexity of tokens has also been taken as evidence that tokens did not represent property such as sheep or grain but were means of counting such items. The finding of tokens at elaborate burial sites only, adds further weight to the view of a class system where tokens were the province of wealthy and elite members of

society. This conclusion drawn by Schmandt-Besserat (1981) in relation to accounting is very relevant in the present discussion.

The narrative of Schmandt-Besserat (1981) describes the increasing complexity of commercial life and the privileging of an elite class. Not all individuals commanded scarce resources to allow them to participate in equal economic reciprocation. This is evidenced by the appearance of tokens in the earliest hierarchical societies, their inclusion in rich burials, and the emergence of complex tokens and their use in the state bureaucracy. The formation of such elite was achieved through the privileging and narrowing of constructions of stewardship to an economic understanding, where reciprocity was required in economic terms at an individual rather than a societal level. Accounting facilitated this because it allowed the system to become efficient and precise, and provided a mechanism through which elites could wield more power.

This begs the question what societal artefacts (tokens) of accountability are in evidence in the allocation of scarce resources in Africa today? Accounting claims to report on the allocation of scarce resources. Given the cynical catch phrase of the **MAKEPOVERTYHISTORY** campaign of “two four six eight must we really accumulate?” the challenge is brought straight to accounting’s door, who is the accounting system privileging geopolitically? The movement is compromised as an institutional structure geopolitically situated in an advanced capitalist state. It is impotent in realising Chen’s (1975) broader concept of stewardship because the campaign uses a language that is “persona non-gratia” to the economic elite in that it seeks engagement beyond solely economic, and more akin to Chen’s stewardship view of accountability. The challenges presented by Live 8 and G8 reinforce the imperative to prioritise accounting for the public interest, but in an era of globalisation presenting a new level in the complexities of structured societies this is problematized even further when we must determine who is the public? (Cooper et al. 2005). Given advanced technologies, communications and globalized trade alongside very underdeveloped economies, education and technologies in Africa, is accountability and corporate governance at an entity level or organisational level relevant or sufficient? Ontologically, how can an axiomatic normative framework of accountability and corporate governance legitimately operate when it must serve more

than one public interest and so competing interests? Are these public interests competing chronologically or do new technologies make redundant concepts of periods of accountability?

4. Accounting for the Silence of the Lambs: Contrasting Views of Corruption.

This section four offers a critique of the relationship between corruption and the persistence of poverty in Africa. First, definitions of corruption from the North and the African perspectives are examined to expose and contrast underlying expectations of the public and private sectors, and the implications of this in terms of stewardship, accountability and good corporate governance. Secondly, the accountability and social responsibility shown by the accounting profession itself is critiqued. Thirdly, explanations of corruption are then offered from the alternative perspectives of exchange theory and gift theory.

It is often claimed that corruption is one of the main contributors to the persistence of poverty in African states. This is despite numerous offerings of foreign aid and loans, and their donors' publicly professed intended outcomes (Ayittey 1999, Ellis year, Richards et al. 2003 and McAllister et al. 2005). However, meaning of the term "corruption" is not singular. It can be demonstrated that the interpretation of the term and its emphasis is informed by the requisite dominating institutional structures prevailing at the time and location. The term corruption has been legally defined, described and characterized by many countries as well as by international groups such as the United Nations, the Asian Development Bank, the OECD and Transparency International. This point is demonstrated by examining two definitions of corruption, the first from an Australian perspective, and the second taken from the African Union Convention.

Section 8 of the New South Wales (Australia) Independent Commission Against Corruption Act provides a detailed definition of corrupt conduct as:

Section 8 – General nature of corrupt conduct

(1) Corrupt conduct is:

- a. any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly, the honest or impartial exercise of official functions by any public official, any group or body of public officials or any public authority, or

- b. any conduct of a public official that constitutes or involves the dishonest or partial exercise of any of his or her official functions, or
 - c. any conduct of a public official or former public official that constitutes or involves a breach of public trust, or
 - d. any conduct of a public official or former public official that involves the misuse of information or material that he or she has acquired in the course of his or her official functions, whether or not for his or her benefit or for the benefit of any other person.
- (2) Corrupt conduct is also any conduct of any person (whether or not a public official) that adversely affects, or that could adversely affect, either directly or indirectly, the exercise of official functions by any public official, any group or body of public officials or any public authority.

Clearly, this definition is directed towards public authorities and officials. However, the lengthy list of official misconduct includes a number of activities that are common in both the private and public sector as well as among individuals. These activities include bribery, fraud, theft, embezzlement, tax evasion and drug dealing.

In contrast, the African Union Convention on Preventing and Combating Corruption defines corruption as “the acts and practices including related offences proscribed in this Convention” (Article 1, Definitions), while article four *Scope of Application* sets out a number of acts of corruption and related offences applicable to the Convention. The primary focus again is on public officials. However, Article 4.1(f) makes it clear that corrupt conduct occurs in both the private and public sector.

The offering, giving, solicitation or acceptance directly or indirectly, or promising of any undue advantage to or by any person who asserts or conforms that he or she is able to exert any improper influence over the decision making of any person performing functions in the public or private sector inconsideration thereof, whether the undue advantage is for himself or herself or for anyone else, as well as the request, receipt or the acceptance of the offer or the promise of such an advantage, in consideration of that influence, whether or not the influence is exerted or whether or not the supposed influence leads to the intended result (p. 8)

It is noted that the definitions above are primarily focused on the public sector and are broader than financial considerations, for example also incorporating political influence and advantage, a position sympathetic with Chen’s (1975) description of

stewardship to the community. It is incongruous however, as discussed in earlier sections, accountability mechanisms and measurements including those intended for the public sector communicate solely in a financial lexicon and from the premise of private sector economic exchanges. Indeed, international accounting standards were developed solely for use by the private sectors, and where there is reference specifically to the public sector, for example the public sector accounting standards of Australia AAS27, AAS29 and AAS31 (Australian Accounting Standards Board 2007), they are also financial in nature and do not embrace a wider sense of stewardship to the community as described by Chen (1975) nor include qualitative indicators (Barton 2005, Carnegie and West 2005). However, the definition of good corporate governance as described by Cadbury (2000) specifically is inclusive of a broader stewardship in the public sector. The definitions of corruption focus on the public sector, and stem from the premise of non equivalence in exchange, that is the economic, political or advantageous privileging of public officials.

An implicit assumption embedded in the concept of corruption is indebtedness. At the crux of the narratives on corruption is different cultural understandings, visibilities and expectations of indebtedness. Roitman (2003) argues that debt is the absence of wealth, or a mediating device in societies for not having enough. The debt itself represents a social relationship. Roitman (2003) argues that this relationship is more than a functionalist one, and is a means of affirming or denying sociability.

The impact of corruption for donors and recipients of aid is immense. Four months before Live 8 and G8, McAllister et al (2005) reported on European initiatives to alleviate poverty in Africa including those prompted by Sir Bob Geldof of Live 8 in consultation with UK Prime Minister and G 8 representative, Tony Blair. The failure of previous attempts to fight poverty in Africa was specifically addressed in the paper. For example

... billions of dollars of aid have been ploughed into Africa over the past few decades without reversing its decline ... One prod to action will come from a U.N. conference in September that's supposed to figure out why progress toward the Millennium Development Goals - some simple measures of success in fighting poverty - has been so lousy. In 2000,

nearly every country in the world signed up to meet the goals in 2015, but not much has happened since.

Ellis (2007) also argued that poverty, especially in underdeveloped countries, has been an international concern since the formation of the United Nations. In spite of more than 50 years of 'concern', little has been achieved. Ellis further argues that one of the major factors contributing to poverty in developing states is corruption in the allocation and administration of development aid.

Similarly, Richards et al (2003, p.308) expressed the view that

without addressing the issue of corruption [in Africa], debt relief initiatives would become meaningless propositions and can only achieve the purpose of wiping the old debt slate clean but at the same time create a new impetus for further misappropriation, corruption and capital flight.

Furthermore, Richards et al. referred to "the human psychology of 'lootocracy' (government by fraudsters) – its insatiable greed content and the instincts to protect both the loot and its sources" and argued that it was the source of corruption in the African sub-region of sub-Saharan Africa (SSA). According to Richards et al. (p.308)

It is public knowledge that public servants, including military officers, serving and retired (who held sway in much of SAA in the last three decades), are richer than their countries – their sources of wealth traceable only to the fact that they held public office at one point or the other (Ayittey, 1999). Almost always the fruits of these corrupt enrichments are stashed away in foreign bank accounts in the developed world.

Finally, Ayittey (1999) reported in testimony before the US House Sub-Committee on Africa that

The statistics on Africa's postcolonial development record are horrifying. In 1985 more than 100 million of Africa's 700 million people lived in abject poverty. This number rose to 216 million in 1990 and is projected to reach 304 million by the year 2000. ...

The general consensus among African development analysts is that foreign aid to Africa has not been effective. For example, between 1980 and 1988, sub-Saharan

Africa received \$83 billion in aid. Yet all that aid failed to spur economic growth, arrest Africa's economic atrophy, or promote democracy.

As noted above, Ayittey (1999), Richards et al (2003) and Ellis (2007) demonstrate that corruption in the form of cronyism, nepotism and personal enrichment through the redirection of the proceeds of foreign aid and loans to personal bank accounts on the part of government leaders and elites have been well known for decades but effectively ignored by the providers of aid and loans. Richards et al (2003, citing the World Bank, 2001) provide the example of Mobutu Sese Seku who raised some \$12 billion in foreign debt in the name of the Republic of Congo (formerly, Zaire). More than \$4 billion was redirected to Mobutu's personal accounts leaving "the people of ... a once-wealthy country, ... pauperized" (Ayittey, 1999). Of equal concern is the waste of foreign aid and loans on projects that sound good in principal but of little or no benefit to the recipients.

Given this litany of failure and evidence of "institutional indifference" or "feigned ignorance" (Richards et al) of the redirection of aid funds into the bank accounts of "greedy African leaders and elites" or to the funding of dubious projects (Ayittey, 1999), the question of what Live 8 and G8 has to do with accounting becomes increasingly relevant given the African debt-forgiveness argument of both. The question is even more pertinent given that in the wake of the devastating tsunami of December 2004, some of the world's major accounting firms offered their assistance, in some cases on a *pro-bono* basis, to ensure relief funds were used for their designated purposes (Becker and Strom 2005). As will be discussed later, this very public protection of tsunami relief funds from diversion to corrupt or fraudulent purposes have more to do with promoting a socially responsible view of accounting and the various relief agencies. *The New York Times* (Becker and Strom, 2005) gives a number of examples of such activity. One such example is a quote from James W Adams, vice president, operations for the World Bank who said "What's different about this emergency is there is so much interest that we will do broader reviews". In other words, the world was watching. This disaster provided an opportunity for an accounting profession publicly besmirched by corporate failures such as HIH, Enron and WorldCom to engage in a public relations exercise to improve its image. On the other hand, much of the aid to Africa has lacked the public face of the tsunami

devastation and the fanfare of Live 8 and G8. The world knows about the poverty and starving millions in Africa but little of the corruption that has perpetuated the misery in spite of billions of dollars in foreign aid and loans.

Returning to the two-fold question giving rise to this paper: Why has accounting as a socially constructed and constructing instrument (Hines 1988) and accountants with expertise in the measurement and allocation of scarce resources

1. been *apparently* silent in the face of mass starvation in Africa attributed in large part to corruption; and
2. not been sought out or consulted by the general public and/or the organisers of Live 8 and G8 to join the fight against poverty (and corruption) in Africa?

The word *apparently* has been used deliberately because there is evidence that accounting and accountants have been active in Africa but have not been involved in the eradication of poverty and starvation. On the contrary, there is evidence that accounting and accountants have played a role similar to that inferred by the discoveries of tokens in rich burial sites and interpreted by Schmandt-Besserat (1981) as a *privilege of elite*. For example, both KPMG (1996) and PriceWaterhouseCoopers (2005) have conducted surveys in Africa to identify the extent and cost of crime and corruption in Africa. Each of these surveys was aimed at the corporate sector. While providing advice and assistance to the corporate sector is appropriate, there is ample evidence that the public sector is in dire need of assistance in identification, investigation, and prevention of crime including corruption.

Transparency International's [4] Platform for Action (2005) provides evidence of a perceived need for accounting and audit expertise in developing nations. Recommendation No. 2: *Implementation of policies and practical measures to ensure transparency in public financial management* is based on the premise that

A critical relationship exists between investment and nation-building. It is deemed essential that Governments should create secure, safe investment climates in which regulatory bureaucracy is reduced and corporate risk is limited ... To improve attractiveness for both domestic and inward investment, the widespread prevalence or corruption needs to be addressed, alongside long-term economic development programs that generate sustainable employment (p.4).

It can be argued Transparency International is an institutional structure of advanced capitalist states and inculcated in its manifesto the assumptions of exchange theory. This is evident in that as a lobby group it is concerned with regulatory red tape and corporate risk which get in the way of a Northern desire for profit maximization and market efficiency, that is accountability to the investors (and donors), rather than an authentic engagement with stewardship beyond financial terms with an African community. The accountability and danger of corruption is expressed solely in terms of those investing and in economic terms, such as long term development and sustainable employment. There is no mention of the impact of corruption beyond a financial implication on the communities and individuals located in the recipient countries. Such a view of corruption prevention is not embracing or demanding of any reciprocity in exchange, but promotes inequality. No mention is made of the possible corruption of the investors themselves in the remote invasion of the “other” from their investments. Rather, it appears very one sided.

To achieve their objective, Transparency International calls for transparency at the governmental and public sector management levels including public procurement in accordance with internationally accepted standards and timely publication of first, local, regional and national revenue and expenditure budgets and periodic budgetary performance reviews and reports accessible by the public; and secondly audited periodic accounts of publicly-owned companies in accordance with international auditing standards. There is no encouragement for investors to step outside a functionalist economic framework to be culturally accountable for how and what they give. There is no equal relationship in terms of a moral geography.

The effectiveness of such financial reforms proposed by Transparency International is debatable. Uddin and Tsamenyi (2005) conducted a study of public sector reforms and the public interest in Ghana. The focus of the study was budgetary control and performance monitoring in a Ghanaian state-owned enterprise under a series of World Bank and IMF sponsored reforms. The authors concluded that the reforms did not serve the public interest as expected because “budgeting remained politicised, delayed, directionless and ineffective” (p.667). In spite of the reforms, the state-

owned enterprise failed and was liquidated with the loss of thousands of jobs and negative impacts on farmers affected by the collapse (pp.667-668). This led Uddin and Tsamenyi to conclude that conventional accounting maybe useless in developing nations and suggest that social accounting may be more appropriate. Hence, accounting clearly has a role even if departs from what has become generally accepted in terms of accounting for developed economies or an *elite* society.

Apart from focusing on the corporate sector or imposing reforms designed for developed economies, there is further evidence that some of the world's leading accounting firms have been implicated directly and indirectly in corruption and other fraudulent and criminal activity in Africa as well as other developing nations. Hawley (2000) and The Corner House (2000) refer to World Bank scandals involving Societe Generale de Surveillance (SGS) and PriceWaterhouseCoopers (PWC). SGS, a Swiss firm was hired by the World Bank to investigate corruption in Bank-sponsored projects in countries including Poland, Kenya and Pakistan. SCG confessed in 1997 to paying bribes in Pakistan. The Lahore High Court subsequently banned SGS from undertaking further work for the Pakistani government. In 1999, SGS was banned from operating in Ethiopia after being found to have engaged in illegal activities including tax evasion. PWC has provided internal audit services to the World Bank including its internal Fraud and Corruption Unit. In 2000, the US Securities and Exchange Commission found PWC guilty of failure to implement sufficient global safeguards including its own existing controls. Furthermore, in "thousands of instances" (Hawley, p.19) PWC staff and partners audited companies in which they held shares. Another area where accountants (and other professionals) have been implicated in the failure of aid to Africa is money laundering.

With respect to corruption, the accountability of the accounting profession itself must be called into question. While recent legislative reforms require accountants and auditors to be alert to the possibility of money laundering (Anti-Money Laundering and Counter-Terrorism Financing Act 2006), it has been acknowledged for some considerable time that accountants have been inadvertently or knowingly complicit in the money laundering activities of their clients. In addition, the authoritative entities such as the FATF, International Federation of Accountants (IFAC) and the ICAEW

have for some years called for the active involvement of the accounting profession in the identification and reporting of money laundering activities (Mitchell et al. 1998; FATF, IFAC, ICAEW).

Vogel of Transparency International has described money laundering as “the handmaiden of international corruption” (cited in Hawley, 2000, p.10). The Corner House (2000, p.22) cites Sikka who complained that the UK government refused to provide access to evidence it had accumulated over ten years linking “British-based accountancy firms” to a money laundering scandal. Mitchell, Sikka and Willmott (1998) cite both UK case law (specifically, *AGIP (Africa) Limited v Jackson & Others (1990) 1 Ch. 265*) and the Financial Action Task Force (FATF)[5] that demonstrates the perceived role of accountants, and other professionals, in the money laundering process. One quote from the FATF in 1996 is particularly relevant.

The FATF has reported that the ploys used by these professionals “include the establishment of shell corporations, trusts and partnerships by ... accountants and other professionals. Working through these business entities, the professionals spin webs of intricate transactions to mask the origin of criminally derived funds and to conceal the identities of the parties and beneficiaries. In many cases professionals act as directors, trustees, or partners in these transactions, or they will supply nominal directors, trustees, or partners” (Financial Action Task Force, 1996, paragraph 21)

The Australian Law Reform Commission’s Report 87: Proceeds of Crime (paragraph 7.14) also provides evidence of accountants facilitating money laundering activities for clients.

The International Federation of Accountants’ (IFAC) (2004, p.9) statement on money laundering states that the accounting profession can and does contribute to the FATF 40 in the following ‘compelling’ ways:

The “General Framework” recommendations call for transparency and multi-lateral cooperation. Promoting transparency is a mission-critical objective of the profession and, as the worldwide organization for the profession, IFAC is the enabler for multi-lateral coordination and cooperation. The *sine qua non* of the “Financial System” recommendations are record-keeping, reporting and promoting transparency. These

recommendations emphasize the importance of controls, systems and audit trails. Clearly, these are matters that speak to the core competencies of the profession.

In addition, the Institute of Chartered Accountants in England and Wales identified a number of “possible signs of money laundering” including:

1. transactions with little commercial logic taking place in the normal course of business
2. the forming of companies or trusts with no apparent commercial or other purpose
3. unusual transactions with companies registered overseas
4. transactions with companies whose identity is difficult to establish as they are registered in countries known for their commercial secrecy
5. transactions where there is lack of information or explanation or where explanations are unsatisfactory
6. payments for unspecified services

(ICAEW 1996, pp.7-8, cited by Mitchell et al (1998, Chapter 2)

Such a view is premised from the position of owing accountability purely in financial terms to the individual or investor rather than a society. It is embedded with the standard economic rationalist assumptions and contributes little to enhancing gifting relationships across moral geographies. This paper argues a broader form of stewardship from both parties to gifting relationships would better capture qualitative and cultural impacts of corruption from both donors rather than recipients.

5. Discussion

It is proposed that although overtly silent, public interest, stewardship in the allocation of scarce resources and good corporate governance is covertly present in the minds of the actors in the narratives of this paper, but it is present as an active ideologically biased constituent, privileging economic equivalent exchanges rather than gifting exchanges with disequilibrium in reciprocity. The theoretical lens of Baudrillard’s simulacra is used to argue that notions of accountability in the narrative are derived from economic exchange theory, and operate as hyper-real simulacra for good accountability and corporate governance in geopolitically diverse moral geographies. Mechanisms of accountability and corporate governance are believed by the masses and gifting communities as valid, promoted by the media and used by institutions.

In this way accountability for organizational relationships involved in providing aid has aligned itself ideologically with existing dominant societal structures of the North. It is argued that emancipation and advancement of accountability beyond the capital dominating private sector comes from challenging the universality of prevailing market belief systems. This theoretical approach is sympathetic with the view of Cooper et al. (2005) who argue that any form of social responsibility accounting, to have impact, needs to be produced outside the mechanisms of the market, be theoretically informed, and be linked to social struggles and groups. The postmodern simulacra concept offers an alternate lens, and also alternate to the Marxist lens offered by Cooper et al (2005). Subsequently an alternative view is offered in terms of theory of the gift to advance public sector and not for profit organizations' accountability and corporate governance principles.

Arrington and Watkins (2002) argue for the necessity to explain political engagement with accountability through alternative ontological and epistemological stances. In doing so, this paper contributes to the extant accounting literature that uses a Baudrillardian framework, and builds on a theme of examining accountability as simulacra. The application of the Baudrillardian framework has been used in the work of Macintosh et al (2000), Takatera and Sawabe (2000), Baker (2002), and Vollmer (2003). Such a theoretical approach was advocated by Macintosh et al. (2000, p45) who claim "Much more in Baudrillard's corpus of literature could be tapped for further understanding of accounting and the issues facing standard setters". This paper applies Baudrillard's concept of simulacra to accountability mechanisms of public policy and corporate governance associated with gifting and aid relationships as exemplified in the Live 8 and G 8 events of 2005 and their aftermath. The authors are unaware of any similar work applying Baudrillard's theory of simulacra to accountability and corporate governance.

While the limitations of using a post modern framework in accounting studies are acknowledged (Cooper 1997, Arnold 1998, Mattessich 2003) this paper argues that using a theoretical framework that is not derived from neoclassical market mechanisms and that incorporates sensitivity to the political and media environment offers valuable analysis to advance theoretical understandings of corporate

governance. Furthermore, it permits an interrogation of current notions of accountability for public policy, advancing the work called for by Roslender and Dillard (2003).

In Baudrillard's work on systems of representation or signs he sees consumption rather than production as a basis of social order. As discussed below he argues that the meaning given to a sign is self referential and is derived by what the sign does not mean. Each sign has both a signifier such as an image, sound, or a word, and something signified that is its concept or meaning. For example a swimming pool *denotes* its use as an object, for swimming as exercise or recreation. The swimming pool *connotes* a degree of functionalism, wealth, prestige or comfort. The ownership (consumption) of a swimming pool implies a place in a wider social order (Horrocks and Jevtic 1999). The swimming pool is an object which circulates in society as meanings. In this way Baudrillard sees reality as being constituted by signs found in the use of language and text (for example corporate reports). He also proposes that objects and their signs such as associated values and events are constituted historically and discursively (Macintosh et al 2000).

Baudrillard goes on to argue that it is consumption of image that causes objects to be organised and differentiated as signs. Recognising that in capitalist societies all objects are given a value in exchange, Baudrillard added that they are also given in advanced capitalist markets, a symbolic value. A prestige car has both a value in exchange and a status or social distinction. It is the social role that the object plays that gives it a sign value. In this way Baudrillard sees signs as accomplices of capitalism. He argues that capital accumulates until it becomes image, and images mediate social relationships among people. Consumption is a new phase of capitalism for the affluent society. Objects are not just consumed for their function, but rather for their collective meaning as determined by a calculus or network of signs (Horrocks and Jevtic 1999).

Further, Baudrillard proposes that the use of symbols and images as signs of reality has had a progression in history, which he terms *orders of simulacra*. Baudrillard's orders of simulacra chart a progression of the use of signs in language and text in

society. Baudrillard argues that these signs first represented, then dominated and then replaced the societal objects that they represent. Signs move from being unproblematic to being “counterfeit” to “masking the absence of a basic reality” (Horrocks and Jevtic 1999, pp106-107). In a post modern culture dominated by media, it is argued all we have are simulations which aren’t any more or less real than a reality they simulate.

Hyper-reality occurs when the image or the model anticipates and precedes the reality, and has no real referent but is completely detached (Macintosh et al 2000). Reality no longer has to be rational “since it is no longer measured against some ideal or negative instance” (Baudrillard 1988). It substitutes signs of the real for the real itself. Simulation threatens the difference between reality and imagery. A state of hyper-reality exists where the image of the sign appears independent of any underpinning reality (Baudrillard 1981, 1983; McGoun 1997; Macintosh et al., 2000; Baker 2002).

Implosion occurs when the distinctions between the differing orders of simulacra become ambiguous. Implosion is inevitable when the boundaries between two ideas or concepts or images become blurred or collapse so that any differences between the two are no longer apparent.

A Northern notion of accountability for and corporate governance of funding implicitly has embedded multiple orders of simulacra incumbent upon quantitative symbols of an advanced capitalist position, and is irreconcilable with the alternate symbols of accountability present in an emerging market. Consequently a vacuum emerges making equivalence in transactions meaningless, but instigating a position of implied reciprocity, that is a simulacrum of reciprocity. In these aid relations there is an interaction of advanced capitalist societies with less advanced capitalist societies, creating a crisis of stewardship from the mismatch of accountability and governance needs at different capitalist stages and from differing cultural symbolic meanings construed. Funding pledges and their attached accountability requirements demonstrate the intrinsic complicity of corporate governance in an ideologically biased consumption of accountability symbols.

The object accountability as a sign in society denotes probity, and a calculative practice of reckoning, and the management of resources held in trust. Today the object accountability connotes a relationship of privileged power of one party over another, status (lower if you are the accountability giver, higher if you are the accountability recipient), wealth and decision making power in society. Accountability in global public policy is an object of consumption with a value in exchange and a symbolic value. Those with perceived accountability have greater access to international trade (accountability's value in exchange) and have a symbolic value of democratization.

6. Conclusion

This paper revealed two themes and made three arguments. The first theme accused accounting of avoiding social responsibility by denying culturally determined legitimate meanings of value other than those constructed from an economic perspective. The second theme of the paper argued for accounting to make a distinction between an economic relationship and a gifting relationship. A gifting relationship, or donor/recipient relationship, is exemplified in the Live 8 and G8 movements because scarce resources are given anonymously and there is no possibility for reciprocity from the recipients. These two themes are demonstrated in the three arguments of the paper.

First, accounting and its associated accountability and corporate governance mechanisms are not neutral and objective in their universal application. Rather they have emerged to privilege the lexicon of economic exchange and are inculcated with assumptions of economic rationalism, demanding equilibrium and reciprocity in value exchanges. Second, the narrative of Live 8 and G8 demonstrates a moral rather than a financial concept of accountability. Both movements, while well-intentioned, are inevitably compromised because they are geopolitically situated in advanced capitalist states. Therefore, they must engage on a financial basis that situates the donor in the same position as the investor in the accounting calculus. This basis is ontologically singular and so does not permit sufficient accountability to the recipients and the public interests as would be the case if a wider sense of stewardship was enabled. Third, mechanisms for corporate governance and accountability are couched in terms

of market exchange and financial constructs of value. Accordingly, such mechanisms do not provide accountability to recipients from donors.

These attributes of accounting and accountability have been critiqued and found wanting from the perspectives of gifting relationships and the public interest. Gifting relationships rely on disequilibrium in exchange and more than quantitative representations of value. All of these concepts are adopted from the perspective of the North and have no ability to capture any qualitative forms of accountability. As such they are simulacra for accountability and good governance but do not engage in an authentic way with those in a donor/recipient relationship. A broader concept of stewardship is forfeited to sustain the disequilibrium and maintain the power of the economic elite.

1. The forty seven countries comprising the continent of Africa are Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Congo, Congo D.R., Cote d'Ivoire, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia and Zimbabwe.
2. Live aid was a multi venue rock (London, Philadelphia, Sydney and Moscow) concert held on 13 July 1985. It was broadcast via satellite to television linkups with an estimated viewing audience of 1.5 billion people across 100 countries.
3. **MAKEPOVERTYHISTORY** is an international coalition of aid agencies, community groups and celebrities, who run a secular campaign for trade justice and debt forgiveness.
4. North - Of or relating to the north; coming from the north; of a northern type or character (Oxford English Dictionary). In this case the European economies North of Africa.
5. Transparency International is - Transparency International is a politically non-partisan organisation dedicated to the global fight against corruption. It consists of some 90 chapter located around the world. Ti seeks to eradicate corruption and improve the lives of those affected by corruption by creating change through raising awareness of the impact of corruption and, thereby, eliminating apathy and tolerance of corruption throughout the world. (adapted from the Transparency International website http://www.transparency.org/about_us)
6. Financial Action Task Force (FATF)- is a "policy-making body" created in 1989 by the G7 Summit held in Paris. The FATF works to generate the necessary political will to bring about legislative and regulatory reforms in the

development and promotion of national and international policies to combat money laundering and terrorism financing. (adapted from the FATF website http://www.fatf-gafi.org/pages/0,2987,en_32250379_32235720_1_1_1_1_1,00.html)

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