

The Impact of Accounting on our Everyday Lives

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Abstract

There are two interrelated themes running through the publications chosen for this PhD. The first is concerned with the probably unanswerable question - why do we do what we do? The second closely related theme is concerned with the wider economic and social impact of accounting on people's lives. It is perhaps self-evident that accounting in its broadest sense impacts upon our everyday lives in the economic arena. But the connection between the two themes begins in the more personal arena. How does accounting impact upon our subjectivities?

The theoretical position taken in the PhD with respect to the constitution of subjectivity is a semiotic one in which language is seen as the key to both of the themes outlined above. Language is the means through which we socially construct our realities. Moreover, *we are constituted* through language. In other words, as we come to acquire language, we also acquire an understanding of ourselves and of our culture.

The view of social construction taken in each of the papers could be described as a neo-Marxist one in two main senses. Each paper takes the position that meaning is contested and that dominant classes seek to impose their own meanings. The basis of language is also seen as "material". Thus language is seen as grounded in a material and economic basis rather than a more postmodern slipping signifier quicksand. While my work pays readily draws upon contemporary philosophers' views about language, I have never accepted that there is an "end to ideology". Thus the theorists from which I draw including Marx, Gramsci, Cixous, Volosinov, Eagleton, Derrida, and Hall, while working from different traditions would never describe language as neutral.

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This is dedicated to Julia

Contents

	Pages
Introduction	4 - 35
The non and nom of accounting for (m)other nature	36 - 77
Reading accounting writing	78 - 130
Ideology, hegemony and Accounting Discourse: A case study of the National Union of Journalists	131 - 190
On the proliferation of accounting (his)stories	191 - 240
Against Postmodernism: Class Oriented Questions for Critical Accounting	241 - 286
A tale of two classes: the privatisation of Medway Docks	287 - 325
No escaping the financial: the economic referent in South Africa	326 - 381
From Taylorism to Ms Taylor: the transformation of the accounting craft	382 - 446

Introduction

There are two interrelated themes running through the publications chosen for this PhD. The first is concerned with the probably unanswerable question - why do we do what we do? In terms of accounting this would lead us to ask the following types of question. How can we deem pollution to be a “costless” externality? How can we treat people (labour) in *exactly the same way* as we treat commodities? Why do some trade unions deem accounting information to be invincible in the sense that they accept, for example, “low” profits as a rationale for job losses? How can we deem people to be “rational utility maximisers when there is so much evidence to the contrary? These types of questions surround accountings’ relatedness to the constitution of subjectivity, the constitution of our “common sense”, naturalised understandings of the world and our position within society. The second closely related theme is concerned with the wider economic and social impact of accounting on people’s lives. It is perhaps self-evident that accounting in its broadest sense impacts upon our everyday lives in the economic arena. Accounting’s economic impact on our lives is increasing. In the UK accounting dominates decisions about NHS waiting lists, school closures, and our working lives. In the international arena, the accounting profession is making vast amounts of money through their consulting roles in many “developing” capitalist countries.

The connection between the two themes above begins in the more personal arena. Does accounting impact upon our subjectivities? Subjectivity refers to the conscious and unconscious thoughts and emotions of the individual, our sense of self and ways of understanding our positions in the world. It is possible that on learning accounting language, we also acquire a slightly altered subjectivity. In a sense, accounting could have an *unconscious effectivity*. This altered subjectivity naturalises some of the more “immoral” aspects of accounting.

Employers can sleep easily at night knowing that they are best serving the needs of society by maximising profits and not worrying about (say) redundancies, pollution, industrial injury or crippling boring work.

Language is the key to both of the themes outlined above. Language is the means through which we socially construct our realities. Moreover, *we are constituted* through language. In other words, as we come to acquire language, we also acquire an understanding of ourselves and of our culture. So, for example, when a Scottish child learns the word (signifier) “cat”, she learns that “cat” represents a small four-legged mammal. She will also learn that cats are cute, that they are slightly dirty, and that they are different from sheep because we don’t eat them. But when she learns that she is a “girl” she will also learn *what she is*. In other words she will internalize concepts that are *already in the world*.

The papers in this PhD do not take a “Berger and Luckmann” or Schultz pluralistic view of social construction. The view of social construction taken in each of the papers is a broadly Marxist one in the sense that meaning is contested and that dominant classes seek to impose their own meanings. If this is beginning to sound more like ideology - it is. For while my work pays much attention to contemporary philosophers’ views about language, I have never accepted that there is an “end to ideology”. Thus the theorists from which I draw including Marx, Gramsci, Cixous, Volosinov, Eagleton, Derrida, and Hall, while working from different traditions would never describe language as being neutral. My first paper is a theoretical one. It is strongly influenced by the work of H el ene Cixous.

The Non and Nom of Accounting for (M)other Nature links the two themes outlined above. It is concerned with accounting’s material impact upon our lives, dealing specifically with the two seemingly disconnected themes outlined above - the social impact of accounting (through accounting for the environment) and the

constitution of subjectivity. The theoretical perspective taken in this paper is developed from what might broadly be described as “Radical French Feminism”. In particular the paper draws extensively on the work of Helene Cixous. Cixous’ work is grounded in the belief that we are constituted through language, as outlined above. But rather than seeing language as a kind of “straight-jacket”, she tries to find ways of disrupting language through using poetry and word play. In this way she hopes to present us with new ways of seeing.

Cixous views language as *Phallogocentric*. Phallogocentric is a combination of phallus (to denote languages’ patriarchal nature) and logocentric. Logocentrism is the tradition of Western metaphysics which presupposes that the meaning of concepts is fixed prior to their articulation in language. Or, in other words, that there is a reality external to language which can be described and represented. There is a natural, lawful reality which is universal and transhistorical.

Cixous also views language as a type of “binary opposition” system. This binary opposition system is founded on a mistaken assumption that Being is determined by a person’s actual presence. Being (or presence), is contrasted with absence, and all categories of thought are divided into either/or binary metaphysical oppositions. This has the effect of allowing the first term to be valued above the second. Cixous’ extension of this is to argue that language is not only logocentric but Phallogocentric, seeking to fix meaning on the primary opposition of male/female. Again the first (masculine) term is valued above the second (feminine) term. A masculine term like oneness (or sameness) would be valued over a feminine term like multiplicity (or difference). Helene Cixous attempts to turn over our traditional logocentric hierarchies and revalue the so-called undervalued feminine terms in our language. In a practical and political sense, this aspect of Radical French Feminism has contributed significantly to the 1990’s progressive world view in that it is now well accepted that *we need to value difference*. We cannot all be the same.

The feminine is used to connote a radical potential in the paper rather than traditional view of the feminine. Moreover, the feminine is not seen as superior to the masculine. It is as valuable and different.

The paper attempts to demonstrate how Phallogocentric accounting language appears “natural”. The Phallogocentric “double braid” is powerful in accounting. In fact, accounting is full of binary opposites - debit/credit; profit/loss; revenue/expense; principal/agent; positive/normative; mainstream/critical and so on. The first term could be described as the masculine and the second the feminine. It may, to those schooled in traditional Western orthodoxy, seem as if the above is rather far fetched. But the point of critical theory is to enable people to question things which their traditional “language spectacles” would deny them the ability to see. Also, if we are taught to speak a Phallogocentric language from birth then a craft like accounting which uses the same “grammatical language system” will seem fair, normal and natural. But what is more important, language has an unconscious effectivity in terms of our subjectivity.

As we acquire language, we also acquire our own sense of ourselves (or own subjectivities). In this sense the paper adopts a Saussurian perspective in that it sees language as central to the constitution of subjectivity. We cannot have access to the world except through language. What does this mean if we acquire a Phallogocentric language? Traditional mainstream accounting research takes the ontological position that people are self-present unified rational decision makers. The view of people taken in this paper is the exact opposite of this. Given the centrality of agency theory to mainstream accounting and finance research, this is an important insight into the problems with traditional accounting research. The understandings drawn from Freudian and Lacanian psychoanalysis are that people are, insecure, anxious, desiring, contradictory, socially constructed subjects whose prime desire is for security through recognition. In simple terms, this partly comes about through the fact that we are constituted through language. WE

cannot decide rationally and independently what is “good” and what isn’t because on acquiring language we accept a Symbolic Order which is already in place. In this sense we have no control. We are not at the centre of the world.

Lacan’s anxious “decentred” human subject with its empty core, imprinted by the world through language, is far from the notion of true self-identity and the autonomous human subject always at the heart of human thought. If the loss of selfhood and control is the ultimate fear, then the confirmation of selfhood and control is the ultimate desire. Accounting, as part of the pre-existing symbolic order is intricately linked to the human subjects’ desire to control. Lacan believes that this desire is ultimately destructive, akin to the Freudian death drive. Thus, accounting too can be seen as ultimately destructive. In particular, the drive for profits has had a devastating impact on the environment and on humanity.

Cixous’s attempts to disrupt the symbolic order. She presents a more optimistic, progressive view of the world. It is at this point that Cixous’s work breaks free from the structuralist constraints of Saussure. In order to achieve the potential which Cixous offers, we must revalue the feminine. This has serious implications for masculine accounting, especially when one is faced with the question - how should we account for the environment? The possibility that accounting is masculine, over-controlling, and that accountants are decentred subjects with death-drives, should make us wary of incautious calls for the introduction of “Accounting for the Environment”.

In summary, this paper sets out a psychoanalytic understanding of the human subject and that subject’s constitution through Phallogocentric language. This paper disrupts many of the traditional understandings of accounting and posed some questions surrounding the wisdom of making calls for the introduction of “Environmental Accounts”.

Reading Accounting Writing develops the theme of the “decentred subject” further by taking an active in depth view of “how language works”, reaffirming my desire to disrupt the delusions of mastery and control presented by accounting. This paper’s theoretical perspective could be described as post-structuralist to the extent that draws from insights developed from or after Saussurian structuralist linguistics. It takes the Derridian turn of privileging writing over speech. This move was a key element in Derrida’s attempt to disrupt the Western, logocentric metaphysical tradition.

In terms of writing, the Western metaphysical tradition has led to three strongly patriarchal imperatives when reading a text. The role of the author is conceived as a paternal one, in the sense that much is invested in paternal authors to whose credit everything from their textual descendants would contribute. Our concern with citations and citation indices might exemplify this. Secondly, there has hitherto been a great concern about which meanings are legitimate, and which illegitimate. Which meanings are the author’s own progeny? How can we control intercourse with texts so as to prevent the proliferation of illegitimate readings? This concern with the legitimacy of authorial progeny means that we learn to read in a way which, at best, allows us to question the intentions of the father/author. Thirdly scholars are frequently judged by their fecundity/productivity. By disrupting this traditional way of viewing authors, the reader is pushed to the centre in place of the Other. Readers bring their own lives and experiences to a text. This allows for multiple interpretations. Through being always and already socially conditioned, the reading will vary from reader to reader just as it varies from text to text. Texts are “plural”. They involve references, counter-references, connotations, puzzles, resolutions of puzzles, open-ends and so on.

In order to present a fairly simple way of opening up a text, this paper drew heavily on Roland Barthes’ *S/Z*. In *S/Z* Barthes split a Balzac novelette *Sarrazine* into a number of very small units (mostly less than a sentence) or *lexias*. He then

applied five different codes to the lexias. The point of the codes is to highlight the different ways in which language works. Barthes wrote that he could have used more than five codes. The whole point of his deconstruction was of course not to present a correct reading of S/Z but to show how language works actively by summoning up other signifiers. As an example, if we think of “cat” as a lexia, I might categorise this under his *Semic code*. Semes are special signifiers, which, because of their connotations (cute, cuddly, independent, mysterious) can combine with similar elements to create characters, ambiences, shapes and symbols. Cat Woman. Cat burglar. Hep-cat. Aristocat. Catcall. A lexia might also be a whole sentence, for example, “It was hot.” It would be possible to apply Barthes’ *Symbolic Code* to this lexia. A symbolic lexia is one which sets the scene. It often take the form of naturalised binary opposites (hot not cold). Of course, it would also be possible to apply the semic code to the signifier “hot” (warm, burning, pungent, violent, impetuous, passionate, lustful, sexually aroused, eager, recent, sensational) leading to hot-headed, hot-tempered, hotrod, get hot, hot-news and so on. Thus every reader of any particular text would create their own lexia and apply very different codes to them.

The text which we chose to deconstruct was one taken from Accountancy (UK). This text was chosen because it was “rich” in its use of cultural allusion. Our deconstruction was not intended to present the reader with a correct interpretation. In fact we intended the exact opposite. We hoped that readers would be provoked into rebelling against our reading; question our lexia and our application of codes. We took the position that readers from different backgrounds and with *different political interests* would read the text differently. It is at this point that we parted company with Barthes. In his later (post-structuralist) work Barthes absented himself from any grounding in political or economic terms. In Barthes’ earlier work, for example in *Mythologies*, he is very much concerned with the political effect of language and how it serves to “naturalise inequality”. Indeed in his earlier work Barthes uses the existence of an albeit hidden referent in the workings

of ideology. In our textual analysis, social material conditions and their ideological impact on the construction of the text were central to our reading of the text. These more Marxist understanding of the workings of language were more fully developed in the next paper *Ideology, Hegemony and Accounting Discourse: A Case Study of the National Union of Journalists*.

Ideology Hegemony and Accounting Discourse: A Case Study of the national Union of Journalists concern with language and texts was dominant. But this paper used a rather different framework through which to interrogate accounting language and texts. The texts in this paper are conference motions relating to accounting and finance from the National Union of Journalists throughout the years 1978 - 1988. The further development of my work which occurred in this paper was to try to examine theories by using an empirical/real world example. Despite this empirical turn many of the theoretical themes surrounding language and the constitution of subjectivity are developed in this paper.

This paper returns to the theme of accounting's radical potential. It asks whether accounting is *necessarily* wholly "reactionary". In the *Nom et Non* paper, the question of a *different/feminine* accounting was broached at the end of the paper. But that paper suggested that a new accounting could only be developed in a rather different social system. But what about accounting in our current economic and social system? In order to probe this question, a base/superstructure model of society was used in which language and ideology form part of the superstructure and the base is the economic capitalist system. The theoretical development of the paper drew strongly from Gramsci's concept of hegemony in which the elements of the superstructure taken together would give a broadly defined state. Gramsci's concept of hegemony was taken as the key to understanding accounting's role in maintaining the current economic system and

the possibility of resistance to accounting's role in this.

The choice of the case study of the National Union of Journalists was deliberate. It provides a complex picture of the role of accounting. At the time of the paper the National Union of Journalists was going through what was deemed by the leadership to be a financial crisis. The union has lost its closed-shop status and had suffered several industrial action "defeats" in terms of resisting significant technology changes. The British trade union movement also had to confront significant changes in terms of the laws relating to trades unions brought about by the 1980s Conservative government. Some members of the union did not believe that there was a financial crisis. Others believed that the union's financial position had worsened and but that it wasn't serious. The proposed "solutions" to the "problem" were also mixed. The National Executive of the union wanted to block expensive industrial disputes. A large group of union activists believed that there was a fair degree of financial impropriety among the full-time National Executive of the union and that the union needed stricter financial controls, rather than a moratorium on strikes. Would these stricter financial controls provide a practical example of accounting's radical potential?

The foregoing analysis would suggest that the use of (Phallogocentric) accounting would summon up certain "thought closures". Would even the most radical of Union members be able to (for example) deny the desire to produce an operating surplus? This paper, drawing from a range of different sources, (Belsey, Saussure, Derrida, Althusser and Volosinov) presents a materialist explanation of how "thought closures" occur. It develops the theme in the previous two papers that we are constituted through language, but adds a materialist ideological turn. This paper demonstrates that the role of ideology is to construct people as subjects. *The biggest ideological mistake that we make is to assume that we are the authors*

of our own words and the rational decision makers of our own actions. This mistake means that we believe that we chose the values we wish to adopt. For example, we think that we can choose whether in any particular circumstance a union operating surplus is a “good thing”. Althusser calls this the “elementary ideological effect”. The materialist turn here is that the term ideology is concerned with the material workings of signs - not least chemically in our heads. Ideology denotes any significant juncture between discourse and political interests since it is concerned with the ways in which signs, meanings and values help to reproduce a dominant social power.

If we are constituted through language, and ideology works through language, ideology can effect certain closures. Ideology produces a particular set of effects within accounting discourse. It makes signifiers like profit and efficiency very powerful. Ideology means that we “inadvertently” collude with the values and mores of our society. But, we are not in an ideological straight jacket. People can be constituted through different discourses, leading to dual-consciousness. They may also be confronted by material conditions which fail to meet their discursive expectations. There is a dialectical relationship between our lived experience and our ideological expectations.

The early work of Roland Barthes is used to demonstrate how language, as ideology, works to naturalize social relations through “robbing the sign of its history”. Accounting produces excellent examples of this. So, for example, balance sheet values are basically the end result of posting transactions to “T” accounts, transferring some “T” account balances to the profit and loss account and then rearranging a trial balance list of “T” account balances. Yet balance sheet values are then transformed into seemingly scientific useful ratios. When it is announced that a company has a current ratio of 1.96, the whole history of the posting of invoices, goods received notes and so on to ledgers is hidden and

forgotten. Moreover, the social struggles behind capitalist demand-led valuation systems are also forgotten and hidden. Practising accountants are probably aware of some of this. So too, are some of the extremely knowledgeable members of the NUJ. But, we live in a world where the financial IS important. It certainly can be argued (as I do in the Non et Nom of Accounting for (M)other Nature) that it may be much better not to see the world in terms of Phallogocentric accounting numbers and that there are many (more important) things in the world than money. But we live in a world where material conditions dictate that the financial MUST be considered.

Following from Volosinov, this paper developed the theory that signs should not be viewed as Saussurean abstractions which derive their exchange values from other signs. Rather they should be seen as concrete utterances, unintelligible outside the material conditions and social relations in which they are caught. There is therefore a dialectical relationship between the workings of ideology, economic hegemony and advanced capitalism. For example in the 1980s the Conservative government used hegemonic coercion against the trade union movement in the form of repressive legislation. But at the same time it used ideological explanations (consensual forms of hegemony) to rationalise its actions. These ideological explanations would have to resonate with existing ideology perhaps through using Barthes' SEMES. Thus "lean¹" efficient privately owned organisations were preferable to "nanny-state" owned and controlled bureaucracies. The combining of semes like lean and efficient and opposing them to nanny and bureaucratic make for extremely powerful, ideological combinations. Of course this language is phallogocentric too. Men are considered to be lean and muscular. Women are considered to be "naturally" more rotund. Nannies are traditionally women. Thus the insights drawn from the previous two papers are

[1] Jane Fonda's workout tapes were enormously successful during this period. The rise in eating disorders was huge too.

illuminating but without the addition of the economic context are robbed of some of their political potential.

Can accounting's history be returned to it, to unnaturalize it, to make it of some use to the activists in the NUJ? This is concerned again with the importance of the economic context within which we live. It is at this point that the theoretical development of my works marks a fundamental break from Saussurrean linguistics.

The conclusions in the paper are complex. It may be that NUJ members who have clear understandings of the workings of ideology and accounting might find accounting control mechanisms of some practical use. As a simple example, they might fight for members to pay their union dues by direct debit since some subscriptions seemed to "leak" if they are collected at the local branch level. It might also be possible to use budgets to curb union bureaucrats' excessive perquisites. But these individual members would in all likelihood be "educated leaders" or as Gramsci would put it - organic intellectuals. At the end of this paper, David Cooper as CPA editor, raised the issue of Traditional Intellectuals and academics. Where do we stand? What is the point of writing academic journal articles? What does the desire for self-reflection mean in the context of academics? Do we simply write for the research selectivity exercise? These are the dominant themes of the next paper.

On the proliferation of accounting histories' concern is to interrogate whether or not academic history writing (or any academic writing) is "useful". It is also relatedly concerned with the drives behind academic production. We outline two major drives behind academic production. One relates to the changing social position of academics. Here we drew upon the Marxist concepts of labour and labour-power, and exchange-value and use-value. Labour power is the commodified form of labour; it is the part of labour that is purchased with wages, and is, in this sense, the same as any other commodity. We took the position that

the commodification of labour is inherent in the capitalist system. We argued that academics could be increasingly seen as commodified labour producing commodity products (partly consisting of refereed journal articles). Exchange value and use-value help to explain the workings of the academic market for refereed journal articles. The use-value of a paper to the academic writer (and perhaps the reader too) derives from the writers' joy, warmth and comprehension - things that the market system of exchange cannot measure. In the UK the exchange value is pretty much determined by the research selectivity panel. One *Critical Perspectives on Accounting* paper is deemed to be worth less than an *Accounting Review* paper. Of course value is contested.

Therefore, as academics, part of our driving force behind writing for refereed journals is the research rankings and/or promotion processes. But anyone with any insight into the lives of some academics would lead them to realise that this isn't the whole story. The hugely bloodthirsty, vicious world of the academic was alive and well long before the advent of research rankings. Moreover, many academics continue to publish and attend conferences at their own expense after they have retired. We now come to the second drive behind academic production. To interrogate academic *desire* further, we drew upon what might be described as the Baudrillardian sign.² In the late 20th century, much affluent Western consumption is more to do with designer labels (Baudrillardian signs) than with the use-value of commodities. Why do so many young people desire £200 Emporio Armani jeans, rather than £20 Marks and Spencer ones? The "use-value" of each is probably identical. The extension that Baudrillard makes to Veblen's notion of conspicuous consumption is the claim that sign systems have become wholly self-referential. We live in a system in which (to some people)

[2] We actually found much of Baudrillard's writing to be politically futile. His reading of Marx is particularly problematic in the sense that he proposes a bizarre "economistic" reading of Marx. Yet Baudrillard's insights into 20th century culture are thought provoking.

signs are the subject of consumption. Each sign is located within a network of other signs. There are whole economies of the production and consumption of signs as signs. Channel (not Littlewoods); Ray Ban (not Boots); BMW (not Ford); Chelsea (not Battersea); Accounting Review (not Accounting Horizon); Hopwood (not Cooper).....

If one accepts the Lacanian position that people are anxious subjects constantly desiring self reflection and recognition by others, it is not difficult to see why people wish to associate themselves with Baudrillardian signs which hold out the false promise of filling our empty cores with very powerful images. Wearing an Armani suit might somehow fill us with a new core, a classy beautiful, confident one. If the Accounting Review, the Journal of Finance, and Accounting, Organizations and Society are quintessential Baudrillardian signs - as are the writers that publish in them, they will become powerful objects of desire. Publishing in an academic journal is certainly one means of self reflection but we also desire certain journals more than others. It is academics themselves who have constructed the journal hierarchy. *Thus, the commodification of accounting labour and our psychoanalytical desire to publish, together produce a proliferation of accounting research.*

Given this desire to publish, what is the use of an academic article? This question put us on very dangerous ground. We should be aware of the ultimately futile Baudrillardian sign desire behind our own research. For any fulfilling of our empty core on seeing our name in print can only be fleeting. Yet some writers write with rather different aims in mind. It is for this reason that we view the Hopwood and the Tinker and Neimark histories rather differently from the Nobes and the Johnson histories. Very basically we gesture towards a use-value for academic writing if that writing is motivated by something in addition to the two drives behind academic production.

But what ground can we have for this? Some postmodern writers would deny that it is possible for us to say that, for example, Hopwood's history is better than Nobes'. These postmodernists cite Derrida's notion of context. Context is like an inverted pyramid in which any given context can be given fuller and fuller descriptions. This is politically productive in the sense that it produces a structural openness, and allows the reader to bring new or reinterpreted political perspectives or theories to extant text. This is what we achieved in the Reading Accounting Writing paper above. But, some postmodern writers have used this openness to declare that there are no referents³. On a very basic level, the loss of the referent could lead to the implication that there is no pain or suffering - a torture victim's scream is just another sliding signifier. On another level, the loss of the referent has frequently been interpreted as meaning that it is tyrannical to take any political position. If there is no referent, if signs slide from one to another and if we have the possibility of infinite recontextualisation then we can have no grounds for declaring that any political position is any better or worse than any another. We try to avoid this by recognising that we cannot escape metaphysics. As outlined in the NUJ paper, signs are dependent on material determinants. They have a dialectical relationship with the political and economic system and in that sense do have a referent. Moreover, signs are frequently *partisan*. They are the outcome of, as Hall puts it, the *politics of signification*. Derrida himself, proposes a way out of the political problems posed by the loss of the referent through his notion of reversal. This is where binary oppositions are subverted by empowering the Other, whether the Other is a subordinate gender, race, class or any other disempowered group.

The bulk of the paper contains our recontextualization of four accounting histories. The histories are contextualised with the theoretical insights outlined

[3] Baudrillard, for example, has been cited as declaring that the Gulf War did not take place.

above. The recontextualisations are not intended to produce "better" histories, but rather, they are exemplary of how the four might be read given our re-commodified and alternatively grounded theoretical positions. In each of the histories we found a distinct lack of concern for the Other. Thus we could, following Derrida, read each history with the desire to empower the Other's silenced by the four histories.

Nobes' history was profoundly self-referential. His work contained absolutely no social, economic or political contextualisation. Johnson does provide a contextualisation, albeit a weak one. Johnson conceives nineteenth century capitalism as natural and good. If the workers try to produce more to earn more, and the owners wish them to produce more then the system has achieved goal congruence. Indeed the whole paper cleanses the abhorrent conditions found in early capitalist factories. There are no "feelings" in this paper. Perhaps this was necessary given that it was published in the *Accounting Review*. The Tinker and Neimark paper is re contextualised to try to include women. Their work derives from an analysis of women presented in General Motors' Annual Reports, so the images of women are rather impoverished ones. But Tinker and Neimark do not attempt to redress this imbalance. Women seem to be portrayed by Tinker and Neimark as powerless economic pawns. We hear no real women's voices. Another herstory has been silenced. Like the Tinker and Neimark paper, Hopwood's paper silences "the Other history". Hopwood's paper contains three case studies, two contemporary and one dealing with Wedgewood potteries in the 18th century. There is much historical evidence surrounding the horrific conditions of 18th century pottery workers. But in Hopwood's history we hear only of workers stealing, being at play, frolicking or having the "foul disease." Hopwood's paper seems to take the postmodern turn of refusing to make value judgements. In this respect we read the Hopwood paper as taking an unapprehended Baudrillardian perspective in which sign becomes the absolute reference. As in the Nobes' history, accounting has become a sign with its own

referent. The possible reversals which could have been made, especially in the Tinker and Neimark and Hopwood papers are sadly never made.

It would be possible to read the four histories as self referential, Baudrillardian signs. Indeed our critical commentaries could indeed be viewed as adding to the self referentiality. Our critique then simply implodes on itself. There is no point to writing critical articles (other than to fulfil our Lacanian empty-core desires or for research ranking purposes). But empowerment can arise from within a critique. We raised a critical understanding of the treadmill on which academics place/find themselves if they desire to become a commodity (or a Baudrillardian sign). We opened up a possible space for reversal by insisting upon the possibility of writing "outside" histories. We also raised the question of interest and contested values.

One problem with the above four histories (except to a small extent the Tinker and Neimark paper) was that they shunned a class-based perspective. How, for example, could Johnson have missed the horrendous working conditions in 19th manufacturing? The emerging concern with class was the seed for the next paper. In this paper I began to question why a class-based analysis was so lacking in accounting research. The fringes of accounting research had begun to take on board the concerns of the Other in terms of gender and race - so why not class?

Against postmodernism: Class Oriented Questions for Critical Accounting provides a theoretical basis for the inclusion of two groups hitherto practically ignored in the critical accounting literature. These groups are the majority of workers within the accounting industry, and groups of workers who are subject to accounting's technologies of power. This paper was the spring board for my next three papers, two of which are concerned with the effects of accounting's technologies of power (South Africa and Medway) and the other directly with the

“workers within the accounting industry” (From Taylorism to Mrs Taylor). There is an overlap between the two, in the sense that accounting technologies of power are used as justifications behind many of the changes in the working conditions of those within the accounting industry.

In this paper I found that the interpretation of much postmodern theory in the accounting literature would mean that for theoretical reasons, the working-class would be denied a presence in the accounting literature. Very basically there appear to be two strong themes running through postmodern work in accounting. One is the belief that there has been a fundamental shift in society such that modernist theories like Marxism have lost their explanatory power. The other is that “class” as a concept is obsolete, metaphysical and/or reductionist.

As my earlier work shows, I do value many of the insights of postmodern writers, especially the work of Radical French Feminists and Derrida. I begin by considering two important postmodern theorists (Derrida and Foucault) in order to juxtapose how their theoretical perspectives might compare with a Marxist perspective on the introduction of profit-related-pay at Strathclyde University. Foucauldian theory would insist that profit related pay can be seen in terms of its position in the fundamental shift that represents a “new regime of truth” that governs UK academic production. This new regime of truth or technology of power encompasses the proliferation of audits (teaching quality and research selectivity), customer service, performance indicators, appraisal, accountability and so on. On an individual level, this perspective would enable me to see how I can become subject to this new managerial discourse. As a Derridean deconstructionist I could reach beneath the cracks of the phrase and interrogate the truth claims of the word profit. I would know that language does not grant us immanent access to the world but rather mediates our understandings. I would note the binary opposition profit/loss. I would side with loss as the Outside term. But then what? In both analyses there is an underlying disquiet that if action is

effective (if the majority vote “no” to the introduction of the new scheme), then it too will become part of the normalising and totalising practice of power. As I pointed out in the “Histories” paper above, postmodern theory provides few grounds for deciding what is right and what is wrong, other than a desire to “empower the Other”. It is not surprising that postmodernism has been described as the politics of disillusion and despair (Dominelli and Hoogvelt, 1996).

A Marxist perspective would also be concerned with the ideological aspects of language. Profit-related-pay can be identified with the 1980s New Right bourgeois renaissance. It is also concerned with the economic in the sense of the invisible hand of the markets puts constraints on the actions of indebted states. For the three years 1996 - 1999, the UK government planned an 11.4% real terms cut in higher education spending. If this could be at the expense of staff salaries so much the better for a government which would wish to keep young people in higher education and off the streets and the dole queues. But at present UK university staff are mostly on rigid pay scales. Pay would be easier to attack if the state could break down national pay deals. Profit-related-pay is articulated to this plan. For a fairly weak union like the AUT, the loss of national pay bargaining would be a serious blow. From a class-based perspective, for many working class children (especially of my generation), education has been the means to improved life chances. Thus immediately a class-based Marxist perspective would encourage me to fight expenditure cuts in higher education and the introduction of measures which threaten national collective pay bargaining.

The foregoing set up the terms of the debate and differences between postmodern and Marxist perspectives. In order to better understand the historical roots of postmodernism, the marginalised position of Marxism and the contemporaneous rise of right wing economic theories and policies in the 1980s and 1990s, the paper considers the development of social theory since World War II. Of course, many of the most prominent social theories of the post World War II era had their

roots before the war. From the end of the war, for 20 years, *Modernisation Theory* dominated social theory. Modernisation theory was based on the belief that the world's ills could entirely be eradicated by the prosperity that only capitalism could provide. The theory was developed during a period of relative prosperity for many US citizens. The modern was defined with reference to the social organisation and culture of specifically Western societies, which were typified as individualistic, democratic, capitalist, scientific, secular, stable, and as dividing work from home in gender specific ways. Modernization involved incremental, non-revolutionary change. For modernist theorists like Popper, criticism should remain within the realm of science in order to find better solutions to scientific problems. The belief that critique should extend to the totality of society seemed to have died along with the Bolsheviks. The modernisation ontology of capital market-based accounting research, with its tenacious belief that there are few problems with contemporary society and that society's evils will be cured by a huge dose of capitalism continue to this day. Moreover, mainstream accounting research is unable to extend its "critical remit" to include the whole of society. It is possible to discern certain strains of modernisation theory which, either in recycled, or in developed form, have fed into contemporary new right theories or *into postmodernism*.

Marxism saw a brief intellectual resurgence during the 1960s, especially in university sociology departments. But when the radical political thrust (most of which was never Marxist) of the 1960s, began to peter out in the 1970s, both political and academic Marxism retreated, sometimes abandoned for more novel, diverting, seductive theoretical "isms". Postmodern theory could be seen as a salve against the intellectual disillusionment created by the late 1970s backlash against progressive movements. Postmodernism provided a story that the eradication of the possibility of profound social change was not caused by a failure or defeat of "the left". The eradication was a necessity of historical development. The radical possibilities of a modern era were overtaken by the heralding of a new

postmodern one.

While there is no pre-given connection between class and the emergence of postmodernism, I have argued earlier that some types of ideological discourse are more closely tied to certain economic and social interests than others. In economic terms the middle class became relatively richer during the 1970s and 1980s. Wage inequalities from the mid 1970s until the present day have become greater. Many UK academics benefited from the 1980s boom in property prices. Thirty years after the idealised revolutionary possibilities of 1968, the politically disillusioned academic's economic prosperity, depended upon the *defeat* of the political challenges of the late 1960s. Certainly for leading, well paid academics, it became more comfortable to have pleasurable intercourse with a desirable text than to engage with uncomfortable political change. But academics' conditions of existence are deteriorating rapidly. This will not, in itself, transform academics into Marxists. Many have invested several years developing postmodern theoretical perspectives. But the real challenge for academic accountants is not simply to describe their world, it is to think about how to respond to these changes. The next three papers are my response to the changing world. They are my attempts at beginning a chain of class-based accounting research.

A Tale of Two Classes: The Privatisation of Medway Ports. After I wrote the Against postmodernism paper, I began to imagine what "class-based accounting research" would look like. I could imagine feminist research. I could imagine "race" research. But class-based research? Pat Arnold and I struggled with this until I remembered a Radio 4 documentary programme called "Face the Facts" which covered the privatisation of Medway Ports. In Britain most people were aware that job losses follow privatisation as night follows day. So the huge job

losses outlined in the documentary, although appalling, were not surprising. But two features in the programme were striking. The documentary dealt with the role of the accounting profession in this particular privatisation, but perhaps as importantly, Medway is part of my childhood. My Father's relatives live in Chatham (the major Medway town in the ports). As a child I spent many summer days at the beach in Sheerness (the deepwater part of Medway ports). So it is an area I know well. The study examines the privatisation of Medway Ports as a focal point for understanding the role major accounting firms have played in the neo-liberal privatisation programme, from a class perspective.

The basic facts of the case are that Medway Ports were sold to a Management and Employee Buyout consortium in 1992 with the assistance of Price Waterhouse. A few months after the buyout all of the dockworkers were constructively dismissed and had to sell back their shares. The shares which had each cost the dockworkers £1 were valued at £2.50 by another accounting firm KPMG Peat Marwick. The financial backers of the buyout, Charterhouse Development, bought the dockers' shares for £2.50 each. In less than a year, Medway was resold to Mersey Dock and Harbour Company for £37 per share. The directors and the financial backers made millions of pounds. The Managing Director of Medway Ports personally made almost exactly the same amount as the government on the initial sale. The dockworkers sought the help of Touche Ross to bring an action against KPMG for negligence in their £2.50 share valuation. In the end, their case was settled out of court two days before the case was due to commence. The story of the privatisation of Medway Ports is not an isolated occurrence. It is a representative example of the redistribution of wealth that has resulted from privatisation. As such, the case highlights the intrinsically social, as opposed to the technical, implications of accounting's involvement in the business of privatisation consulting.

The accounting valuation issues are important to the case. But, they are best understood within the context of a class analysis that recognises the relationship between the draconian job cuts and harsh flexible work practices imposed on dock labour and the increased value of the port to its owners. By their nature, neoclassical economic valuation models abstract from any historical context and hence obscure the history of exploitation that underlies privatisation. Thus, rather than focussing on the technical issue of how to (or not to) perform a business valuation, this study presents a historical analysis of the changing relations between labour, capital, the state, and the accounting profession that surround the port privatisation. In particular, we examine the question of how and to what effect the accounting industry has, through its consulting and advisory arms, come to play a central role in the neo-liberal privatisation project, the dismantling of social democratic states, and the global restructuring of class relations.

The recent metamorphosis of the accounting industry poses a challenge to accounting research that continues to define the domain of accounting in terms of the traditional functions of auditing, financial reporting, and cost accounting even as these activities lose importance. Today, the *business* of accounting is increasingly about *doing* valuations, privatizations, mergers, acquisitions and corporate restructurings, and with advising transnational corporations on subjects as diverse as offshore banking in the Caymen Islands, tax regimes in the former Soviet Republics, and trade laws in Vietnam. As international accountancy firms expand their businesses into areas traditionally deemed the prerogative of business strategists, lawyers and investment bankers, the boundaries between the various business disciplines (accounting, finance, business strategy, law, etc.) become blurred, and the study of accountancy becomes increasingly indistinguishable from the wider study of the movements of global capitalism.

Thus we believe that the driving force behind economic change is capitalism rather than accountants. As Hanlon (1996) shows, the new service class does not

set the political and social agenda, but rather serves capital on capital's terms. If one considers this in the light of the base/superstructure economic model, this could be seen as "economic determinism". However, we are not trying to propose that there is *no* relationship between the base and the superstructure. The relationship is a dialectical one. For example in the next paper it will be seen that accounting's knowledge of privatisation was exported to SA. Tangentially, there has been a dialectical transformation in accountants' position vis-a-vis the state. In the NUJ paper I argued that accounting could be theorised as part of a broadly defined state, in the sense that the accounting profession acts (in a seemingly neutral manner) to uphold the interests of capital. This paper develops this theoretical perspective further by considering Gramsci's (1971) writings on organic intellectuals. Organic intellectuals not only organise culture (as teachers and journalist), but also production (as industrial technicians) and political society (as state bureaucrats). These knowledge specialists occupy different positions within the social strata. Some, like the industrial technicians, function close to the economic base as direct "deputies" of the dominant class, while others, like civil servants and educators, occupy mediated positions in relation to capital. Although both strata of intellectuals play a role in maintaining hegemony, Gramsci argues that the distinction between them is politically important because those who function in a mediated relationship to capital exercise some degree of relative autonomy, while intellectuals who function directly as deputies of the dominant class have "no autonomous initiative" (Sasson, 1987, p. 143).

The progression of accountancy from a semi-autonomous "profession" to a commercialised industry selling advisory services to corporate clients can be understood from this theoretical vantage point. Over the past two decades, accountants have increasingly moved from the position of relatively autonomous social service "professionals" within state service or semi-autonomous professional associations to the position of commercial entrepreneurs serving organisational and directive functions directly on behalf of capital. While

accountancy has always operated closer to the economic base than social service professionals, the relationship between accountancy and capital was partially mediated by the state under Fordism. In their capacity as independent auditors, accounting firms served the state regulatory function of facilitating the orderly functioning of financial markets. Persons with specialised knowledge of accounting also moved into state bureaucracies as planners, controllers, analysts and administrators. Today, consultancy is fast replacing auditing as the primary business of accounting firms, and states are increasing contracting advisory services out to private sector accounting firms, rather than relying on the expertise of civil servants and state bureaucrats. As accounting “professionals” move closer to the economic base, they lose autonomy and function more directly as deputies of the dominant class. *The new professional service class does not set the political and social agenda, but it does execute it.* Moreover, professional knowledge is commodified and “exported” around the globe. The next paper is again concerned with privatisation. It considers the ideological, linguistic and material changes in South Africa immediately before, during and since the unbanning of the African National Congress (ANC), and the *shaping* role of the accounting profession in these changes with particular emphasis on privatisation.

No Escaping the Financial: The Economic Referent in South Africa, like previous papers takes the Marxist base/superstructure model of society as its theoretical basis. The theoretical development made in this paper is to theorise the dialectical relationship between the base and the superstructure through *class-based* language. The superstructural aspects of language are developed through the work of Volosinov (1973). Volosinov’s work is a Marxist development of Saussurean linguistics used in earlier papers. This paper tries to advance the understanding of the closure problems created by the use of accounting language by arguing that accounting language cannot be seen as a “binary opposition” system where its use creates closures and its non-use opens up new possibilities. The contribution to

the understanding of accounting language advanced in this paper is that accounting language has *class-based meaning*.

The paper presents an in depth case study of the ANC's position on *privatisation* from Nelson Mandela's release in 1990, through the elections which saw an ANC government until 1996. In this paper we will argue that it is the *Capitalist system* as the economic/material base in South Africa which dialectically relates to the ANC government's ideological changes since Mandela's release from prison. In the long run, South Africa's social and economic policies will be influenced by the economic base. *But*, this is not an economic determinist position since we argue that there are many different *forms* which these policies can take. For example, the existence of capitalism does not necessarily mean that South Africa has to follow the world wide privatisation trend. Yet with respect to the privatization issue the ANC have travelled a vast distance in only six years with Mandela calling for nationalisation on his release from Robbin Island, to him claiming, in 1996, that privatisation is the policy of the ANC. It will be argued in this paper that the forms that capitalism is taking in South Africa are strongly influenced by consultants which take the form of accountants, private sector economists and would-be international beneficiaries. In late 1996, many ANC MPs became increasingly concerned about the use of consultants in shaping South Africa and have had a Parliamentary Public Accounts Committee to consider the issue of consultants. Accounting consultants have made significant amounts of money selling right wing ideology to the Government of National Unity. But there is no sign of an end to the use of consultants.

It could be argued that the ANC had to change its ideology to work within a global capitalist system and accordingly *had* to go along with privatisation. This simple common sense explanation of the events in SA is in some ways appealing. It is consistent with a vulgar base/superstructure model of society in which the

economic system base wholly determines the superstructural components of language and ideology. Or in other words, the shift in ANC ideology is *mechanically caused* by changes in the economic base. But aside from any theoretical problems with this straightforward explanation, there is the political problem that if the economic base determines everything, there is no possibility of resistance. In short, the SA trade union movement, along with those who disagree with privatisation, might as well accept the inevitable. As a way out of this problem we draw on *Marxism and the Philosophy of Language (MPL)*, a book published in the former Soviet Union in 1929. This book was published under the name of V N Volosinov. Volosinov developed the work of Saussure.

Saussure's detachment of the referent from the sign allowed semioticians to concentrate on sign structures independently of "real objects". For the purpose of this paper Saussure's theory of language has three important implications. Firstly, in Saussure's model of language, language is considered to be a closed set of rules and so, it is only possible to study a word like privatisation as detached from the referent (whatever that may be). Secondly, Saussure's model would suggest that language is a synchronic or complete system rather than diachronic or historically emerging. Lastly, being concerned with general principles or rules, Saussure was not concerned with what people actually said at all. As Eagleton (1996b, p98) puts it "at the same moment as structuralism bracketed off the real object, it bracketed off the human subject. Indeed it is this double moment which defines the structuralist project." Thus the sign privatisation in Saussure's model could be semiologically interrogated without ever considering that different people might have different material (referential) experiences of privatisation.

MPL also provides an antidote to so-called poststructuralist nihilism. The supplement to structuralism made by some poststructuralists was to break the sign apart and detach the signified from the signifier, so that the meaning (signified) of any word (signifier) can only be expressed as other signifiers. This means that

when you try to discover the meaning of anything you can become caught on a nihilistic word merry-go-round on which signifiers conjure up more signifiers, so that nothing is real, and a word like privatisation can be dismissed as a sliding signifier or a metaphysical concept. In a way this theorisation leaves language at the superstructural level, at best detached from the base, or at worse with no base at all since the base is simply another sliding signifier. One way of getting off the merry-go-round is to provide a firm ground on which to stand. *MPL* does exactly this by giving language a material grounding. Indeed our reading of *MPL* suggests that all signs are material since there can be no human consciousness without them. But *MPL* makes language material in another politically productive way in the sense that it gives an economic class relationship to language. In other words, language is material in the heads of people from different social classes, genders and races.

The paper analysed three main groups who are involved in the active debate over privatisation - the accounting profession, trade unions and a broad anti-privatisation group in order to exemplify how the use of language is rather complex. The accounting profession are involved in all kinds of lucrative consultancy contacts with the ANC government. The trade unions are torn between the desire to maintain their privileged position vis-a-vis the ANC and needing to protect the jobs of their membership. Other groups point to the fact that privatisation will not reduce the SA government's debt; that consumers are frequently the biggest losers in privatisations and that the winners in privatisations are frequently the old pre-privatisation state-owned company management.

Perhaps the most important theoretical contribution of the paper is that accounting cannot be independent of its social conditions. By making language class based we have in some senses affirmed the importance of the economic base (which produces specific class relations) while recognising the importance of the superstructural elements like language. The next paper brings home accounting's

connection to its social conditions in an extremely vivid way.

From Taylorism to Mrs Taylor: The Transformation of the accounting craft This final paper is perhaps the most clearly class-based paper in the sense that it deals directly with the working condition's of non-qualified staff in the accounting process, almost from the beginnings of capitalism until the present day. The theoretical framework draws strongly from Marx and from Harry Braverman's subsequent analysis in *Labour and Monopoly Capital*. While Braverman's work is known in the accounting literature, it has never been used to unpick the working conditions of non-qualified accountants. We argue that the explanatory power of Braverman's analysis lies in the appreciation of the long-run consequences of the separation of conception and execution in the labour process and the accretion of management control. This is why we take a long term historical view of the labour process of accounting clerks.

We had two main reasons for choosing these frameworks. Firstly we wanted to debunk the myth proposed by such politicians as Thatcher, Reagan and more recently Blair, that people cannot find jobs because they "do not have the necessary skills", that we are living in an age which requires a workforce with greater skills than any previous generation. Thus on one level this paper could be deemed to be ideological in the sense that it is directly attacking state ideology. Our analysis using Braverman's work will present a contrasting picture. We will show how the majority of work in the accounting industry has been deskilled according to Taylor's "Scientific Management" principles. This has several serious implications for the clerical workers in accounting (as for the majority of workers under Monopoly Capitalism). As we demonstrate later in the paper, the deskilling of clerical work has meant that wage levels have been driven dramatically downwards. Our second reason for using Braverman was more unorthodox. We argued that the degrading of clerical accounting work to a

factory like production line process could potentially have important implications for the *quality* of accounting information.

The main thrust of the paper is empirical and historical. Drawing from various historical sources, we write a history of bookkeepers up until the publication of Braverman's book in 1974. What we found was that there has never been a "golden age" of bookkeepers. Whilst bookkeepers were among the highest levels of clerks, and in the very early stages of capitalism some (already wealthy) clerks would join the ranks of management and company owners, that the ideological prestige associated with white-collar work was mythical. Indeed the working conditions of the majority of Victorian clerks were atrocious. But bookkeeping has undergone a long term deskilling process which is well documented by Braverman up until 1974. We chart the more recent deskilling of bookkeepers through job advertisements. We analysed more than 1,000 job advertisements throughout the period 1974 to 1996 from the Glasgow Herald newspaper. We found that the advent of mass computerisation accelerated the deskilling process in bookkeeping. But computerisation alone would never have accomplished this. What was needed was mass amounts of data so that at least one person would be involved in every tiny labour process. This means that bookkeepers do not have a broad range view of what is going on within an organisation.

Alongside the deskilling processes outlined in this paper during the 1970s, 1980s and 1990s, other changes were happening in terms of the practice of accounting. The late 1970s witnessed the streamlining of operations through the re-engineering of accounting and clerical processes. Further streamlining to the accounting industry occurred with the introduction of the flexible firm and the division of workforces into core and non-core elements. In some organisations accounting has become a non-core element. Indeed accounting has been outsourced like catering and cleaning.

Anyone who has ever worked as an auditor will know how faced with a large unfamiliar organisation that their task will be made much easier if "an on the ground bookkeeper" can help them find their way. There are always *unusual* postings which demand attention. The removal of bookkeepers who could play the role of repositories of organisational knowledge would leave the auditor with no-one to ask about such problems. Moreover, the removal of a knowledgeable bookkeeper in a reengineered company may open accounts to serious fraud.

The deskilling of accounting in a global economy has presented a serious threat to bookkeeping (and probably professional accounting) jobs. British Airways shed 600 accounting staff within the UK and "exported" 200 of them to Bombay where the cost of accounting staff is 20% of comparable British level. The degrading bookkeeping and accounting skills is bound to have a knock on effect on the accounting profession. In the 1990s we have seen several large accounting firms dropping the sign "accountant" from their company names and/or setting up lucrative consultancy wings. Here we may disagree with Hanlon (1994) that Braverman's work cannot be used for research into the accounting profession. The non-elite professional accountant's work may well become Scientific Management's next sacrifice. If there is a horizontal fissure within the profession we may in the future expect to see a two-tier accounting profession.

The non and nom of accounting for (m)other nature

Abstract

This paper uses the work of various women writers but most importantly the writing of Hélène Cixous, to question accounting's role in society. It contends that accounting is *masculine* in the sense that it embraces all of the Western cultural male attributes. Given the *masculine* nature of accounting, the paper considers recent calls for accountants to become involved in accounting for the environment. The conclusion is that to try to account for environmental issues would be more damaging to the environment than the present situation.

I myself have never been able to find out precisely what feminism is...I only know that people call me a feminist whenever I express sentiments that differentiate me from a doormat or a prostitute.

R e b e c c a

W e s t ,

writer, 1913

This paper attempts to present a fairly new, radical and remarkably exciting philosophy of praxis. Philosophy is meant here in the broadest sense of the word - as a way of seeing the world and a guide to action. The philosophy is a radical one in that it can provide an as yet, non-recuperated critical wedge into all areas of life. It is incredibly exciting for multiple reasons; it is concerned with the body, especially the multiplicity of a woman's body; it empowers women and Other outsiders who in Western culture have been constituted as lacking but in doing so also liberates men; it is not an imposition but rather liberates from the straight-jacket of the proliferation of the self-same; it offers the gift of *pleasure* in its reading; it allows for difference; it opens up new possibilities; alters the way we think; makes oppression in social and discursive practices no longer an inevitability; it presents possibilities as Antoinette Fouque put it of "going beyond the reality principle" of gesturing towards utopias. It is a feminine philosophy of praxis.

But what has a theory like this got to do with accounting? The potential for such a theory is overflowing with regard to accounting. We have lived for too long with accounting's treatment of so-called *externalities* (Others, Outsiders); resulting in workers, nature, even children trampled over and discarded in the search for profits, *things* to be treated as commodities along with heat and light, rent and all other expenses on the profit and loss account - *used up assets*. We have lived for too long with agency theory which teaches us that women and men are grasping self-centred utility *maximisers*. In the 1980s we faced accounting's increased

involvement in all areas of our lives; profit figures became newsworthy items - "beamed" into our living rooms each evening; accounting figures were used as a rationale for closing coal mines and in the process devastating whole communities; accountants became involved in "efficiency" moves in local authorities and the UK National Health Service leading to life-threatening cuts in services. During the 1990s we are witnessing calls for *these* accountants to involve themselves in environmental issues (Porritt, 1989; Derwent, 1989; and Gray, 1990). All academic debate in the 1990s takes place under the pressure of knowing that the very existence of the planet is under threat of immanent destruction. This brings environmental issues to the very centre of the debate surrounding accounting. This paper then considers the possibility of the involvement of the accounting profession in "environmental accounting" using the feminine philosophy of praxis outlined earlier. Two points should be stressed. The paper's emphasis on the feminine does not mean to suggest that it is woman's job to "save the planet". The concepts in this paper will be new and probably difficult (perhaps incomprehensible) to readers with an accounting background entrenched in "positivistic, economic, rationalist logic". Some time will be spent on issues which at first may seem to be wholly irrelevant to accounting. It is hoped though, that the reader will gain new insights into accounting.

The potential of feminist theory to interrogate accounting has been noted by an increasing number of writers (Hopwood, 1987a, p 65). One broad strand of this work considers woman's role in the accounting profession. This has been done very competently, (see for example Westcott and Seiler (1986), Reed and Kratchman (1990) and Lehman, (1990)). While the consideration of such matters as the number of women reaching the higher echelons of the accounting profession could be considered to be important in the sense that these studies help to raise consciousness, without an empowering philosophy of change such papers can leave women feeling disempowered and despondent, if very angry at their lot in life. Anger on its own is not enough. The presentation of masculine super-

women role models could leave women feeling that it is somehow their fault for not *making it*. But worse, much of this kind of writing is a kind of closure which leaves women desiring the *masculine* which this paper will argue, has been the cause of so much destruction. *In this paper the terms feminine/masculine* can be taken to include our *culturally determined* feminine/masculine attributes. In Western society, most women possess (and even wish to have), masculine attributes (perhaps the most chilling example of this is Margaret Thatcher). To leave women desiring the masculine, or desiring equality with men is not enough. Paying lipservice to equality will not make it happen. What then should women desire? This paper will argue that this is an important question, new possibilities should be sought, but with our present system of language, we can only make tentative gestures towards *different* desires.

This paper too is intended to raise consciousness, but in a more profound, theoretical way. It follows a different broad strand in feminine research in accounting, reflecting "a genuine concern with expanding the account we currently have of accounting", (Hopwood, 1987a, p 65) *and* reflecting a genuine attempt to subvert accounting. This too has been done before, see for example, Shearer and Arrington (forthcoming) which had a great influence on this paper and Tinker and Neimark (1987) who consider the role of published annual reports as serving as coercive ideological weapons in manipulating the social imagination about women, (see also Crompton (1987)). It is hoped that this will be an empowering paper which will, with its feminine nature, disrupt the increasing importance and proliferation of accounting.

There is a powerful body of literature that seeks to disrupt, demystify, and decentre accounting. The author finds much agreement with this literature. This paper is not an attempt to provide *yet another* critical theory in accounting. The paper could be read as an important supplement to the Marxist writings in accounting. Any theory (like Marxism) which seeks fundamental changes in the

functioning of the political and social structure *must* include an account of sexual difference as this marks the human subject's relation to the symbolic contract: which *is* the social contract (Sellers, 1991 on Kristeva). What this paper hopes to add to the extant body of broadly critical accounting literature is not, in any way, a *better* philosophy but rather a *different* philosophy, one that is uniquely concerned with the empowerment of women and men. This paper is written with a powerful awareness of other important struggles.

The philosophical position in the paper is derived from the work of several contemporary French women writers, notably from the work of Hélène Cixous. Cixous has been classified, along with Luce Irigaray, Julia Kristeva and Catherine Clement as a "post-structuralist/radical/French feminist". (See Marks and de Courtivron (1980), Duchen, (1986), Weedon (1987), Moi (1987), and Jardine (1987).) Although these writers are often classified together, it should be pointed out that there are many important differences among them. Their similarities derive from the different intellectual currents of post war France (Duchen, 1986). These women writers have each, to a greater or lesser extent, taken from their understandings of the works of Roland Barthes (1957, 1970), Jacques Derrida (especially 1976, 1978), Michel Foucault and Jacques Lacan. Barthes, Derrida, Foucault and Lacan have each in their own very different ways been concerned with the "decentring" of the masculine logocentric system which has dominated Western thought since the time of the Greeks. There is a body of work in accounting drawing on the insights of Barthes, Derrida, and Foucault, for example, Miller and O'Leary (1987), Hopwood (1987b), Hoskin and Macve (1986, 1988), Arrington and Francis (1989), Cooper and Puxty (1991). Unfortunately some of this work does not seem to reflect a genuinely radical reading of Barthes, Derrida and Foucault (Neimark, 1990, Moore, 1991). Writers like Cixous, Kristeva and Irigaray have necessarily started with "masculine philosophy" but their concern with the feminine has taken them radically beyond it. The influence of Derridian deconstruction on their writing shows through in

their desire to invert the traditional hierarchy and assert the primacy of the feminine.

In following the work of Hélène Cixous, this paper could be classified as a radical/poststructuralist *feminist* one. However, throughout the paper the author has chosen to use the word *feminine* rather than *feminist*. This is certainly not an attempt to be cagey or obscure. Indeed the use of the word *feminine* gives immediate problems to the paper in the sense that the word *feminine* connotes very different concepts from those which the paper intends. But there are many important reasons for choosing our language carefully. One reason, and this goes to the heart of the paper, is to do with the way in which our language *works* and the problems that gives in trying to develop new and radical ideas using extant language. It will become apparent through reading this paper that our everyday common usage of language in society helps to perpetuate the status quo and following from this, it is difficult to express or imagine new and radical ideas. Language is always already in existence "outside" of us, and on acquiring it, we learn about ourselves and the society in which we live. Our access to the real world is mediated by language. By learning how to name something we learn a traditional, fixed (although not unalterable) way of understanding it. It is difficult to imagine an "elsewhere" without having the language to do so. This is a real problem and challenge to a paper such as this. If the paper seems ambiguous or maddeningly difficult to "tie down" it is because the author is striving for new understandings and ways of seeing using extant language. One way of striving for new understandings is to "open-up" language and allow for "ambiguity". The paper desires this openness; it wishes to present possibilities for change. This poses questions about the reader. How should the reader interpret such a (any) text? The feminine reader must remain open to the meanings in the text, without seeking to impose "his" preconceptions or desires, or attempting to make sense of the text in order to construct "his" position as reader (Sellers, 1991).

The use of the word *feminine* written in the context of this paper is not *only* intended to connote a chain of concepts such as caring, warmth, kindness, softness and so on, although these are all important qualities. It is intended *also* as something different. It is hoped that after reading this paper *feminine* will connote among many other things - a revolutionary potential, a new way of thinking, non-competitiveness and giving. The word *feminist* is consciously not used because the sign *feminist* has become a (culturally designated) masculine term, defining women in men's terms. As such it is a type of closure which militates against the aims of this paper. The use of the word "feminine" is also poignant for this paper since it follows Hélène Cixous's adoption of the term "*feminin*" which stems from her development of a radical response to *logos* or to the laws which govern patriarchy and capitalism found in language (the non and nom of accounting). In French, the adjective *feminin* encompasses both the English adjectives "female" and "feminine". Indeed, translation frequently requires the use of the word "women's" for *feminin*. This paper proposes that the coming to life of the *feminine* through deep changes in the dominant discursive practices of our time, will necessarily alter the way we think, open up new possibilities, and make oppression in social discursive practices no longer an inevitability. The writing of this paper is intended as a very small gesture towards opening up new possibilities.

Cixous's work is at once both difficult and easy to read. What sets her apart from other woman writers - poets or theoreticians - is the intricate part played by theory and poetry in her writing (Conley, 1984). This is deliberate. She writes a *feminine* text. Cixous will be frequently quoted in this paper in an attempt to avoid the "masculinity" of an accounting paper, to suggest a plurality of authorship - I recognise that I am not the sole of author of my writing. It may also give the reader a "feel" for her work and encourage her to read the original texts. Cixous attempts to ensure that her text cannot be tied down. To achieve this, her work is full of word play and neologism. Wordplay is an important technique for

changing the focus of the discourse, hence making and finding new discourses, letting the repressed (other) come into language. It is a practice used by Cixous (and other French writers) to subvert the univocal, patriarchal meanings that have constituted the authority of language. The word play in Cixous's French text is not fully translatable. For example the title of Cixous and Clement's, "The Newly Born Woman" in french is, "La Jeune Née", this sounds like La Genet : referring to Jean Genet, a "feminine writing outlaw", it also sounds like La je n'est : There I, a subject is not; and La je une nais : There I, a (feminine) subject, am born (Wing, 86). These difficulties have led Ward Jouve (1991) to suggest that translation problems have meant that Cixous is misunderstood in English speaking countries. Alongside the translation problems the different philosophical traditions of English speaking countries make Cixous's work difficult to read. But there is no *correct* reading of Cixous's work; we should attempt to read it without our preconceptions and with an awareness of translation difficulties.

Cixous would have us be agents sabotaging the Symbolic structure that systematically excludes the "feminine". The way to achieve this is by writing. *L'écriture féminine* is an important subversive strategy for Cixous. Her work was chosen (rather than that of her contemporaries, whom the author also finds much agreement with) because of its optimism and its "non-essentialism" (the way in which she avoids fixing sexuality biologically). She was also partly chosen because her work does not deny the importance of class struggle- "Not that in order to be a woman-in-struggle(s) you have to leave the class struggle or repudiate it", and again from the same text, "...let nothing stop you: not man; not the imbecilic capitalist machinery, in which publishing houses are the crafty obsequious roller of imperatives handed down by an economy that works against us and off our backs..", (Cixous, 1976). She is also able to take the step that Jameson accuses Lyotard (p xii, 1979) of being unable to do. She posits, not the disappearance of the great master-narratives, but their passage underground as it were, their continuing but now unconscious effectivity as a way of "thinking

about" and acting in our current situation.

The future must no longer be determined by the past. I do not deny that the effects of the past are still with us. But I refuse to strengthen them by repeating them, to confer upon them an irremovability the equivalent of destiny, to confuse the biological and the cultural.

(Cixous, 1976)

This paper is rather "Anglo-Saxon" in its attempt to consider a practical (accounting) application of Cixous's work. However, it could also be seen as embracing Cixous's creative play and punning, asking "What if?....", "lets have another go at this", "try it this way", "can accountants solve environmental problems" and "what would a feminine accounting be like?". This will open up images to interpretation and multiplicity. Despite the translation difficulties, Anglo-Saxon readings of Cixous can add to the multiple interpretations of her work.

Accounting for the environment??

If we are trying to move away from closure towards opening up language to allow for new possibilities we must first try to open up our socially constructed concepts of *the environment*. To try to tie the environment down to any definition is to go against the feminine which would allow for nature's (albeit socially constructed) multiplicity. Indeed *nature* is a fairly recent cultural construct -- nature was added on to "human reality" by the seventeenth-century rise of the natural sciences (Harland, 1987). A disturbing example of an attempt to "tie-down" the environment can be seen in the British Chartered Association of Certified Accountants's recently sponsored report on the "greening of accountancy". The report came up with two alternatives. Its more "radical" alternative was to try to build on the distinction between *man-made capital* and *natural capital*. This false

dichotomy could lead to horrific ways of accounting. If trees are *natural* and children/workers are *man-made* and if we are told that our concern should be the sustainability of *natural capital*, then we would be more concerned about the destruction of trees in South America than the nightly murders of children by death squads or the conditions of South American workers. It should be recognised that whatever the arguments are for and against accounting for the environment, that any attempt to do so will be a violence against multiplicity and against the Other. Using current discursive practices, the inclusion of some things in any definition will mean the exclusion of *Other* things. The problem is made much worse by the way in which the Other (or non-privileged term) is appropriated, controlled and destroyed in the present patriarchal/capitalist order. Of course it can be argued that it is not possible to include *everything* in accounting but this surely highlights the problem.

In an attempt to subvert the current continued destruction of "nature", the paper takes a feminine view of the issue. Several women writers have used feminine spectacles to view the current concern with the environment. Their powerfully put case that the feminine is perhaps the only way forward in addressing issues of planetary destruction is (at least!) worthy of consideration. However, their case is rarely considered. Writers like Mary Daly and Françoise d'Eaubonne have placed the blame for the destruction of the environment on the existing masculine metaphysical symbolic order. This is a new, insightful turn. Catherine Clement in the "Guilty One", (part of the "Newly Born Woman", Cixous, 1986) vividly shows how guilt and blame in society are placed on women. Mary Daly (1979, p 253), notes how we are familiar with "the omnipresent "blaming the mother" syndrome among psychotherapists from Freud downward". Daly later notes (p 291), that women have been blamed for the destruction of the environment. These women writers have called for struggles against the existing order, so that it can be replaced with a new feminine symbolic order. The work of Françoise d'Eaubonne who set up "Ecologie-Feminisme" in Paris, in 1972 is particularly

important. She has been concerned with environmental issues since 1949. Despite being an early leader in the field, her work has, to a large extent, gone unnoticed, even by "ecologists". Throughout history women's voices have been frustratingly stifled. In "La féminisme ou la mort" (1974), d'Eaubonne maintains that the destruction of the planet is due to the profit motive inherent in masculine power and that no masculine-led "revolution" will counteract the horrors of overpopulation and destruction of natural resources. Her fusion of "feminism" and ecology leads her to offer one choice - feminism or death. Mary Daly (1978) asserts that phallic myth and language generate, legitimate, and mask the material pollution that threatens to terminate all sentient life on this planet. Shearer and Arrington (forthcoming), too, have used "feminine" spectacles and have addressed the issues of the destruction of the "environment", relating it to the phallogocentric nature of accounting. This paper follows the lead and perspective of these writers in their new radical ways of seeing (among many other things) the issues of planetary destruction, in order to address certain issues for accountants and teachers of accounting. The author aims to show how accounting is an intricate part of this masculine metaphysical symbolic order. The concern with the feminine in this section perhaps raises the issue of essentialism once again. The destruction of the planet is seen here as being linked to the masculine symbolic order whose main metaphor is one-ness. The feminine, whose main metaphor is multiplicity is opposed to this. The issues of essentialism, the masculine and the feminine are the subjects of the next section.

The Risk of Essentialism

Some readers of Cixous's work have "accused" her of essentialism. She does not have to be read as an essentialist. The "accusation of essentialism" is often levelled against radical/post-structuralist feminists (like Hélène Cixous) as if they have committed some kind of ghastly crime, because of their use of *féminité* as

a challenge to male centred thinking. Spivak (1987), reminds us that in the hands of the dispossessed themselves, essentialism can be a powerful strategic weapon. Cixous, however, herself denies that she is an essentialist. It could be that some of the difficulties in reading Cixous may come from the relationship between theory and praxis in her texts. Her poetic writing is a political poetic where the word does not point to a signified but takes itself as object. But her writing does have a *political goal-in-movement*. Her writing is intended to revalorise "women" who have been repressed and forgotten (Conley, 1984). It is in her desire to revalorise women that she risks the charge of essentialism. Spivak (1987, p 152) poses the issue in the following way-

What we must answer is not the false problem...which consists of measuring the role of biological factors and the "role" of social factors in the behaviour of sexed individuals - but rather the following questions: In what way is the biological political? In other words, what is the political function of the biological?

To women who have been constituted as lack, Cixous brings an *affirmative* new constitution of subjectivity. This can bring about valuable self-confidence, and perhaps for the first time a recognition that women's material position in society is not their fault and that they deserve better.

In Cixous's writings *masculine* and *feminine* do not refer to anatomical organs. To her, the body is always a ciphered body. Cixous shows that the potential for "masculinity" and "femininity" is present in both sexes, and that our gender identities are not fixed to one pole or another, but mediate between them over a fluctuating range of possibilities.

As I often said, my work aims at getting rid of words like "feminine" and "masculine", "femininity" and "masculinity", even "man" and "woman", which designate that which cannot be classified inside of a signifier except by force and violence and which goes beyond it in any case.

(Cixous, 1982, in a conversation with Conley)

In "Tancrede continue", (Cixous, 1983), a reading of Tasso, the positions of men and women are infinitely destabilized and interchangeable. Indeed, while a "feminine" position is privileged in Cixous's writings as the way forward for women and men, the pure adoption of this position is shown to be both untenable and undesirable. In the same way that the interdiction of phallic law forces the infant to recognise others' need and desires, so elements of "masculinity" are required to ensure the provision of "order" and the imposition of necessary limits. Cixous does not deny that there is biological sexual difference. She argues that the biological differences between the sexes give rise to different bodily experiences, and thus create different sources of knowledge. While these "sexual" experiences are only a small part of the experience of being human, Cixous shows how they involve different perceptions, and contain the potential for different metaphors of understanding (Sellers 1988). The main metaphor, (or perhaps symbol) of femininity, is multiplicity, (both in the sense of the possibility of multiple orgasm and multiple sites of orgasm, often still repressed) and of masculinity is "one-ness".

.. then we can inhabit the world where the feminine being and the masculine being come into contact, exchange with each other, caress each other, respect each other, are quite incapable of maintaining a discourse as to their exact differences, but live them, these differences, and where - as the opening to the text tells us - if masculine and feminine agree with each other (I cannot say understand each other, because they do not understand each other) it is because there is feminine, there is masculine, in the one and in the other. There are obviously points of conjunction - which does not mean identification.

Cixous, 1988

While the feminine can be seen as an empowering philosophy for women, it will also be argued here that it could be way forward for both men and women. The paper will now return to accounting and consider its masculine nature.

Debits and credits and security

This section aims to show contemporary philosophy's (especially Derrida's work on language) effect on Cixous and how that can be used to widen our account of accounting. It aims to disrupt accounting's claim to be able to represent economic reality by brief reference to Derrida's work on metaphysics. It then goes on to consider the masculine phallogocentric nature of accounting. Cixous has been called the most-Derridian of all the French feminists (Sellers, 1991). In an interview with Conley (1984, p 148), Cixous said

"As far as women are concerned, some ground breaking work has been done on the question of difference, on the differential by Derrida. We know and use his work."

Firstly then, Derrida's work on language will be considered, then Cixous's "supplement" to Derrida will be discussed.

Derrida attacks western metaphysics (a belief in a reality external to discourse that can be described and represented). Metaphysics is based on the assumption that "true meaning" is possible or that we can grasp the essence of a thing in its integrity. There is no possibility of grasping the essence of object, a concept, a person, anything, in an unmediated way - we pass through language, and language creates mediated meaning (Duchen 1986). Thus for Derrida, language works through "differance", both of spacing and temporalizing (see Harland p 138). Jacques Derrida undertakes a radical critique of rationalist theories of language, consciousness and the logocentric tradition of Western metaphysics which presupposes that the meaning of concepts is fixed prior to their articulation in language. He describes the various philosophies that have attempted to erect a transcendental signified which will confer meaning on the world as logocentric. Like Cixous he perceives the effort to establish an "origin" as masking the desire to lay claim to the world by organising it in a particular way. Logocentric is

derived from the Greek *logos* which could be translated as word. Logos brings together the inward rational principle of verbal texts, the inward rational principle of human beings, and the inward rational principle of the natural universe. Logos further combines all these meanings with a further meaning - the law (Harland, 1987). To Derrida, the metaphysical error of assuming that Being is determined by being there or being present, has affected the entire way of understanding in the Western world. Being (or presence), is contrasted with absence, and all categories of thought are divided into either/or binary metaphysical oppositions. This has the effect of allowing the first term to be valued above the second. Cixous extends this to argue that our present language is not only logocentric, but phallogocentric, seeking to fix meaning on a primary opposition of male/female reproducing the "patriarchal" order. This means that our cultural male attributes symbolised by the phallus are seen in every instance as being superior to the feminine, which is symbolised by multiplicity. Cixous sets multiplicity or otherness against phallogocentrism. Culler (1983, p 173) writes that

In "Sorties" Hélène Cixous contrasts man's neurotic fixation on a phallic monosexuality with woman's bisexuality which, she argues, ought to give women a privileged relation to writing. Male sexuality denies and resists otherness, while bisexuality is an acceptance of otherness within the self, as is writing.....Woman's writing should affirm this relation to otherness; it should take strength from its more immediate access to literariness and its ability to escape male desires for mastery and domination.

Otherness encompasses that which is outside of the dominant conceptual system. It does not subscribe to an identifiable set of norms, values and practices that the Western Judaeo-Christian world can assimilate and understand (Duchen, 1986). So far, in accounting at least, nature or the environment has been treated as "Outside" (an externality). The concept of the feminine, as that which resists and challenges patriarchy in its discursive and psychological manifestations, is representative of the Other. Cixous writes of this binary opposition and otherness in the following way.

Where is she?
Activity/passivity
Sun/Moon
Culture/Nature
Day/Night

Father/Mother
Head/Heart
Intelligible/Palpable
Logos/Pathos

Form, convex, step, advance, semen, progress.

Matter, concave, ground-where steps are taken, holding-and dumping ground.

Man

Woman

Always the same metaphor: we follow it, it carries us, beneath all its figures, wherever discourse is organized. If we read or speak, the same thread or double braid is leading us through literature, philosophy, criticism, centuries of representation and reflection.

Thought has always worked through opposition.

(Cixous, 1986, p 63)

In double-entry systems of accounting, there is an implicit assumption that all categories of "life" can be divided into a single binary opposition, debit/credit. This double braid is very robust in accounting, we have the highly visible - profit/loss, revenue/expense, receipt/payment, debtor/creditor, asset/liability, efficiency/inefficiency, favourable variance/unfavourable variance, and perhaps the slightly less visible - have/have not, my own/not my own, controllable/uncontrollable, normal/abnormal, measurable/immeasurable, significant/insignificant, prudent/extravagant (foolish?), accepted/unusual, and so on. Debits and Credits, in terms of accounting have become almost "transcendental signifiers" explaining griding/organising/ordering very nearly everything, or at least everything that it would wish to count. The Outside (things that do not count in accounting) are left with no real(?) value. Hines (1988) notes that given time, accountants will think of ways of accounting for anything (including pollution). This means that, through accounting, almost anything in our society, is supposedly reducible to some kind of binary opposite.

However, accounting doesn't *feel* like a violent system. Accounting (language) makes us feel secure. It mirrors the binary opposites way of thinking we learned as small children. Like language, accounting is a law which organises what is thinkable by oppositions. We feel safe with accounting. We have a fixed time each year (month, or whatever) when the accounts are balanced off, some are transferred into the profit and loss account through which we accumulate our capital, then the balances are "checked" (debits equal credits) through the balance sheet. The whole system is "at one with" binary opposites, it is clean, goal centred (what is the profit?, what is our capital accumulation?), but perhaps most of all it leaves us feeling non-exposed. The logocentric nature of accounting makes it lawful, secure and prudent. For as Harland, (1987, p 146), puts it, "logos" as an inward rational principle serves to control and take charge of outward material things. Any version of "logos" can therefore give us a feeling of mastery, of being "on top". And any version of "logos" can save us from our greatest (masculine) human fear of "letting go". But, as Harland reminds us, "any version of "logos" is mere wishful thinking as far as Derrida is concerned", (Harland, 1987, p 146).

Cixous's work could be used to extend this analysis of accounting. The "masculine" phallogocentric nature of accounting privileging the *masculine* over the *feminine*, tends towards its being naturally aligned to goal centredness in terms of the profit motive or capital accumulation motive. "Efficiency" is seen only in certain terms, normally profit maximization or cost minimization. If one thinks then of trying to take account of *the* environment, this would mean forcing nature's multiplicity into accounting's binary oppositions, which is a violence against nature, a denial of her multiplicity. But to account for nature, to bring it into our "binary opposition system par excellence", would indeed make us feel more secure. This is how the masculine can master (get on top of!) environmental problems (not our problems). Holes in the ozone layer are very frightening. But what would be the effect of accounting for the environment? If as D'Eaubonne has pointed out, it is the profit motive itself which has led to the destruction of the

environment, surely a way forward would be to destroy the profit motive. In a system where the Logos is profit, and more profit is better than less, then perhaps, if we started to account for nature, even more profits would be squeezed from nature.

The concern with what will happen to the "environment", if it comes under even closer scrutiny by accountants, is a dominant concern of this paper. But is there an escape from the existing metaphysical symbolic order? Is the "environment" doomed? Cixous sees a potential to escape from metaphysics. She sees that there could be another way of thinking, one that includes the feminine and therefore destroys logocentrism and masculine domination (Duchen, 1986). Cixous sees *écriture féminine* as being a way to challenge phallogocentrism. Writing disrupts the "metaphysics of presence", which makes the speaking subject the guarantor of meaning. This is important; many of *semen(al)* often quoted "authority bullets" come from *masculine writing* which is mostly written by men. The move also avoids tying feminine and masculine language to the biological sex of the speaking subject. Cixous sees texts such as those written by Jean Genet as *feminine* texts. Thus Cixous sees the importance of language as a site of struggle. This will be familiar to most readers. Many movements have chosen to present positive images of themselves through the use of language - gay liberation, black liberation and so on. A gesture towards the possibility of "feminine" accounting(s) will be written at the end of the paper.

The feminine and the laws of accounting

In much of her early work Cixous disrupts phallogocentric *semen(al)* writings that are deeply sedimented in our thinking (for example she writes about Freud and the Bible). The hierarchical structure man/woman has been marked in endless ways,

from the account of Adam and Eve in the Bible, through Freud, to the semantic, morphological, and etymological relations of *man* and *woman* in English (Culler, 1984). Cixous shows how an attentive reading of the Bible highlights the functioning of the myth of an originary first term or logos. Three properties of the law become apparent: the law is a word; it is a word which had no meaning because there was no such thing as death in the paradisiacal state; and the law has a relationship to both knowledge and pleasure (Sellers, 1988).

"..at the beginning of everything there is an apple, and this apple, when it is talked about, is said to be a not-to-be-fruit. There is an apple, and straight away there is the law. It is the start of libidinal education, it is here that one begins to share in the experience of the secret because the law is incomprehensible. God says if you taste the fruit of the tree of knowledge, you will die. It is absolutely incomprehensible. What rich terrain for the theologians and philosophers, since for Eve "you will die" does not mean anything, since she is in the paradisiac state where there is no death. She receives the most hermetic discourse there is, the absolute discourse. We will find it again in the story of Abraham who receives an order from God which might also seem incomprehensible, except that Abraham obeys without questioning, absolutely. It is the experience of the secret, the enigma of the apple, of this apple which is invested with every kind of power. And what we are told is that knowledge might begin with the mouth, with the discovery of the taste of something: knowledge and taste go together. What is at stake here is the mystery which is assailed by law, the law which is absolute, verbal, invisible, negative, it is a symbolic coup de force and its force is its invisibility, its non-existence, its force of denial, its "not" [(the non of accounting in terms of this paper - author)]. And facing the law, there is the apple which is, is, is. It is the struggle between an undesirable, unverifiable, indecisive absence, and a presence, a presence which is not only a presence: the apple is visible and it can be held up to the mouth, it is full, it has an inside.....It is not insignificant that in the beginning there should be a scene of pleasure which takes this form.

Cixous, 1988, p 16

This text demonstrates the revolutionary nature of the feminine. It is a new and radical perspective. All too often women are portrayed as being conservative, afraid of "rocking the boat" and so on. It is the feminine which is on the outside

which is not afraid of disrupting, going inside. It is possible to use the same radical feminine underpinnings to disrupt the logos of accounting. Alternative readings of many accounting texts will show the functioning of source myths in accounting. It is, for example possible to consider the word *capital* in terms of the its *laws* and relationships to pleasure in a playful way following Cixous-

At the beginning of everything there is capital and when it is talked about is said to be a "to-be-maintained-capital". It is a capital that should not be eaten, but left hanging on a tree to grow like an apple. There is a capital and straight away there is a law (a good law?). We are in a capitalist state where for companies (even the most wicked and destructive ones) there is no natural death. What will happen if the capital is distributed? Given away? Eaten? Are we to be denied this pleasure?

The feminine can question and disrupt the (law) logos, interrupt our entire history, and negate the self-admiring, self-stimulating, self-congratulatory phallogocentrism. Why self-admiring, self-stimulating and self-congratulatory? This again comes from the established pattern of perception and classification in the West. Man's desire for origins - to be at the origin - has initiated a process of separation in which the *self-same*, the own-self (what is mine hence what is good), is differentiated from whatever menaces my own good - the (bad) Other. The Other to be expropriated, controlled or destroyed.

And one becomes aware that the Empire of the Selfsame is erected from a fear that, in fact, is typically masculine: the fear of expropriation, of separation, of losing the attribute. In other words, the threat of castration has an impact. Thus, there is a relationship between the problematic of the not-selfsame, not-mine (hence of desire and the urgency of reappropriation) and the constitution of a subjectivity that experiences itself only when it makes the law, its strength, and its mastery felt, and it can all be understood on the basis of masculinity because this subjectivity is structured around a loss. Which is not the case with femininity.

(Cixous, 1986, p 80)

Mas(k)culine gestures based on the notion of unified, self-present subjects of

rationality are made here and there in accounting. But there is no recognition of the masculine fear of thinking the unthinkable, giving up power and control and struggling for difference. Calls are made for corporate social reporting, "participative budgeting", accountability (in terms of *masculine power*, or agency relationships). They are all in the end doomed to the masculine proliferation of the self-same (what is like me and hence what is good/safe) - a feminine affective economy of gift, affirmation and love would be more disruptive. Love here is a love relation in which "each one would keep the other alive and different": "each would take the risk of other, of difference, without feeling threatened by the existence of otherness, rather, delighting to increase through the unknown that is there to discover" (Sellers, 1991, p 17, quoting Cixous). At present, environmental accounting too, being founded on phallogocentric understandings, will be unable to bring about revolutionary change despite the high hopes and desires of some of its proponents. In the following section the notion of a unified, self-present, rational subject so commonly found in accounting writings is considered further.

Rationality, subjectivity and accountability

Previous sections gesture towards how accounting affects us personally, creates security and so on. This is not new in the accounting literature, (see for example, Miller and O'Leary, (1987), Cooper et al (1992)), but is at present rather undeveloped. How does accounting create security? The following two sections take a different view from the extant literature in accounting. They will propose that we are not the unified, self-present, rational subjects that much accounting literature supposes us to be, but rather that we are insecure, anxious, contradictory, socially constructed subjects whose prime desire is for security through recognition. Here the paper concentrates on Cixous's work on the construction of subjectivity which draws from the writings of Freud and Lacan. Almost any discussion of Freud will

involve consideration of the Oedipus complex and castration. The author acknowledges the horrific practice of the castration of women in some societies; but since the paper is dealing with a disruption of Western phallogocentrism, it regrettably cannot be dealt with here. The notion of subjectivity refers to the conscious and unconscious thoughts and emotions of the individual, her sense of herself and ways of understanding her relations to the world. These are precarious, contradictory in process, and constantly being reconstituted in discourse each time we think or speak. There is no essence at the heart of the individual which is unique, fixed and coherent and which makes her what she is (we are *not* essentially utility or profit maximisers). The importance of psychoanalysis and the construction of subjectivity in both its Freudian and Lacanian forms, for this paper, lies in the challenge it offers discourses like accounting, which assume the unified, self-present, biologically determined subject of rationality. This question is of obvious interest to feminists. Are women naturally (essentially) different from men? The concept of an unconscious, and the separation of the psychic structures of femininity and masculinity from direct biological determination, are both important. They are stages in the development of a theoretical position from which the cultural meanings of gender, and the forms of subjectivity in and through which they are realized, become open to transformation (Weedon, 1987). This is an important issue for accountants too, especially in their often unquestioned assumptions regarding *rationality*, the possibility of our being able to use "neutral" information for decision making, for example. It is an important issue too for accounting academics so grossly under-represented in terms of women. Explanations of this cannot be reduced to "natural" differences between the sexes.

Cixous differentiates between the pre-Oedipal phase in which there is no patriarchal oppression since the child in this phase has no language, and the post-Oedipal phase in which the feminine is most often located in the unconscious, repressed by the structures of phallogocentrism. Freud's thesis is that when the

Oedipal complex disappears the super-ego becomes its heir. At the moment when the boy begins to feel the threat of castration, he begins to overcome the Oedipus complex, with the help of a severe super ego. But, according to Freud at least, the girl's development is inevitably controlled by the pressure of a less severe superego: the discovery of her castration results in a less vigorous superego. Cixous finds in Freud's account a useful model for the process by which the amorphous, desire-driven human infant is socialised to assume its adult role. Desire arrives at the time when an infant is separated from its mother. But she finds Freud's post-Oedipal phase to be problematic.

But sexual difference is not determined by the fantasized relationship to anatomy, which is based, to a great extent, upon the point of view, therefore upon a strange importance accorded (by Freud and Lacan) to exteriority and to the specular in the elaboration of sexuality. A voyeur's theory of course.

(Cixous, 1986)

Cixous adds insights into Freud's theory that men are socialised by the fear of castration, at least in a symbolic sense. Women have never been castrated, symbolically or otherwise, yet, in Freudian analysis, the non-castrated male may feel a triumphant contempt for, or horror of the supposedly mutilated female. But to Cixous, "female" libidinal economy is symbolised, not by castration, but by multiplicity and *jouissance*. *Jouissance* is a word used by Cixous to refer to the intense, rapturous pleasure which women know and which men fear (Cixous, 1986, Eds note). The idea of *jouissance* and the female body contain certain difficulties for some readers. Jouve Ward (1991, p 54) notes that *jouissance* and the body are written about as, "strange foreign goods, that after due scrutiny, and customs approval, must be allowed on the supermarket shelves if "American women" are to have the best of all worlds". However, making a woman's *jouissance* a starting point for disruption makes writers like Hélène Cixous's ideas immediate, poignant, powerful and perhaps most importantly, *accessible* to most women. Thus Cixous reverses the Freudian led contempt for the supposedly mutilated woman by opposing *jouissance* to this. She sees the discovery of

women's jouissance by men as being an even greater fear than the fear of castration.

Too bad for them if they fall apart on discovering that women aren't men, or that their mother doesn't have one. But isn't this fear convenient for them? Wouldn't the worst be, isn't the worst, in truth, that women aren't castrated,

(Cixous, 1976)

The importance of language is missing from much of Freud's analysis. Jacques Lacan has rewritten some of Freud's work to take account of language. Lacanian psychoanalysis is important since it can help uncover the working upon and within us of phallogocentric language (Gallop and Burke, 1980). To Lacan (p 20, 1979), "the unconscious is structured like a language". This may seem peculiar to Anglo-Saxon readers of Freud who base their reading on the belief that biology is underlying and basic. Lacan appears to take a more structuralist perspective, "the unconscious is neither primordial nor instinctual; what it knows about the elementary is no more than the elements of the signifier", (p 316, 1972). An interesting parallel here is hypnosis. Modern-day hypnotists believe that hypnosis works primarily on verbal suggestion. The Unconscious that hypnosis reveals is an Unconscious that answers to language (Harland, p 35, 1987). Lacan has redrawn Freud's model to show how severance from the (m)other entails the infant's need to symbolise what is thereby constituted as other. The passage from the "imaginary" state of the symbiotic dependence on the (m)other, to the "symbolic" stage of ego definition and control, is thus seen to be concomitant with the acquisition of language.

One important feature of Lacan's work (or accounting and for this paper) is his concept of the Symbolic Order. Lacan's Symbolic Order is the way in which societies are regulated by a series of signs, roles, and rituals which have meaning

only in relation to each other, forming recognizable codes and expressed in language. The Symbolic Order is already in place in society and must be accepted and internalised by a child in order to function adequately as a social subject; at the same time as the child unconsciously internalises these sets of rules of language and behaviours s/he is produced by them at the level of the unconscious. The symbolic order is not arbitrary, cannot be chosen at will, is not set up by accident. It is dependent upon the law which founds society, the law of the father represented by the authority invested in his name (his nom) and his power to forbid (his non) (Duchen, 1986). Accounting is dependent on this law which founds society, hence the name of the paper. The acceptance of the father's word (logos) is essential to the development of the (boy) child. This acceptance takes place through the resolution of the Oedipus complex and marks the child's entry into the symbolic so that he is functioning within the Symbolic Order. The child's subjecthood is constructed by, and operates within, the Symbolic Order which has been unconsciously accepted, and just as this symbolic order structures his conscious being, so it structures his unconscious. Accounting is part of the symbolic order. The acquisition of accounting knowledge helps to structure our unconscious, although it may do so in contradictory ways. Its acquisition nevertheless presents us with an altered subjectivity. Accounting's signs, roles and rituals "make sense" in terms of the broader symbolic order. Accounting is not *different* or threatening, on the contrary it reaffirms our self-perceptions, perceptions regarding others and our perceptions of the world. Indeed attacks on accounting - suggestions that it cannot be made better, that it is destructive, that it cannot "help" the environment, that agency theory is filthy - can be threatening. They are threats to *logos*.

If masculine subjectivity is constructed by fear of castration, and if the worst masculine fear is the discovery that he, the man, is missing out, that women aren't castrated, then our "masculinity" consciously or unconsciously would feel exceedingly uncomfortable even with something so conservative as a "feminine

(castrating) multiple accounting". It is possible that there have been a few attempts by accountants to make accounting "less binary", such as discussions on multi-column reporting, triple-entry-book-keeping, more emphasis on narrative (in phallogocentric binary language) and so on. Indeed the profit and loss account has increasingly lost its binary balanced format since it is frequently presented in the vertical rather than the horizontal format (Cooper et al, 1992). It has indeed become *more symbolic of the phallus* but still based on a binary opposition system. The fear of castration could be unconsciously reflected in the masculine fear of becoming castrated by losing the profit figure or the profit and loss account. This makes the problem of deriving a way of accounting for the environment particularly difficult, especially if it would involve the "cutting off" of profit in any way. For example in a recent "green" issue of Accountancy, (p 70, 1990), Maxwell quotes, and does not disagree with David Smith a director of Environment Services, speaking about environmental audit,

It is of course possible merely to measure the effect of your activities, how much pollution you are causing, and whether you are within the law.... But in the context of a highly-competitive market, compliance in itself is unlikely to be sufficient. There are two further factors for consideration - the chance to enhance your corporate image, and the opportunity to create business advantage and maximise profitability.

(author's emphasis)

Perhaps of greater disruption in terms of accounting is the realization that we are not independent rational subjects, but are rather "already worldly" in the sense that, on acquiring (accounting) language, we accept a Symbolic Order which is already in place. If one accepts this then we are not intentional subjects in control of our own destiny. The mistake of assuming that we are independent rational subjects has also perhaps been made by the British Green party (which has a policy of "democratic accountability"). It is of course phallogocentric to write about The British Green party. The membership of the Green party is very eclectic (ranging from anarcho-syndicalist to conservative). Both words (democratic and accountability) should be considered in terms of their tendentious

castration and Oedipus complexes. The resolution of these complexes brings about the gender specific organization of the drives, the psyche and the unconscious. The secondary split is between the I which speaks and the I which is represented in the utterance. Just as the infant of the mirror stage misrecognises itself as unified and in physical control of itself, so the speaking subject in the symbolic order misrecognises itself and its utterance as one and assumes that it is the author of meaning (Weedon, 1987).

Lacan's anxious human subject, with its imaginary relations and its empty core, imprinted by the world through language, is far from the notion of true self-identity and the autonomous, intentional human subject always at the heart of western thought (Duchen, 1986). If the loss of individual selfhood is the ultimate fear, then the confirmation of selfhood is the ultimate desire. (There are of course many ways in which we attempt to confirm self-hood, including, making those around us into "mirrors", "imaginary"/pretend decision making, driving big cars, looking at information and feeling "outside" of it or able to "control" it, recreating ourselves through labour, and recreating ourselves through budgets or the accumulation of capital!) In Lacanian psychoanalysis desire surmounts and wholly dominates over the supposedly "basic" needs of the organism. In the end, nothing can ever truly satisfy (this) desire because no amount of recognition from others can confirm ones selfhood. Lacan suggests that this kind of desire is what Freud was trying to grasp in the concept of death drive, the drive towards negativity. However, Lacan fixes the root of this problem, not biologically, but in our Western society, which places great emphasis on the private individual. This unsatisfied desire in Western culture is likely to provoke aggression, dissatisfaction, destruction and alienation. It is possible to link Lacan's "masculine" desire to Françoise d'Eaubonne's (1974) placing complete responsibility for the destruction of the planet on our male system. (The desire here is masculine since to Lacan woman is outside the Symbolic Order.) Françoise d'Eaubonne asserts that the destruction of the planet started long ago

nature and their current hegemonic usage. Presumably accountability involves some kind of power relationship, which is immediately problematic. But it also assumes firstly, the possibility of neutral information (in phallogocentric language), and secondly the possibility of a unified, self-present, rational, subject who is able to use(?) the information provided for accountability (power) purposes. Debates about accountability continue to proliferate in the accounting literature and no doubt will become more prevalent in discussions about "green accounting".

Desire, Accounting and the Destruction of the Environment

This section expands on the Lacanian insights offered in the previous section in order to promote an understanding of the masculine desire-led drive towards destruction. Lacan reinforces the case for otherness in his theory of subjectivity, in which man is moved away from the centre of the stage, no longer in control of his own destiny, not in possession of a non-alienated self (Duchen, 1986). To Lacan alienation occurs through the "mirror stage". This is the stage in the chronological development of the child between six and eighteen months, when the child moves from the imaginary state to the "symbolic" stage of ego definition and control. The stage of separation from the (m)other occurs when through watching itself gesture, in a mirror, the child is able to experience "in play the relation between the movements assumed in the image and the reflected environment, and between this virtual complex and the reality it reduplicates - the child's own body, and the persons and things around him" (Lacan, 1977, p 1). In other words, the child's ego becomes split into the I which is watching and the I which is watched. Because of this split, the unity and imagined control which the child's identification with its mirror image brings is imaginary. A second splitting of the ego occurs with entry into the symbolic order after the resolution of the

when man discovered that he could reproduce (confirm) himself through agriculture and through women. The masculine desire for recognition and confirmation drives toward negativity and destruction.

Practically everybody knows that today the two most immediate threats to survival are overpopulation and the destruction of our resources; fewer recognise the responsibility of the male System, in so far as it is male (and not capitalist or socialist) in these two dangers; but even fewer still have discovered that each of the two threats is the logical outcome of one of the two parallel discoveries which gave men their power over fifty centuries ago: their ability to plant the seed in the earth as in women, and their participation in the act of reproduction.

Up until then, women alone held the monopoly on agriculture, and the male believed them impregnated by the gods. From the moment he discovered at once his two capacities as farmer and procreator, he instituted what Lederer (1978) calls "the great reversal" to his own advantage. Having taken possession of the land, thus of productivity (later of industry) and of woman's body (thus of reproduction), it was natural that the overexplosion of both of these would end in this threatening and parallel menace: overpopulation, surplus births, and the destruction of the environment, surplus production.

The only change capable of saving the world today is that of the "great reversal" of male power which is represented, after agricultural overproductivity, by this mortal industrial expansion. Not "matriarchy", to be sure, nor "power-to-the-women", but destruction of power by women. And finally, the end of the tunnel: egalitarian management of a world to be reborn (and no longer "protected" as is still believed by the first wave of timid ecologists).

and later,

Therefore, with a society at last in the feminine gender meaning non-power (and not power-to-the-woman), it would be proved that no other human group could have brought about the ecological revolution; because none other was so directly concerned at all levels. And the two sources of wealth which up until now have benefitted only the male would once again become the expression of life and no longer the elaboration of death; and human beings would finally be treated first as persons, and not above all else as male or female.

And the planet in the feminine gender would become green again for all.

The author sees D'Eaubonne's refusal to promote a "matriarchal" society as being exemplary of the feminine programme outlined in this paper. The paper desires the destruction of *masculine* power which is based on egocentrism (unsatisfied desire), fear and outright rejection or denial of difference, hierarchical oppositions, and a neurotic fixation on a phallic monosexuality. The Lacanian explanation of the construction of (male) subjectivity with its contiguous unsatisfied desire goes some way towards an explanation as to how we could be so stupid as to (for example) go to war, destroy the environment (the two devastatingly linked in the Gulf), and yet still imagine that we are somehow in control. It also provides some insights into why certain people (Gray, 1990, Porritt, 1989) in their desire (for achievement/reflection, for self-perpetuation, or perhaps through a desire to be in control/get on top of the problem) believe that accountants with their phallogocentric binary opposition system can save the planet through accounting.

The Lacanian insights and Cixous's reading of them thus have much to offer accounting. But Lacan is a conservative. For him there is no way out of the existing symbolic order. To him, it is not possible for the feminine to "exist" in the present symbolic order. But Cixous is optimistic about our ability to disrupt the symbolic order. To this extent she could perhaps be considered as among the most political of her contemporaries. Cixous seeks to define the feminine outside the scheme of phallic logocentric thought in possession of a different economy. She has been engaged in attempts to bring the feminine into existence, and seeks ways in which the authoritarian phallogocentric and logocentric symbolic order can be disrupted. The next section attempts to gesture towards the feminine in closer detail.

The Feminine Libidinal Economy

The underlying characteristic for Cixous (and also for a contemporary of hers, Irigaray) is multiplicity. If the basic drive of the masculine is to unify, to stabilize and rationalize, then the feminine, in order to disrupt this, must remain multiple and diffuse. Whereas the phallic, libidinal, economy is described as unitary, linear and teleological and is concerned with domination, power and goal achievement, the feminine is plural, circular, concentric, without goals. Feminine and masculine libidinal economies are not restricted to sexuality and to sexual pleasure, they are symbolised in all forms of expression, social relations, social organisations and in accounting. Cixous's work is full of reference to the feminine libidinal economy. She defines a feminine libidinal economy as, "a regime, energies, a system of spending not necessarily carved out by culture", (Cixous, p 14, 1981).

Because the economy of her drives is prodigious, she cannot fail, in seizing the occasion to speak, to transform directly and indirectly all systems of exchange based on masculine thrift. Her libido might produce far more radical effects of political and social change than some might like to think.

(Cixous, p 252,
1981)

..she gives. She doesn't "know" what she's giving, she doesn't measure it; she gives, though, neither a counterfeit impression nor something she hasn't got. She gives more, with no assurance that she'll get back some unexpected profit from what she puts out. She gives that there may be life, thought, transformation. This is an "economy" that can no longer be put in economic terms. Wherever she loves all the old concepts of management are put behind. At the end of a more or less conscious computation she finds not her sum but her differences....

(Cixous, p 264,
1981)

All history is inseparable from economy in the limited sense of the word,

that of a certain kind of savings. Man's return - the relationship linking him profitably to man - being, conserving it. This economy, as a law of appropriation, is a phallogocentric production. The opposition appropriate/inappropriate, proper/improper, clean/unclean, mine/not mine (the valorization of the selfsame), organises the opposition identity/difference. Everything takes place as if, in a split second, man and being had appropriated each other. And as if his relationship to woman was still at play as the possibility - through threatening, of the not-proper, not-clean, not-mine: desire is inscribed as the desire to reappropriate for himself that which seems able to escape him. The (unconscious?) stratagem and violence of masculine economy consists in making sexual difference hierarchical by valorizing one of the terms of the relationship, by reaffirming what Freud calls phallic primacy. And the "difference" is always perceived and carried out as an opposition. Masculinity/femininity are opposed in such a way that it is male privilege that is affirmed in a moment of conflict played out in advance.

(Cixous, 1986, p 80)

A feminine libidinal economy is difficult to imagine using phallogocentric language. Indeed, any attempt to define it can only pervert or destroy it. However, one element of the feminine libidinal economy is the gift. Cixous's influences for her writing on the gift are probably Claude Lévi Strauss, Simone de Beauvoir, Georges Bataille (and Derrida's reading of him) and Marcel Mauss's *Essai sur le don*. To Cixous, an economy based on spending and loss would be very different from the hard, censoring, anal constrained economy based on a desire for recognition which we find today and which is reflected in accounting (Conley, 1984).

What does one give?

All the difference determining history's movement as property's movement is articulated between two economies that are defined in relation to the problematic of the gift.

The (political) economy of the masculine and the feminine is organised by

different demand and constraints, which, as they become socialised and metaphorized, produce signs, relations of power, relationships of production and reproduction, a whole huge system of cultural inscription that is legible as masculine or feminine.

I make a point of using the qualifiers of sexual difference here to avoid the confusion man/masculine, woman/feminine: for there are some men who do not repress their femininity, some women who, more or less strongly, inscribe their masculinity. Difference is not distributed on the basis of socially determined "sexes". On the other hand, when I speak of political economy and libidinal economy, connecting them, I am not bringing into play the false questions of origins - a story made to order for male privilege. We have to be careful not to lapse smugly or blindly into an essentialist ideological interpretation...

(Cixous, p 80-81,
1986)

Accounting's phallogocentric roots in both law and more particularly in neo-classical economics is totally incompatible with a feminine libidinal economy. Accounting is to do with "sameness" - highly complex, different organisations are reduced to a Profit and Loss Account and Balance Sheet. It "rationalises" organisations. Accounting is concerned with profit, terrified of loss, full of economic terms, and is competitive (trying to show the "best possible" picture of the organisation). The present relations of power in society are implicit in accounting. This can be seen in the "appropriation account". Who gets what share of the "cake"? The appropriation account contains three elements, taxation (the state), dividends (shareholders), and retained profit (to capitalist organisations).

"National" income accounting in the UK in terms of the calculation of the Gross National Product (GNP) can easily be seen in terms of the masculine economy. Henderson (1981) depicts the "national economy" in terms of a cake (see also Henderson, 1991, pp 133 - 146). It shows how mother nature and much work traditionally described as "female" (housework, parenting, do-it-yourself,

community work etc) is not included in GNP. Mary Daly (p 10, 1979) links women and mother nature to the Other. "In their fanatic fixation upon what they lack (biophilic energy) and in their fanatic indifference to the destruction they wreck upon the Other - women and "mother nature" - the phallicologists coalesce. (By biophilic, Daly means, life-loving) In the context of this paper, it should not be surprising that the "Other", things "outside" the official symbolic structure, (like mother nature, things "outside of the law", and traditional women's work) are not included. Traditional phallogocentric thought cannot take account of the Other.

Although the repression of the Other is perhaps more readily seen in the context of national income accounting, the same repression is implicit in traditional accounting which does not account for the Other (the home support of its employees, mother nature and so on). *This is not a call for the Other to be included in accounting.* To this extent, the author agrees with Julia Kristeva, that the feminine must remain in the margins in order to keep its revolutionary nature. (In any case it is not possible to "fit" multiplicity into the present system of accounting.) The necessity to remain on the margins is perhaps one message of this paper. If the paper can "achieve" anything it perhaps that by remaining on the outside, it will not become caught up in the masculine desire to have its solution to the worlds problems imposed on the world, but instead, will act as a constant feminine reminder to those who are involved in a genuine (masculine) attempt to account for the environment of the many problems which they should, deep in their bodies, never forget.

Possible Escapes?

The introduction of "green accounting", however well thought out, will under the present phallogocentric system of accounting do nothing to avert today's environmental crisis. In fact, it could make matters even worse. The British Green Party have spent much time and effort considering the problem. Some of its members are strongly advocating sustainability. The word "sustainability" has been used by "environmentalists" for some time. Sustainability could be considered to be feminine, it is "already in the world", decentres the self, circular, and open to challenge. But what would accounting for sustainability be like? Forced into accounting terminology, this seems like a capital **ma(i)n**-tenance issue. This is something accountants are familiar with: they can get onto the same old merry-go-round of discussions about Hicksian Income, Fisher, Proprietary vs entity concepts, real terms accounting and so on, totally failing to see (m)other

nature. But this is all forgetting a much deeper problem, that any attempt to reduce profit will be strongly resisted. The UK standard on inflation accounting, SSAP 16, which at the time of issue was highly likely to reduce profits, was strongly resisted and eventually destroyed by the business community. Accounting cannot change society, it is not on the "outside", it is an intricate part of the existing masculine political economy. Without a change to society, there is no way out of this. In the present symbolic order accountants should not attempt to account for the environment.

What would accounting be like in a radically transformed society? What would a feminine accounting be like, if it were indeed possible? As Cixous writes, it is almost impossible to imagine an elsewhere, we are still floundering about in ancient history. But we could perhaps imagine an accounting which is multiple, no debits or credits; which allows for many differences, these could not be added therefore there would be no totals; it would not be concerned with profits, and even less afraid of loss; it would be concerned with gifts, what was given; it would contain no phallogentric economic terms; and it would not be competitive. The last words of this paper will be taken from Hélène Cixous (1986, p 83).

All the ways of differently thinking the history of power, property, masculine domination, the formation of the State, and the ideological equipment have some effect. But the change that is in process concerns more than just the question of "origin". There is phallogentrism. History has never encoded or produced anything else-which does not mean that this form is destinal or natural. Phallogentrism is the enemy. Of everyone. Men's loss in phallogentrism is different from but as serious as womans's. And it is time to change. To invent the other history.

There is "destiny" no more than there is "nature" or "essence" as such. Rather there are living structures that are caught up and sometimes rigidly set within historiocultural limits so mixed up with the scene of History that for a long time it has been impossible (and it is still very difficult) to think or even imagine an "elsewhere". We are presently living in a transitional period-one in which it seems possible that the classic structure might be split.

It is impossible to predict what will become of sexual difference - in another time (in two or three hundred years?). But we must make no mistake: men and women are caught up in a web of old age cultural determinations that are almost analyzable in their complexity. One can no more think of "woman" than of "man" without being trapped within an ideological theatre where the proliferation of representations, images, reflections, myths, identifications, transform, deform, constantly changing everyone's Imaginary and invalidate any advance any conceptualization.

Nothing allows us to rule out the possibility of radical transformation of behaviours, mentalities, roles, political economy-whose effects on libidinal economy are unthinkable- today. Let us simultaneously imagine a general change in all the structures of training, education, supervision - hence in the structures of reproduction of ideological results. And let us imagine a real liberation of sexuality, that is to say, a transformation of each one's relationship to his or her body (and to the other body), an approximation to the vast, material, organic, sensuous universe that we are. This cannot be accomplished, of course, without political transformations that are equally radical. (Imagine!) Then "femininity" and "masculinity" would inscribe quite differently their effects of difference, their economy, their relationship to expenditure, to lack, to the gift. What today appears to be "feminine" or "masculine" would no longer amount to the same thing. No longer would the common logic of difference be organised with the opposition that remains dominant. Difference would be a bunch of new differences.

But we are still floundering-with few exceptions-in Ancient History.

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READING ACCOUNTING WRITING

Paper published in Accounting, Organisations and Society with Prof Puxty

READING ACCOUNTING WRITING

ABSTRACT

Accounting texts are generally taken as unproblematically linked to the intentions of their authors, whether they be the writers of articles and papers or the producers of financial statements themselves. This paper argues against the logocentric notion of an intentional unitary author and in doing so grants the reader the freedom to *actively* read a text. The post-structuralist insights of Roland Barthes are used to show the workings of logocentrism and how the text can be disrupted by the reader. The disruption is exemplified in the paper through the undertaking of a detailed deconstruction of a magazine article on an accounting subject.

READING ACCOUNTING WRITING

Those who fail to reread are obliged to read the same story everywhere
- Barthes, *S/Z*

All extant accounting is text. The giving of an oral account was of a different age^[1]. All financial statements are in written form. So are most discussions of them, such as those in newspapers, magazines and journals. So are almost all discussions of how accounts should be prepared, in all these three sources plus legislative acts, commercial codes and accounting standards. So are all academic papers and articles that seek to engage with accounts, accounting and accountants. These and other discourses that take accounting as their subject are interwoven; they rely on each other for allusion and reference (what we may call, following Kristeva, *intertextuality*). Magazine articles may be about sets of accounts. Accounts generally follow the rules of law and professional pronouncements. Legislative discourse in turn relies on existing accounts-as-texts and proposed future accounts-as-texts. Articles and papers about accounting also proliferate^[2], build on each other, discourse past each other, relying on each others' existence for their own. Thus the essence of any text can only take on meaning through its placement within the web of the whole

^[1] In this paper we recognise that *written text* is not the *only* or *major type of text*. However, we wish in this paper to make a post-structuralist reading of Barthes and to this end we concentrate *here* on written texts as *one way* of disrupting traditional accounting texts' *delusions of mastery*.

^[2] For a discussion of the proliferation of signs see Cooper and Puxty, 1991.

range of texts presented to us as part of the written present of our social structure. The reading of accounting writing has neglected this, and little attention has been paid to the nature of *the text* that inevitably constitutes accounting.

Instead, there appears to be an acceptance within accounting of the tacit tradition in Western thinking that both the nature and the purpose of writing (with the possible exception of such obviously 'artistic' writings as poetry) is to communicate; and that the text *as text* should be judged as a good or bad text according the criterion: does it communicate the intentions of the writer clearly to the reader? Yet there is no reason to suppose that the text is susceptible to such determinacy. To tie it down to a single meaning; to force it into the mould that we suppose might have existed in 'the mind' of its writer; to deny any multiplicity of meanings to the text (any text) other than those meanings that we must assume were intended by the writer, is to impose a restriction on the text that is not justified by the way in which a text^[3] comes about. The text itself cannot warrant to us that it is to be believed, since any warrant as to the authenticity of the text can come only from outside the text: no text can at the same time offer itself and the outside of itself.

^[3] *Any text is historically, culturally and politically situated. We reject the notion of a wholly unified intentional rational intentional subject in control of his thoughts.*

More than this: for in supposing that there is a 'correct' interpretation of the text, and that this correct interpretation relates to the author, we privilege the author (itself an act that denies ourselves as readers); we suppose that the author *could have* a single unambiguous intention in the act of writing; and we deny the creativity of the reader that might be implicit in the multiplicity that inevitably inheres in any but the most simple of texts. The richness of expression through writing is reduced to Janet and John^[4]. In this "realist" tradition which assumes that the purpose of the text is to communicate the intentions of the author, the author is always "present" as an authority. This presence is verified by the inclusion of his^[5] name at the very beginning of the writing.

The assumed "presence" of an author is in keeping with the tradition of logocentrism dating back to ancient Greece which privileged speech over writing. In this Western metaphysical tradition, the origin and power of speech, or more precisely, logos^[6], is the father/author. The father's/author's presence is essential for the very existence of logos. Derrida (1972), has pointed out that without the presence of the father, speech would become

[4] In the US, it is reduced to Dick and Jane.

[5] The use of the word "his" is deliberate here. Most "powerful", often quoted, authors are men.

[6] Words informed by *law*. The law of the Father.

nothing but (according to the logocentric tradition), useless, menacing and mischievous writing:

..the origin of logos is *its father*. One could say anachronously that the "speaking subject" is the *father* of his speech. And one would quickly realize that this is no metaphor, at least not in the sense of any common, conventional effect of rhetoric. *Logos* is a son, then, a son that would be destroyed in his very *presence* without the present *attendance* of his father. His father who answers. His father who speaks for him and answers for him. Without his father he would be nothing but, in fact, writing ... The specificity of writing would thus be intimately bound to the absence of the father.

In our patriarchal society this is extended; for fathers, because of the uncertainty of the paternal relation, have a powerful urge to assert an affiliation, and are overwhelmingly concerned that they are the father (ie are concerned with legitimacy) and engage in initiation rites through which they symbolically and passionately affirm that it is they themselves who have created human beings. *Logos* is a son who carries on the name of the father. In our culture this has led to three specific concerns when reading a text: that the role of the author should be conceived as a paternal one, that much would be invested in paternal authors, to whose credit everything in their textual progeny would

redound^[7], and that there should be great concern about which meanings were legitimate and which illegitimate - to determine meanings which were of the author's own progeny and to control intercourse with texts so as to prevent the proliferation of "illegitimate" meanings. We *learn* to read in a way which only allows us to question the intentions of the author. Thus the unseen father/author/God becomes overwhelmingly powerful. The logocentric tradition makes it morally wrong to question the father. Morally, both in the sense of deciding what is right or wrong, and in the sense of its being illegitimate to question our mores, public morals and social conventions (Derrida, 1972). Accounting scholars are 'rated' by reference to their fecundity. This paper's concentration on the *reader* is intended to disrupt this logocentric tradition.

If reading is *not* about legitimate authorial intentions, and the reader is pushed to the centre, what implications are there for the text? The effect is that the text is opened up and it becomes legitimate to allow multiple interpretations. In its plurality it permits an opening up to the social forces that have led to the interpretive actions of the reader. Through being always and already necessarily socially conditioned, the reading will vary from reader to reader just as it varies from text to text. Kuhn (1985) makes a similar point in relation to the cinema. She considers the relationship between the two central characters in the film *Julia*, noting that there are almost as many opinions as

[7] The reader is invited to consider this passage in the context of the debate over the use of citation indices in quality assessment.

there are reviews concerning the precise nature of their relationship. It is possible for multiple readings to be made which more or less accord with spectators' stance on feminist issues: while lesbians may be free to read the film as an affirmation (or not!) of lesbianism, such a reading - just as it is not ruled out - is by no means privileged by the text. Belsey (1985) writes that meaning is never a fixed essence inherent in the text but is always constructed by the reader, the result of a "circulation" between social formation, reader and text (Heath, 1977-8, p 74). The tacit permission to *actively* read the text is a liberation to the reader who has been instructed that, like some mythical legal act, there is a single legitimate construction on a set of words. There is not: texts are open to play, to a continual reconfiguration as the reader herself develops, and as the social configuration of the reader changes. If a reader always rewrites the text then other readings, for example feminist readings, would not be an illegitimate distortion, but an acceptable product. But, although the number of possible constructions of a text are multiple, they are not infinite. There is nothing in deconstruction to suggest that "anything goes" when it come to interpretation. We are still "working with" culturally and historically derived language.

The suggestion that texts have an inherent and legitimate multiplicity is not new: but it is an argument that must be interpellated into the accounting world. So far as financial statements are concerned, this has generally come to mean a singular homomorphism between a state of the world and a unique

understanding of that state (including the state(s) of mind of the writer) by the reader of the accounts/text, through the medium of that text. Other accounting writings have similarly sought to find the essence that lies behind the text through historical analysis (for example, studies of ancient accounting ledgers and journals to trace 'developments' in techniques, and parallel studies into pre-twentieth century textbooks), or by tracing the ideologies implicit in financial statements (e.g. Nobes, 1982; Tinker and Neimark, 1987; for a discussion of these and other studies see Cooper and Puxty, 1991). What these have in common is the belief in the singularity of the textual meaning. Studies differ in their methodology of teasing out this meaning. The purpose of the present paper is to undermine this image of a singular textual meaning.

The abandonment of any pretence that language can constitute a mapping of the world by representing *things* through words (a proposition acknowledged as untenable by philosophers since early this century) has left the door open for its converse: the linguistic construction as itself constituting the subject^[8].

The signification of the text is thus plural. A text involves references and counter-references; it has connotations, 'flickers of meaning', as Barthes

^[8] And if we are constituted through several different linguistic constructions, which is always the case, we should avoid speaking of "an implied reader", or of a reader with a single role. We bring our multiple selves to the multiple text.

describes them. It contains action. It weaves its way through cultural codes, through the hermeneutics that lie in wait, that reveal themselves, that form puzzles and resolutions. Underlying any text is what underlies any textual analysis: the constellation of social constructions that contain the conditions under which multiple meanings, changing from reader to reader and from one reading to the next (whoever the reader), constitute part of the active reading of the modern text. As Eagleton (1983) puts it, the text is

plural and diffuse, an inexhaustible tissue or galaxy of signifiers, a seamless web of codes and fragments of codes, through which the critic may cut his own errant path. There are no beginnings and no ends, no sequences which cannot be reversed, no hierarchy of textual 'levels' to tell you what is more or less significant. All literary texts are woven out of other literary texts ... in the sense ... that every word, phrase or segment is a reworking of other writings which precede or surround the individual work. (p.138)

At the forefront of textual analysis of this kind (along with, among others, Julia Kristeva and Jacques Derrida) has been Roland Barthes, and we have found his textual analysis undertaken in his book *S/Z* to be helpful in formulating the analysis we provide in this paper. In *S/Z*, Barthes splits Balzac's extraordinary

novelette, *Sarrasine*, into a number of small units or *lexias*^[9]. He then deconstructs the text by applying *codes* to the *lexias*. This "coding" allows for the discovery of writing as an intertextual construct, a product of various cultural discourses, and thus gives the reader a centring role. This prevents the reading of text as having a single "theological" meaning given by an author/father/God. Barthes in his later work^[10] is concerned with the text's multiplicity: with the arbitrariness with which an analysis has to be made. Although *S/Z* itself is a full-length book analysis of a nineteenth century short story, Barthes does not claim that his exhausting exegesis is exhaustive. On the contrary, he takes pains to emphasise that it is one of many that could have been made.

To read, in fact, is a labor of language. To read is to find meanings, and to find meanings is to name them; but these named meanings are swept toward other names; names call to each other, reassemble, and their grouping calls for further naming: I name, I

[9] The use of 'lexia' and 'lexias' may sound odd to ears that wish the former to be a plural. In this usage we follow Barthes' translator. Eagleton writes 'lexies'.

[10] *S/Z* is the turning point of Barthes' work when, roughly, he turned from a structuralist approach to writing, in which the text presents itself to the critic for an explication and unique correct deciphering, to a post-structuralist position in which the text is "irreducibly plural, an endless play of signifiers which can never be finally nailed down to a single centre, essence or meaning" (Eagleton, 1983).

un-name, I rename; so the text passes: it is a nomination in the course of becoming, a tireless approximation, a metonymic labor.

(Barthes, 1973 p.11)

In undertaking his work on the text he suggests five codes through which the text negotiates its way: but he disclaims any universality for the codes not only in understanding texts generally, but also for understanding the particular text he has selected. Indeed, in a later essay, *Analyse textuelle d'un conte d'Edgar Poe*, he increases the number of codes by dividing what he had previously called "the cultural code" (Culler, 1983).

The texts of the accounting world are obliged to face up to this openness. As stated at the beginning, financial statements are texts; so are management accounts, academic papers, chairmen's statements, accounting standards, audit standards, company laws or commercial codes, and articles intended for consumption by practising accountants. It is an example of one of the last that is considered in this paper: an article which, according to one reading, appears to be an account in which an English accountant voices his objections to the possible effects of European legislation on the future of UK accounting practice. It should be emphasised that *this paper does not claim that this is not a legitimate reading*. A different reading is offered here to show that this is not the only reading and to suggest that any one reading might not be privileged over any other. However, the purpose of this paper is not only to

show that there are many possible readings of a text. It is rather to release the reader from the tyranny of seeing language as natural and inevitable, to allow the free play of the signifier, and to allow language to labour. The reading offered here is a disruption of phallogocentric language. This paper, in summary, promotes deconstruction through the application of codes, in order to undermine phallogocentric language; to refuse to identify "meaning" with authorial intention; to question the logic according to which meanings are engendered and investigate the way our "rational" notions are tied to or are in complicity with certain interests. In short, it is involved in the painful business of parricide. This is preferable to uncomplainingly allowing the text to "wash over" (drown?) us or to interpret the world as a series of givens. The text here is striving for new consciousnesses.

This is the more important because any 'realist' text is attempting to silence other voices through its monological claim to unique authenticity. The realism, the mimesis (that is, the masking of the nature of signification inherent in language so as to cause the reader to unquestioningly suppose that the language unproblematically *tells*, or mimics, the real) constitutes the voice of seduction. The logocentric authorial voice is, as Coward and Ellis (1977) point out, masking the process of its own production: for the resulting text, like the product in the market, then becomes judged through its own qualities (for example, fluency of expression, or facility with figures of speech) rather than through the production process, which is hidden. Through hiding it, the author

succeeds in collapsing the text and the real. Without critique, this sleight of hand retains its invisibility: a key aspect of the deconstructive process that we (following Barthes) undertake here is to drive a wedge between the text and any 'real'. By revealing the processes of authenticity, we bring authenticity into question.

For, in order that this authenticity might elide into the reader's consciousness, it is necessary that the text be read as a 'readerly' text. Barthes, in a less than clear passage, distinguishes between the readerly and the writerly text^[11]. The readerly text is more *closed*; it leaves the reader as a consumer. The power of logos is complete. The text is consumed and the reader passes on. The writerly text, in contrast, invites the reader into a dialogue: it makes the reader *active* in the act of reading. *The reader joins in the process of production.* It is this that leads to the multiplicity of interpretations of the text. We treat the text below as a writerly text.

Barthes is open to many critiques, one of which is considered here. In his own textual reading the social conditions that are indicated by him to constitute any reading of a text are absented from any grounding in political or economic terms. Despite his willingness at one level to confront the material conditions

[11] *Scriptible*, contrasted with *lisible*. Coward and Ellis prefer the term 'writable' to the translator's 'writerly'; we concur with them, but retain the translator's term for the sake of consistency.

that are to be found in the author whose work he dissects (Balzac) and the material conditions that Balzac frequently refers to in the descriptions of the events he chronicles (the wealth of the Lanty family and the political intrigues in which Sarrasine becomes entangled, and the generalised collapse of economies), they are only the warp and weave of the story rather than an inherent part of the way in which the analysis itself takes place. In the analysis of the accounting text that is the subject of this paper, we shall not confine ourselves to this. Social material conditions and their ideological impact on the constitution of the text are central to our reading of the text.

Decoding the text

Balzac uses five codes in S/Z. We have followed these. The codes are not mutually exclusive. Often in our deconstructive analysis of the text, we apply several codes to one lexia. The five codes are briefly described as follows:

- 1 Hermeneutic code - HER. The code represents the voice of truth, the way in which we decipher (socially constructed) mysteries. It is therefore concerned with unfolding enigmas, or **truth**. This code can be used to "set an agenda". For example, a simple enigma - "should we invest in project A or project B? - immediately excludes all other projects. Perhaps more importantly this code can be constructed solely for the purpose of finding the *only* solution.

- 2 Semic code - SEM. Semes are **special** signifiers. Because of their connotations they are signifiers par excellence. Semes are "connotative signifiers", shifting elements which can combine with similar elements to create characters, ambiences, shapes and symbols. *Wealth* could be considered such a signifier connoting luxury, capital, resources, real estate and so on.

- 3 Symbolic code - SYM. A symbolic lexia can be seen as one which "sets the scene". It can lend itself to many substitutions and variations. It often takes the form of binary opposites. This means that the scene is at once "naturalised" (in the sense that our language is founded on binary opposites, they are "normal" and "natural") and also "tied down". For example a room is cold, it is not hot. This code charts the sexual and psychoanalytical relations in the text.

- 4 Action (or proairetic) code - ACT. This code relates to actions. It is based on the Aristotelian proairetic, implying a logic behind human action and the ability to rationally determine the course of the action.

- 5 Referential (or cultural) code - REF. This code shows how the lexia is supported by "scientific or moral authority". It involves statements made in a collective yet anonymous voice which has its origins in human experience. It will include maxims and aphorisms. All language is

cultural, so it could be argued that this code should be applied to all lexias.

These codes, Barthes tells us, 'create a kind of network, a *topos* through which the entire text passes (or rather, in passing, becomes text)'. The codes do not form a hierarchy, nor do they structure the text. They are, rather, the means to produce a particular structuration of the text. As the encoding of the text progresses, the codes reveal more closely their meaning. They provide reference points, anchor points, 'offstage voices'. They may be seen as Wagnerian *leitmotiven*, at the same time structuring, commenting on and enriching the written text^[12]. Like *leitmotiven* they are fluid and adaptable; but unlike them they at the same time remind us of the production process inherent in the development of the supposedly realist text. Barthes claims no privilege to his selection of codes, nor to the number (five) that he has chosen. Our reading of his introduction to the codes is that these five suffice to provide his own encoding of *Sarrasine*, but other codes or numbers of codes might be appropriate to other texts.

The chosen text

[12] This is our reading, not Barthes'.

The text that has been selected is from the official journal of the largest UK accountancy body. Barthes was coy about his reason for choosing the Balzac text that he did. We see no reason for such subtlety. The text is interesting because the named author was a member of the Council of the Institute of Chartered Accountants in England and Wales; because it appeared at a time when there was a broad-ranging debate on the standing and future of accountancy in the UK (as well as in Europe more extensively): and because it claims to be about an issue of the time that was at one and the same time European, accountancy-centred, and of political interest to the UK government of the day. The appearance of the text is not to be laid solely at the door of the named author. It was accepted by, and potentially sub-edited by, the editorial team of the magazine *Accountancy* in which it first appeared - and thus is in this sense a joint production of author and editor. But author and editors themselves are locked into, and are the socialised interpenetration of, the worlds in which they have moved and do move. The text thus conjoins into authorship the socio-cultural fabric that envelopes author and editors; and the readers of the text too become part of this process, since they are for the most part also embedded in that same society, and through the activity of reading come to constitute a further and multiple voice in the making of the text.

The work is thus not a slight one. Its energy, the logocentric suggestibility of the named author, the claim to authenticity that results from its claim to being

a voice of common-sense within a technical journal more commonly concerned with VAT cases, legal changes, SSAP pronouncements, examination pass rates, and the technospeak of any professional body, render it wholly worthy of analysis. It is, moreover, rich in allusion. It is not a novelistic text, as Balzac's text is: but this is no barrier to an analysis of the text. The characters in Abram's text appear to be as strong culturally, as those in Balzac's story. This text appears to follow the style of classical realist narrative in that it turns on the creation of an enigma (as in classical detective novels) but then moves towards closure through the solving of the enigma, which is also disclosure. Order is re-established through the dissolution of the enigma. Just like any fictional text that is rich in literary devices, we find that the story the author wishes to tell is packed with multiplicity: and that, in its richness, it forms a disjunction from its author similar to that of a fictional passage. In a sense it is more 'real' than a classical fictional passage. It claims to be describing a state of affairs of the world, whereas the fictional passage is almost always openly fictional^[13]. In any case in advanced Western Capitalism it is becoming increasingly difficult to distinguish the "real" from the "unreal". There is a *claim to authenticity* that resonates through the text. In the tradition of the

[13] Exceptions include the eighteenth century novels that purport to be exchanges of 'real' letters (*Clarissa*); or be manuscripts found, written by others (*The Castle of Otranto*); or modern fiction that weaves in real, named, characters (*The White Hotel* purports to include letters to and from Freud; *Ragtime* includes Houdini within the action). But the very form of the novel, in its printing and labelling, tells the reader that 'this is fiction'. The Abrams text does the precise opposite: it writes as real but weaves in acknowledged fictional references (Dickens, Shakespeare).

classical rhetorical text, it claims to collapse signifier to referent (see Cooper and Puxty, 1991).

The above characteristics of the text lead to a consideration of whether a text such as a set of financial statements could be subjected to a deconstruction of the kind we have undertaken. It could. Any set of financial statements consists of the numbers relating to the period's transactions, together with a text describing the classification of those numbers. It consists equally significantly of a Chairman's statement, extra-legal summaries and commentaries, pictures, and the quasi-text that is constituted by typographical layout. Like Abrams' text and like any literary text, these are also allusive to other similar texts (such as previous years' accounts, the financial statements of other companies and accounting standards), and together with them form an intertextuality that is more significant under deconstruction than the referent (a set of economic events) that nominally comprises the subject-matter of the account/text. The numbers and the words of financial statements are intertwined: and the writing into the text by the reader can only be undertaken based on both words and numbers together. This contention is not uncontroversial. Barthes did distinguish the readerly from the writerly; and he wrote that

One might call *idyllic* the communication which unites two partners sheltered from any 'noise' (in the cybernetic sense of the word), linked by a simple destination, a single thread. (p.131)

and

Idyllic communication denies all theater, it refuses any presence *in front of which* the destination can be achieved, it suppresses everything *other*, every subject. Narrative communication is the opposite: each destination is at the one moment or another a spectacle for the other participants in the game (p.132)

We argue that, on this basis, accounting writing bifurcates, even within the financial statements themselves. The numbers and their narrations attempt at least to constitute what Barthes calls idyllic communication; but like the Abrams article we are to consider, the Chairman's statement is an attempt at the evocative, at a re-presentation of the enterprise, reshaping it for the benefit of the reader, and in doing so, opening up the text to the reader's production of meanings. The appeals to productivity, efficiency, national economic policy, currency risks, new investment; the grateful thanks to the workforce, 'our greatest asset': these are allusory writings, literary, appealing to the intertextuality of managerial discourse. There is no basis for privileging the numbers over this rhetoric, arguing that the former is 'the fundamental' accounting and the latter a mere gloss: accounting writing forms a web, and provides us within its own network of texts with no basis on which to privilege some parts over others. Many years ago accounting commentators acknowledged the falsity of any notion of 'the facts speaking for themselves'.

That acknowledgement set in train the de-privileging of number in accounting that we recognise.

The Abrams text, then, is taken as an exemplar of such writing. It is provided at the end of this paper as an appendix. Some readers may now wish to turn to that appendix, before reading the paper's coding of the text. Following Barthes, we have annotated the text, fragmenting it into *lexias*.

[1]. *Charles Dickens* REF. Literature. The first lexia in the body of the text is supported by an "authority". SEM. Heritage. SYM.

Antithesis 1. Us/them. The identity of *we* has to be defined from the outset since there is an appeal to the distinctive identity of *we* in contrast to *they*. Appeal to the literary constitutes an affirmation of a common ground (the compulsory reading and admiration of Dickens in the schoolroom, untrammelled by unfavourable comments on Dickens such as those of the Lambs). Moreover, Dickens was sensitive to the English antipathy towards foreigners. cf Mr Podsnap in *Our Mutual Friend* (1864):

"How do you like London?" Mr Podsnap now inquired from his station of host, as if he were administering something in the nature of a powder or potion to a deaf child; "London, Londres, London?"

The foreign gentleman admired it.

"You find it very large?" said Mr Podsnap, spaciouly.

The foreign gentleman found it very large.

"And very rich?"

The foreign gentleman found it, without doubt, énormément riche.

"Enormously Rich, We say," returned Mr Podsnap, in a condescending manner. "Our English adverbs do Not terminate in Mong and We Pronounce the 'ch' as if there were a 't' before it. We say Ritch."

[2]. *had left us with some very clear impressions of life in Victorian times.*

SEM. Victorian times. (REF. Chronological.) The reign of Queen Victoria lasted from 1837 to 1901. During the 1980s the phrase 'Victorian values' came to have connotations of English greatness, the respectability of the populace, and respect for the virtues of the nuclear family. SYM. Antithesis 1: us/them: Victorian (our) times/not the 1800s. It was also a time when Great Britain fought the French, Russians, Turks, South Africans and Chinese, while conquering other parts of the globe.

[3]. *Little of the social scene appears to have escaped his gaze, and so vivid are the descriptions of the characters in his books that they seem real, and possessed of habits and mannerisms which are recognisable, even familiar, to some of us today.* SEM. Continuity. England as unchanging: the continuity of the unique heritage. There is an apparent disjunction between this passage and the next. This lexia also sets up an enigma. (HER. Enigma 2: What has not changed? or What is going to change?) SYM. Antithesis 1: us/them: some of **us** today.

[4]. *In truth, of course, we would like to recognise the good in ourselves, and leave the not so good to others.* HER. Enigma 3: Who are we? 'We' is ambiguous here; we universally, or we the English, or we the accountants. We are certainly not foreigners. SEM. Antithesis 1: them/us.

[5]. *The kind and generous live in the warmth of our own houses, while the mean and miserly dwell behind dull and dank doors on the other side of town.* SEM. Antithesis 1: us/them (**our** houses/**other** side of town). The antithesis that separates us from the other. SEM. Antithesis 1: [us, kind, generous, warm, live]/[them, mean miserly,

dank, dwell]. The universal metaphor that is language is extended into a comforter: the cosiness of the we, contrasted with the attributed depredations of others. HER. Enigma 3: who are we? We are The good etc. We are not the "underside". This can be read in terms of a male/female binary opposition. We are male.

- [6]. *Since communications are so much better these days than in Dickens' time, one might be forgiven for feeling that many of the evil doers live even further afield.* SEM. Antithesis 1. The mean and miserly now transformed into evil doers. REF. Literature. (Dickens). Dickens as authority is now appealed to, as evidence that evil doers are the other, not us; and that they are distant. Evil doers are to be feared. The use of 'since' is not the normal 'because': for there is no reason why an improvement in communications should cause evil doers to become further afield.

ACT. Forgiving. ACT. Feeling. "One might be forgiven for":
an appeal for clemency. The reasonableness of the belief. (

SE
M.
Pro
gres
s)

- [7]. *As a story teller Dickens allowed himself the luxury of portraying the professions in a good or bad light according to the needs of his plot.*

HER. Enigma 3: Who are we? Luxuries are not afforded to *us* because we are dealing with facts, and real people. This puts *us* firmly in the "male camp". SYM. Ambiguity: cf [3].

[8]. *On balance he was not very fond of lawyers, and he said very little about accountants, which is, perhaps, just as well.* SYM. Time. An acknowledgment that Dickens, presented as an authority, would probably have disapproved of accountants. Acknowledgement that there were accountants in Dickens' time (he said something about them, albeit very little): cf [22], accountants emerged in 1880. Dickens died in 1870 so could not have been acquainted with accountants, unless we understand emergence to be something other than birth. 'Not very fond': ambiguity whether this constitutes euphemism.

Lexias 1-8 may be viewed from a broader level. The promise of the introduction is that the text will discuss the eighth directive. The three paragraphs appear to be unrelated to the eighth directive: accountancy is mentioned only in lexia 8. HER. Enigma 1: What is it about the eighth directive? This first passage is thus an *enigma*. At the risk of adding to Barthes' neologisms we propose to call this section a *macrolexia*. The text has seven such macrolexias: lexias 1-8, 9-19, 20-35, 36-41, 42-51, 52-57, and 58-72. There are disjunctions among the macrolexias. The enigma of the first macrolexia is only resolved at the end of the second macrolexia.

[9]. *As it is, in 1986, we await* REF. Chronological code. The eighth directive was approved by the Council of Ministers on 12 March 1984. Its content was known to readers of UK professional journals very soon afterwards. The Department of Trade and Industry's consultative document on UK implementation was undated, but probably issued about August 1986. The image here can only be an unconventional

use of metonymy: the UK's action based on EC regulations is referred to as EC action.

HER. Enigma 3: Who are we? 'We' is ambiguous: either encompassing all the English/British, or just the accountants/auditors.

- [10]. *the Eighth Directive from the Common Market* HER. Enigma 1.
What is it about the 8th Directive?

SEM. Common. Both here and in lexia 48 the reference is to the Common Market. 'Common' in England has connotations of inferiority (the common people). 'Common' also has tones of communism (goods to be held in common). A market is a place where trade takes place, and professionals are above 'trade' in the class structure. The accepted term is the European Community: for some years the UK had called it the European Economic Community. The connotations of community are positive. The Thatcher government called its poll tax the Community Charge because the term implies a natural solidarity (cf Tönnies' *Gemeinschaft und Gesellschaft*, with the former - community - having positive qualities lost in a modern industrial society).

- [11]. *and from the point of view of this profession, the word and image*
REF. Authority of professions. Word, *parole*, fixes on the significance of *logos*. REF. Ambiguity: accountants' trustworthiness is essential to their virtualities: 'I give my word' (where the original passage is to be read as 'the word ... of the 'accountant': this word may no longer be so much to be trusted because of the legislation. Alternative meaning: 'the word ... the 'accountant': accountants will be transformed into some thing different: into the other. (HER. Enigma 2:What is going to

- change?) REF. Images of professions. *Image* also emphasises the significance of the accountant's virtualities.
- [12]. *of the 'accountant'* HER. Enigma 3: Who are we? 'Accountant' and not 'auditor' although the eighth directive is concerned throughout with the auditor and not the accountant. *We* are male accountants.
- [13]. *may* HER. Enigma 2: What might change? A possibility.
- [14]. *never be quite the same again. We have always* REF.
Chronology. Constancy and history combine for a further appeal to community. Not only are we different: this is enshrined in history. 'We' here is extended to the British, or English, as a whole.
HER. Enigma 3: Who are we? cf the ambiguous 'we' of [9].
- [15]. *been an island race* SEM. Island. Connotations of separation beyond the physical. cf 'No man is an island' lit. become cliché. Also "pleasant" connotations -desert islands etc. SYM. Race. A separate, distinct, privileged race.
- [16]. *and over the years* REF. Time. Repetition of appeal to history and communitarian development.
- [17]. *we have become accustomed to the fact that foreigners do not understand us* SYM. Antithesis 1:us/them. SYM. Fact (undisputable). ACT. To understand. Appeal to pathos. Understanding must lead to sympathy and help because the cause is deserving. The foreigner is the other, and the otherness is compounded by a lack of understanding. The English, we, need to be understood. The other does not need

to be understood. Indeed understanding may be very difficult for the reasonable person: cf [43] to [50]. cf also the antithesis of [4] to [6]. The mean and miserly [5] are not worthy of understanding by the kind and generous [5].

ACT. To become accustomed. '*We have become accustomed*': implicit learning experience.

[18]. *No doubt it is because we are on an island that certain characteristics have developed here along lines that are not altogether* REF. Certainty (made with a collective yet anonymous "voice") 'No doubt' echoes the use of 'of course' [4], [20] and [37].

SEM. Progress. 'Developed': appeal to history and to progress and improvement. SEM. Differentiated progress. 'Not altogether': litotes constituting periphrasis. (SEM. Racial superiority.)

[19]. *parallel with those of our continental neighbours* SEM. Neighbour. Neighbours are not part of our family. They are physically but not spiritually close. They are other, and may be opposed to us in a dispute. SYM. Continental. *We are from an (exclusive) island, they are from a continent.*

[20]. *But it is, of course, far easier to understand the differences between us and our transatlantic cousins* SEM. Family. Cousins are part of a family, but still a rather distant part. They are not part of the nuclear family. REF. Gnostic. Periphrasis: our transatlantic cousins = the USA. They have been us in the past [21] and so are admitted as cousins. Those on the continent have never been us, and are neighbours. cf the mixed imagery at [64]: 'continental cousins' (alliterative). Cousins are also not so foreign in that we

can understand them.

[21]. *After all, they fought and won a war of independence - something which would have been a pretty pointless thing to do if everything else were to remain unchanged* SYM : Antithesis 1. We did not need to wage a war for independence from the continent, since we had it already. ACT. To fight. Signal that further conflict is needed to retain the independence from the continent that the transatlantic cousins achieved from us. There always has to be some "point" (phallic) to war. *We are rational and civilised.*

REF. History. We can learn from history. Continuation of historical theme, and acting as a bridge into the next sentence.

It is here that two themes emerge. One is the phallogocentric: wars are necessary masculine struggles to achieve what other means cannot. This leads to the second. Accountants have to fight for their position in the advanced capitalist economy, and there are dangers from state agencies that attempt to castrate/disarm them in this struggle. The metaphor is insufficiently clarified to be mixed. Rather, it is self-reinforcing.

[22]. *That battle was fought and won long before 1880* REF. History. A continuation of the bridge that can only be understood as signifying some element of battle in 1880. To emerge [23] was not to be easy: it had to be fought for, just as other freedoms from continental influence will have to be fought for.

[23]. *when we accountants first emerged* HER. Enigma 3: Who are we? 'We' has now moved from the English or British we to the accounting we: and the English accounting we (not the British, as is indicated by the 1880 date). There were accountants before 1880, and institutes of accountants in other countries before 1880 (and

some, such as the certified accountants, later). Thus 'we accountants' refers to English/Welsh male chartered accountants. Accountants before that time, even those who subsequently became English chartered accountants, had not emerged. The exclusion of the non-English substantiates the literary allusion to Dickens, a quintessentially English writer, in macrolexia 1.

[24]. *since then the American lawyers* HER. Enigma 4: Are American lawyers to be included with *us*? Disjunction within one sentence: no sign up to this point that American lawyers might be relevant to English accountants and the eighth directive. 'Our transatlantic cousins' appears to encompass all citizens of the USA. However, Puerto Rican immigrants from the 1960s did not win a war of independence in 1776. It is to be supposed therefore that the set of transatlantic cousins is a subset of US citizens. The enigma is not resolved, resolution being left to lexias [27] to [35]. (REF. Lawyers. Not an "English" word.)

[25]. *have built up a formidable reputation for managing companies. Meanwhile the certified public accountants have been relegated to work of an historic nature, like auditing* REF. Reputation of lawyers. (ACT. To build) Lawyers are active, they have built a reputation. They must have rationally decided to do this. Men build. ACT. To manage. Men control. American lawyers are in the male camp. ACT. To relegate. 'Relegated': removed to a lower division (cf the football league). There is something inferior about audit, the subject of the eighth directive. Within the phallogocentric vision it is merely regulatory rather than active. It is the superego not the id. It is for wimps and not for real men. Auditors eat quiche. HER. Enigma 5: Who has relegated the CPAs? US lawyers are thus, within the enigma, superior to

certified public accountants both because they have succeeded in achieving positions that CPAs have not (but positions that are to be coveted) and because they have succeeded in working within that difficult arena ('formidable reputation') as acknowledged by significant others. SYM. In turn, the superiority of that acknowledged reputation hangs on the aggression inherent in advanced capitalism.

[26]. *are not found up at the sharp end of companies in anything like the numbers we see in this country* SYM. Antithesis 1: Pointed(Sharp)/rounded or intelligent/not-intelligent or penetrating/vague. SYM. Castrated. The phallic imagery of 'sharp end' is used four times in the text (cf [33], [38], [57]). This constitutes a superiority of UK accountants over US (castrated) accountants who are mere auditors. (Solution to Enigma 5: Who has relegated the CPAs?) It is also building the antithesis to macrolexia 2. Foreigners do not understand us: the enigma will be resolved in lexia [65] at the very end of the text. SYM. Racial superiority. Foreigners do not understand. Foreigners do not realise the superiority achieved by the UK accountant by undertaking proactive rather than merely regulatory roles. (ACT. To see: must be empirically true.) (REF. Gnostic:sharp end.)

[27]. *Now we all know* REF. Gnostic - statement made in a collective voice. *We* are male English Chartered Accountants. The total lexia is bringing the reader into the community of knowledgeable persons, into the warmth of the kind and generous, who are able to see through the veil of superiority attributable to American lawyers. Thus, the beginnings of the resolution of the enigma of [25].

- [28]. *that lawyers never make mistakes, or at least not mistakes that you can pin on them, or which cannot be explained away by skilful oratory* REF. Lawyers. Irony: 'never make mistakes'. Irony underlined by the second phrase. Implication of deviousness: these American lawyers can avoid blame for matters that might well be their fault. The means of avoiding blame is the power of *logos*. Logos is different when employed by American lawyers than when constituting part of the heritage of the English accountant - cf [11]. American lawyers are now firmly established as part of the other. The mean and miserly explain away their mistakes by skilful oratory. HER. Enigma 6: Does the word lawyer mean all lawyers or only American lawyers? (resolved in next lexia).
- [29]. *Since it is those same attorneys who run the American companies, it comes as no surprise to find that when things go wrong they can make it quite clear that it is not their fault* HER. Enigma 6: Does the word lawyer indicate all lawyers or only American lawyers? Extension of the irony of [28]. 'those same attorneys': resolves the enigma, indicates that only American lawyers are culpable. 'It comes as no surprise': we, within the community of English accountants, knew this already, so were not to be surprised. Irony extended: 'it is not their fault'.
- [30]. *Since most lawyers are totally baffled by numbers* REF. Lawyers. Superiority of we, extended. Lawyers are now triply under suspicion. Dickens was not very fond of them, they explain away their errors by oratory, and they are innumerate (like women, the "underside" or "dark side" of society).
- [31]. *the failure of any commercial venture inevitably has to be the fault of the 'numbers men'* REF. Gnostic (the numbers men). HER.

Enigma 7: Are the numbers men really to blame? Irony: the numbers men are not really to blame (cf the 'has to be' locution). Innuendo: numbers as fundamental to success, and lawyers are unable to cope with numbers. Thus they are not deserving of their formidable reputation [25]. Numbers people are men. SYM. Maleness. Numbers are hard facts, and thus suitable for men. Lawyers not being innumerate lack this essence of manhood. This is why their businesses sometimes fail, for the essential lack of virility.

The passages in this macrolexia in particular are to be understood in terms of the conventional analysis of male as positive and female as lack (cf Shearer and Arrington, 1990 and Cooper, 1991). This in turn follows the conventional Freudian perspective (the papers referenced here discuss the work of French feminist theorists - Irigaray and Cixous in particular - in engaging with this perspective). Whether or not this is a proper framework for social understanding, we argue that it imbues this text.

[32]. *and those closest to hand will often be the auditors* SYM. The Neuter. It must be supposed that the companies referred to that are run by American lawyers are sufficiently large to have full-time accounting staff. There may be other numerate staff, such as operations researchers. The text suggests that 'those closest to hand' are the auditors and not the full-time accounting staff. 'Closest to hand' cannot therefore be read as 'most involved' but rather 'most convenient to approach in a liquidation'. The auditors here fall into a third category, neither we the kind and generous, nor they the mean and miserly. Being only auditors they cannot be part of our community. Yet, they are the victims of the mean and miserly, in liquidation, and hence are more generally victims of their historical

lack of success in achieving a place at the sharp end. History is telling again. We in our community have achieved success. The mean and miserly on the continent are uncomprehending of this. The third group, castrated outsiders, (the continental mean and miserly are not castrated: their aggression towards the UK accountants is evidence of this) can only be envious when they realise what they have lost. As victims they are to be pitied.

[33]. *Even worse, the auditors' defence can usually be made to sound a little thin because, since they have seldom been at the sharp end*

SYM. The Neuter. The aggressors make the unfortunate US auditors' arguments sound thin. They sound thin because their progenitors lack the sharp end which would provide them with the masculinity sufficient to rebut attacks.

[34]. *and must therefore be the very last people in line to have lost the money* SYM. Money (not wealth). Auditors' involvement with money makes them a little "dirty". There is something which is not quite nice about money so we do not talk about it. Apart from lexia [65], which is indirect, this is the only mention of money in the text. The only funds mentioned are those of American shareholders and creditors. By omission therefore the position of the threatened English accountants is one that is essentially non-pecuniary. Neither the continental incomprehension nor the English defence of their birthright [59] is concerned with money. This keeps it clean and wholesome (money = filthy lucre). HER. Enigma 2. What is going to change? At this point, however, the enigma of what is being defended is still unresolved until [65]. At that point the defence and relation to others' money becomes explicit; but it is the professional's advice over money, distinguished from the tradesman's being immersed in money.

The phallic sharp end is the acceptable face of the profession. The anal-retentive-phase money is unacceptable. Thus lexia 33 disarms the connotations of lexia 34.

- [35]. *anything they say can be made to sound like sour grapes* REF. Gnomic:sour grapes. The aggressive other is threatening the vulnerable auditor. Even the logos of the auditor can be twisted: even his very own words cannot be defended by skilful oratory, unlike the lawyer. The plain man suffers: the rhetorician, whose skills are all form and no substance, can conquer through *his* logos. *Sour grapes* (dictionary - said when person disparages what he vainly desires). SEM. Sour. SYM. The Neuter. Sour land lacks in fertility.

Lexias [33]-[35] together are complex. For the individual company the auditor is never at the sharp end: (s)he is just the certifier of the accounts. Those who are at the sharp end are those who are responsible for losing the money. 'Seldom' in lexia 33 implies auditors are sometimes at the sharp end. This section cannot therefore refer to the individual auditor. It may be supposed therefore that auditors' defences are to be interpreted as envy at not having been at the sharp end, that the sour grapes would be supposed (by the interlocutors) to result from the envy of the virile by the castrated. Since UK accountants are frequently at the sharp end [38] this underlines the envy of CPAs for UK accountants.

- [36]. *Over here, on this sceptred isle* REF. Literature (Shakespeare, King Richard II II, i). Supplementary to extended appeal to Dickens in macrolexia 1. SEM. Racial superiority, connected to 'island race' [15].

[37]. *it is of course very different. This great profession of ours* SYM.
Antithesis 1: us/them. On this sceptred isle, it is different. REF.
Great Profession. The profession means the ICAEW.

'it is of course very different'. *The text is founded on binary opposites*: the past against the present, continental neighbours against the English, transatlantic cousins contrasted with the English, continent against island (Goliath versus David) lawyers against accountants, accountants relegated to audit against accountants with multiple functions, those at the sharp end against those who are not, the kind and generous against the mean and miserly. This is later extended further (complicated continental corporate structures against UK structures [43], those who speak foreign languages against those who speak English [49], those whose views on legislation are balanced against the accountants' views [56], the numbers men against the others [60], us contrasted with our clients who need us [65], [69]. cf Arrington and Francis, 1989 on the logocentrism rejected through Derrida's concept of *différance*. It is through its acceptance of binary opposites and phallogocentrism that the text privileges its own thrust (the final macrolexia).

Binary opposites are politically embedded, since the alternative suppositions are homogeneity, equality, multiplicity: European state regulators and UK accountants each regulators of and dependent on the institutions of private accumulation and production within advanced capitalism. The sundering of this commonality is a leap to freedom and at the same time a move to a defensive positioning in the struggle over economic functions [65].

[38]. *has been up at the sharp end for over a century* REF. Ambiguity. (Historical mistake?) This creates an ambiguity over the meaning of the sharp end; alternatively, it creates a multiplicity of meanings. 'Over a century' refers to the time since 1880 [22]. That was not a time at which chartered accountants began to manage companies. Thus management of the capitalist enterprise is not here signified by the sharp end. This is further rendered ambiguous by the following lexia.

[39]. *Our education and training turns us into something closer to numerate lawyers than is to be found anywhere else in the world*

SYM. Our. Ours is better than anything else in the world.

ACT. To educate and to train...to make us something. REF. Numerical lawyers. Being numerate lawyers is juxtaposed to, and thus implicitly associated with, being at the sharp end. Since we are members of our community and among the kind and generous, it is to be supposed that the addition of numeracy to the skills of lawyer render the lawyer us not other: that numeracy (maleness) extinguishes the undesirable tendencies of skilful oratory [28].

HER. Enigma 4: Are American lawyers to be included with us? This enigma is resolved here. Both *we* and American lawyers are in the "male camp".

[40]. *and since our members in high industrial positions know what they are talking about, they are not so easy to sue* REF. Our

members. These members are numerate lawyers at the sharp end.

REF. Gnostic (know what they are talking about) This makes their knowledge substantive and not mere rhetoric. The signified is brought into focus instead of the mere web of signifiers. REF. Paradox. The opposition to the American lawyers is however rendered paradoxical. American lawyers who run companies avoid

blame because they are innumerate [29]. UK accountants who run companies avoid blame because they are numerate. If we designate p as 'those who are numerate' and $(1-p)$ as *not-p*, that is, those who are not numerate, and the set ϕ as 'those who avoid blame' then we have $\{p, (1-p) \phi\}$.

HER. Enigma 7. Are the numbers men really to blame? This enigma is resolved. The numbers men are not to blame.

[41]. *Nevertheless it has and is happening, as we have discovered to our cost* HER. Enigma 2: What is going to change? The signified of 'it' is difficult to determine here.

[42]. *Our neighbours* SYM. Antithesis 1. Coterminous with [19].

[43]. *on the continent have things ordered in a still different manner, and there are all sorts of company structures to cope with various needs* SYM. Antithesis 1. *They have other orders and needs which would not suit us.*

[44]. *Their names are quite impossible to pronounce* REF. Gnostic (foreign tongues). An expression of suspicion. The naming of the thing (logos) is critical: cf Siegmund's roundabout answer to Sieglinde's question as to his name ("Friedmund darf ich nicht heissen, Frohwalt möcht' ich wohl sein: doch Wehwalt muss ich mich nennen") or Lohengrin's unwillingness to reveal his name, or Rumpelstiltskin's. If the word cannot be pronounced, the thing cannot be named.

[45]. *and I* ACT. To narrate (to know what is going on). This is the first time in the text that the author separates himself from the

reader. All previous expressions have brought the reader into the fold of the community.

- [46]. *strongly suspect that these very complexities are sponsored by the lawyers* REF. Deviousness of lawyers. The text has shifted from the American lawyers who are at the sharp end and skilled rhetoricians, to the UK's numerate lawyers, to the continent's lawyers. These epitomise the other, since they are professionally, geographically and linguistically distant from us behind their dull and dank doors.
- [47]. *After all, lawyers have always been better than we are at long complicated words* SYM. Threat (from long complicated words, which must be foreign). The periphrasis/litotes is important here. It echoes earlier examples [6], [19]. It is also ambiguous whether the text is intending irony here. If so, this is part of the more general irony in which the text feigns modesty on the part of accountants while emphasising their quality in other parts of the text (contrast [8] and [47] with [37] and [40]).
- [48]. *and in any case we all know that the Common Market is run by the bureaucrats, for the lawyers* ACT. To do something for. The bureaucrats are doing things for the lawyers. They are all part of the other. REF. Gnostic ('we all know'): Lawyers are conjoined with bureaucrats. cf Eurocrats [68]. SEM. Common. See [10].
- [49]. *and mostly in a foreign language* REF. Foreign language. SYM. The Other. [37].

[50]. *to boot!* REF. Archaism. This emphasises history, and creates a continuity with the earlier historical allusions.

The text is essentially *fragmented*. The seven macrolexias at first seem disjointed. The multiplicity of appeals to history (for example, [2], [17], [21], [22], [38]) is a means of cementing the otherwise fragmented text.

The exclamation mark exemplifies a further feature of the text: it is joyous. It is infused with enthusiasm that belies its supposed subject matter (the encroachment of strangers on a way of life). This buoys up the difference: the juxtaposition propels the text to carry along the reader.

[51]. *That being so, the advent of the Eighth Directive should come as no surprise to us* ACT. That being so...it comes as no surprise. Knowing the other as we do, *we* can foresee his actions. Seen from a distance, the other is predictable, despite the complexities of his company structures. (cf 'it comes as no surprise', [29]).

[52]. *Think of it this way. Not so very long ago we had a debate about the audit requirement for small companies. Our deliberations should have had the greatest influence* HER. Enigma 3: Who are we? This enigma is now almost resolved. *We* are male English, Chartered Accountants *and* our deliberations **should have** (by right) the greatest (the most phallic) influence. The accountant as omnipotent within his chosen sphere. The expertise of the professional, a key element of professionalisation under traits approaches to professions, places him in the best position to judge within that sphere. This passage is also the final bridge towards the conclusions. The other has been judged and found wanting (both the European and the American lawyer). We now discover the

enemy within. Through an account of the profession's qualities we shall come to argue that the prophet is not honoured even in his own land.

[53]. *Every year we make representations about new legislation and the Budget; currently we are advising on the Financial Services Bill. I think it fair to say that no-one could do it better* HER. Enigma 3: Who are we? This continues to resolve this enigma. An extension and justification of [52]. Constancy in history ('every year'). Wisdom not political positioning ('advising' on the Financial Services Bill, not 'lobbying'). 'I think it fair to say': litotes. REF. Gnostic (no-one does it better - simply the best).

[54]. *Our views should carry great weight, and be acted upon with dispatch* HER. Enigma 3. This continues to be resolved. ACT. To act. Others should act upon our views. REF. Great weight. Important. BUT perhaps they do not carry great weight even though they should. HER. Enigma 8: Do others act (with dispatch) on our words? 'With dispatch' has elements of archaism, and conjoins this with the implication that not only should we be heeded, but those we advise should act quickly, without hesitation.

[55]. *but I fear that despite our words of wisdom we seldom seem to get the simplicity* HER Enigma 8: Do others act on our words? There is a partial resolution of this enigma which is completed in the next lexia - others do not act. SYM. Simplicity. Antithesis to continental lawyers' self-serving complexity [43], [47]. We are plain folk, with folk wisdom. (Binary opposition: simplicity/complexity)

[56]. *into the laws which we request, and our views are balanced against those of many others* ACT. To request. We are polite. We request. SYM. Balance. This is an unfair balance because the views of an island are weighed against those of a continent.

HER. Enigma 8: Do others act on our words? This enigma is resolved. *They* do not. BUT, *our* views should carry great weight.

[57]. *few of whom are to be found 'up at the sharp end'* SYM. The feminine camp. It is implied that though they are not at the sharp end, we are. We should carry greater weight. Most attention should be paid to those who are at the sharp end. Being in action confers legitimacy on views concerning policy. Bureaucrats and lawyers in Europe are not at the sharp end.

[58]. *Let us, then, be sure to recognise this Eighth Directive for what it is, a last ditch stand* REF. To recognise something for what it is. This usually means something bad. REF. Last ditch stand (military metaphor). Thus there is a war going on.

[59]. *to wrest our birthright from us* ACT. To wrest (an aggressive action). A last ditch stand is normally defensive. However the eighth directive (metonymy) is active, since it is trying to wrest our birthright from us. REF. Birthright. 'Birthright' is significant only in the context of property. The other is trying to remove the rights of those within the community, rights that are essentially property rights. The clean and pure argument with which the text began [see comment on lexia 34] is now converging on the economic.

[60]. *We are the numbers men* HER. Enigma 3: Who are we? This has already been resolved. *We* are male, English, Chartered

Accountants whose words should carry great weight. There is an overt use of 'men' here.

- [61]. *we are under attack* REF. Under attack. A furtherance of the military metaphor.
- [62]. *but we should not let anyone divide us* REF. Defence. We are under attack and we must defend ourselves. There has been to this point no suggestion of the other trying to divide us. No macrolexia has addressed the specificities of the nature of the threat. Rather, the difference has been established through many juxtapositions. This is the last enigma, which is to be resolved in lexias [64] to [71].
- [63]. *We chartered accountants are not to blame* HER. Enigma 3: Who are we? We are not to blame. The reticence contrasts with the earlier phallogocentrism. SEM. Blame. 'Blame' is apportioned at points of conflict: this blame is being deflected. However this is misleading. We have here a further litotes: the context of the lexia is one of attack as the best form of defence.
- [64]. *if our system of education and our training set us apart from our continental cousins* REF Continuity. This Continuity is with the past once more: and implicit expectation that this should continue.
ACT. To set apart. The binary opposite is not abolished, and cannot be resolved by changing education and training: we are set apart as an island race and our superiority is bound to continue.
- [65]. *We must recognise that it is difficult for others to appreciate the fact that we can act as accountants, and prepare accounts for a business, and also offer sound tax advice, be active trustees for the*

grandchildren, dictate the best terms for a will, help in the matrimonial muddles that families are heir to SYM. Super patriachs, Grandfathers. Accountants can be seen as being the head of the family. They are active, can give advice or when the need arises, dictate. Their word is law. The power of *logos* is evident in the liturgy presented. The list to this point might to the layperson, and to the lawyer, appear to be a list of functions appropriate to the lawyer. The enigma of the earlier text is now resolved: the shortcomings of lawyers as either rhetoricians or purveyors of unnecessarily complicated structures and words, renders them susceptible on their own ground to the skills of the UK accountant.

[66]. *forecast profits, secure loans, and do all else* SYM. Super patriarch. The abilities of accountants are expounded further here. They can forecast (see into the future), can secure and *do all else*.

[67]. *that is needed to maintain and support British business* ACT. To maintain and support. The common market is threatening British business. UK accountants are sustaining it. (Fathers maintain and support.)

The lists in [65] - [67] nowhere mention audit by name; yet audit was the subject of the eighth directive.

[68]. *All this is expected of us, and we should resist, by all means in our power, the attempts of the Eurocrats to stop us* ACT. To expect of us. Those who expect it of us are British. They are, by extension, part of us. Only their expectations count. Eurocrats are firmly consigned to otherness, since they do not expect it of us.

ACT. To resist. This denotes that we are being attacked. It is important enough to warrant using 'all means in our power'.

HER. Enigma 2: What is going to change? This enigma is now resolved. Eurocrats are trying to change the role of accountants.

[69]. *If our clients knew what it would cost* ACT. To know. Clients do not know, but accountants do. SEM. Costly. The argument put forward is not at all self-interested. Although we are obliged to mention money, we do so only in the context of saving the money of others within our community.

[70]. *for all these functions to spread out among a legion* SEM. Legion. The apparent metaphorical allusion is to the Roman legion. However the alternative reading connotes to St Mark 5,9, where the devils speak through the afflicted man's mouth: "And he answered, saying, My name is Legion: for we are many." Devils are other.

ACT. To spread out. In phallogocentric language, to spread out has negative connotations.

[71]. *of more narrowly qualified professionals, they would protest for us* REF. Narrowly qualified. There are other professionals but they are not as well qualified as us (due to our education and training).

ACT. To protest. Clients are not as powerful as accountants, they cannot fight for them, but can manage to protest. In this penultimate lexia, jointly with the previous few, the enigma seems to be resolved. The differences have led to a resolution which itself is a declaration of difference.

But the resolution is illusory. The resolution itself creates a more disturbing enigma that encompasses the whole text. The purpose of the text has been to lead up to this resolution. The focus of the text has been, after all, on the attack by Europe through the medium of the eighth directive on the space allowed to accountants to undertake a variety of functions: the Eighth

Directive would remove these rights and compel British accountants to scatter into a number of different professional specialities. *But the directive contains no such requirement.* Nor had any earlier drafts. There had been pressure from some (non-UK) quarters for the requirement to be included, but the UK representatives successfully resisted it. Thus the whole text is focused on a baseless supposition.

This is the ultimate irony of the text. Other individual ironies have woven their way through the text; arguments have been played through based on the differences identified; comments have been made, metaphors rehearsed, opinions expressed, all fired by the subheading: yet in the end, the snark has turned out to be a boojum.

[72]. *May I suggest we tell them?* REF. Conclusion. A suggested course of action. In one reading of the text this is the natural conclusion. Based upon the commentary above, it proves to be bathos.

THE TEXT

IN THE SHADOW OF THE EIGHTH DIRECTIVE

Implementation of the Eighth Directive will put an end to the accountants' way of life. This should not be allowed to happen.

Drummond Abrams FCA

Spain Brothers and Co

[This text appeared in Accountancy, November 1986 pp.21-22]

Charles Dickens^[1] has left us with some very clear impressions of life in Victorian times^[2]. Little of the social scene appears to have escaped his gaze, and so vivid are the descriptions of the characters in his books that they seem real, and possessed of habits and mannerisms which are recognisable, even familiar, to some of us today^[3].

In truth, of course, we would like to recognise the good in ourselves, and leave the not so good to others^[4]. The kind and generous live in the warmth of our own houses, while the mean and miserly dwell behind dull and dank doors on the other side of town^[5]. Since communications are so much better these days

than in Dickens' time, one might be forgiven for feeling that many of the evil doers live even further afield^[6].

As a story teller Dickens allowed himself the luxury of portraying the professions in a good or bad light according to the needs of his plot^[7]. On balance he was not very fond of lawyers, and he said very little about accountants, which is, perhaps, just as well^[8].

As it is, in 1986, we await^[9] the Eighth Directive from the Common Market^[10], and from the point of view of this profession, the word and image^[11] of the 'accountant'^[12] may^[13] never be quite the same again.

We have always^[14] been an island race^[15], and over the years^[16] we have become accustomed to the fact that foreigners do not understand us^[17].

No doubt it is because we are on an island that certain characteristics have developed here along lines that are not altogether^[18] parallel with those of our continental neighbours^[19]. But it is, of course, far easier to understand the differences between us and our transatlantic cousins^[20]. After all, they fought and won a war of independence - something which would have been a pretty pointless thing to do if everything else were to remain unchanged^[21]. That battle was fought and won long before 1880^[22], when we accountants first emerged^[23]: since then the American lawyers^[24] have built up a formidable

reputation for managing companies. Meanwhile the certified public accountants have been relegated to work of an historic nature, like auditing^[25], and are not found up at the sharp end of companies in anything like the numbers we see in this country^[26].

Now we all know^[27] that lawyers never make mistakes, or at least not mistakes that you can pin on them, or which cannot be explained away by skilful oratory^[28]. Since it is those same attorneys who run the American companies, it comes as no surprise to find that when things go wrong they can make it quite clear that it is not their fault^[29].

Since most lawyers are totally baffled by numbers^[30], the failure of any commercial venture inevitably has to be the fault of the 'numbers men'^[31], and those closest to hand will often be the auditors^[32]. Even worse, the auditors' defence can usually be made to sound a little thin because, since they have seldom been at the sharp end^[33] and must therefore be the very last people in line to have lost the money^[34], anything they say can be made to sound like sour grapes^[35].

Over here, on this sceptred isle^[36], it is of course very different. This great profession of ours^[37] has been up at the sharp end for over a century^[38]. Our education and training turns us into something closer to numerate lawyers than is to be found anywhere else in the world^[39], and since our members in high

industrial positions know what they are talking about, they are not so easy to sue^[40]. Nevertheless it has and is happening, as we have discovered to our cost^[41].

Our neighbours^[42] on the continent have things ordered in a still different manner, and there are all sorts of company structures to cope with various needs^[43]. Their names are quite impossible to pronounce^[44], and I^[45] strongly suspect that these very complexities are sponsored by the lawyers^[46]. After all, lawyers have always been better than we are at long complicated words^[47], and in any case we all know that the Common Market is run by the bureaucrats, for the lawyers^[48], and mostly in a foreign language^[49] to boot^[50]!

That being so, the advent of the Eighth Directive should come as no surprise to us^[51].

Think of it this way. Not so very long ago we had a debate about the audit requirement for small companies. Our deliberations should have had the greatest influence^[52]. Every year we make representations about new legislation and the Budget; currently we are advising on the Financial Services Bill. I think it fair to say that no-one could do it better^[53]. Our views should carry great weight, and be acted upon with dispatch^[54], but I fear that despite our words of wisdom we seldom seem to get the simplicity^[55] into the laws which

we request, and our views are balanced against those of many others^[56], few of whom are to be found 'up at the sharp end'^[57].

Let us, then, be sure to recognise this Eighth Directive for what it is, a last ditch stand^[58] to wrest our birthright from us^[59]. We are the numbers men^[60], we are under attack^[61] but we should not let anyone divide us^[62].

We chartered accountants are not to blame^[63] if our system of education and our training set us apart from our continental cousins^[64]. We must recognise that it is difficult for others to appreciate the fact that we can act as accountants, and prepare accounts for a business, and also offer sound tax advice, be active trustees for the grandchildren, dictate the best terms for a will, help in the matrimonial muddles that families are heir to^[65], forecast profits, secure loans, and do all else^[66] that is needed to maintain and support British business^[67].

All this is expected of us, and we should resist, by all means in our power, the attempts of the Eurocrats to stop us^[68]. If our clients knew what it would cost^[69] for all these functions to spread out among a legion^[70] of more narrowly qualified professionals, they would protest for us^[71].

May I suggest we tell them?^[72]

S))Q

Drummond Abrams is a member of Council and a general practitioner servicing smaller businesses.

END OF THE TEXT.

**Ideology, hegemony and accounting discourse:
A case study of the National Union of Journalists**

Abstract

This paper is concerned with accounting's role in the maintenance of an advanced capitalist state. Using a broadly cultural Marxist perspective, it is concerned with the uses to which accounting is put and how the use of accounting can obscure other more politically fruitful ways of seeing. The paper then considers possible historical and material explanations for accounting's present relationship with the state. Finally it considers the workings of accounting in a political struggle inside the National Union of Journalists and the possibility that with a powerful hegemonic leadership, accounting may be used to highlight important material conditions without obscuring other issues.

Key words

Gramsci, hegemony, ideology, accounting, social control

To understand ideologies is to understand both the past and the present more deeply; and such an understanding contributes to our liberation.

(Eagleton, 1976, p viii)

This paper explores the role of accounting in the maintenance of advanced capitalism. More specifically it explores how and why accounting tends to close off "productive" critiques of advanced capitalism. Its dominant concern is whether or not accounting can be used to provide a politically productive way of seeing or whether it *always* produces a closure around other possible ways of signification rendering accounting wholly reactionary. Another way of expressing this concern would be to ask whether or not accounting (in its present or in some other form) could ever be used to change society in a way which disrupts the status quo; or whether society needs to radically change before accounting can fundamentally change.

The framework used in this paper to consider these questions is the Marxist economic base/superstructure relationship, according to which there is an economic basis of society (advanced capitalism) on which we find certain superstructural elements; its language, ideologies, legal system, and so on. One of the major issues surrounding this rather simplified model concerns the dynamic relationship between its two components. Does the economic base in society determine everything about that society, or does the superstructure determine everything about that society? If, in the final analysis, is it the economic which determines everything (including accounting), then it could be clearly argued that accounting cannot change society, only a change in the economic base (system) could change accounting¹. The position taken in this paper is that there is a

dialectical relation between the economic base of society and its superstructure. On the face of it this means that accounting can impact on the economic base and the base on accounting. But can accounting act on the base in a revolutionary manner? Just as the inland revenue, girl guides, the army or the women's institute do act upon the economic base, their effect is to support and maintain it. It is the same with accounting. I will argue that there is probably only the remotest possibility that accounting could have a revolutionary potential; and that for that revolutionary potential to arise we need, at the very least, to have a theoretical understanding of the historical development of accounting *and* this theoretical framework must be far removed from the one which currently drives accounting.

The framework presented in the paper to accomplish the task of signifying accounting in a radical way is a broadly cultural Marxist one which deploys Gramsci's analysis of hegemonic control². The paper sets out to explore accounting from a dialectical understanding of society recognising the importance of the various elements in the superstructure, language, ideology and so on; but also recognising the importance of our material conditions and economic system.

The various elements of the superstructure taken together form the state, whose essential function under capitalism is to legitimate and maintain the position of the class which owns the economic means of production. It is through this broad definition of the state that the paper begins its task of seeking to understand accounting³. It uses Gramsci's concept of *hegemony* which is concerned with the way in which the status quo (or the position of the ruling class) is sustained despite the existence of much larger groups with different economic and political interests. Hegemonic action is carried out by the state in cultural, political, economic and ideological arenas and can be consensual or coercive. This first section is concerned with the more overtly coercive aspects of hegemony which

take on cultural, political and economic forms. In this section accounting will be shown to be intertwined with the state and the perpetuation of capitalism.

The following two sections discuss the more consensual *ideological* aspects of hegemony. These sections take the view that ideology can be regarded as a semiotic or discursive phenomenon, while keeping as central, the hegemonic concerns relating to the reproduction of capitalism and accounting's part in this (Lehman and Tinker, 1987; Tinker et al, 1982; Eagleton, 1991; Hall 1977,1982, 1983; Althusser, 1971). Ideology is seen as working through accounting to give certain signifiers an authoritative position in terms of their role of helping us to understand the world, and at the same time, to silently exclude other ways of understanding the world. Yet, rather than being made aware of the closures brought about by accounting discourse, we are taught to believe that we are able to choose our values and understandings of the world (Belsey, 1985; Barrett, 1985). Furthermore, many of the central postulates underlying accounting are conceived as being *natural and transhistorical* rather than the products of a very specific historical development. During the 1980s there were significant new right ideological changes in the UK. These too, appeared to be natural since they involved making previously held authoritative ideological positions (for example value for money, cost savings, efficiency and so on) central to the new ideological central unifying principles. Accounting, with its roots in the economic, made it a perfect tool for use by the new right in presenting certain understandings of the world and in closing off alternative understandings.

The next section is concerned with the most crucial aspect of hegemony which is leadership. Hall (1982, p 85) suggests that Gramsci's most distinguished contribution "is that hegemony is understood as accomplished, not without due measure of legal or legitimate compulsion, but principally by means of winning the active consent of those classes and groups who were subordinated within it". Hegemonic leadership could also be provided by subordinated groups or classes

in order to resist the ideas and actions of the dominant group. The ability to achieve hegemonic resistance by developing a new leadership is one of the major concerns of this paper. It will be argued that *only* a new hegemonic leadership will have the potential to use accounting in a politically productive manner.

The possibility of resistance to the inroads made by accountants and accounting into many areas of our lives is discussed further in the case study of the National Union of Journalists (NUJ) during the 1980s. This period was a unique one in the history of the NUJ in which the union's conditions of existence were changed dramatically by new technologies, union legislation and financial difficulties. Accounting rhetoric and practice were used spontaneously and naturally to signify the union's new situation. A failure to recognise accounting's non-neutral, historical development could mean that accounting's use could obscure alternative understandings of the unions situation. In the study it will be argued that the consideration of hegemonic leadership issues is central to the possibility of resistance to accounting's hegemonic role.

Hegemony and the State

Gramsci's concept of hegemony is central to the understanding of accounting's role in maintaining the current economic system and the possibility of resistance to accounting's role in this. Hegemony is concerned with how societies survive, and can be changed, seemingly with the consent of most of their members, despite the existence of groups with different interests. Hegemony implies that the domination of certain historical formations is secured by cultural leadership. Leadership is crucial to an understanding of hegemony. It brings life to an otherwise potentially politically sterile concept in terms of the ability of subordinated groups to change society. The interpretation in this paper, following Sassoon (1987), is that hegemony is exercised in the economy and the state; the

state can be further divided into political society and civil society. It will be argued that accounting and accountants are involved in all hegemonic areas; both in civil society and political society. Under advanced capitalism, the terms "political society" and "civil society" are blurred⁴. But it is important to signify these areas in politically productive ways; seeing these terms as ideological in the sense that they cannot be separated from their material conditions and the social relations within which they are caught.

Gramsci's concern with the survival of political and economic systems brings the State into the foreground. Sassoon (1987) usefully proposes that two views of the state can be found in Gramsci's work; a wide and a narrow version. In his "wide" version, Gramsci describes the state as consisting of *all* activities preserving the dominance of the ruling class. There are two superstructural components here which comprise the state; political society and civil society. The accounting profession, along with the media, churches, cultural and voluntary organisations could be considered to be part of civil society in the sense that they frequently promote the ideology of the status quo and act to uphold the existing social order. It would however be wrong to suggest that these organisations could not on occasions be threatened by the state or offer some resistance to the state. The organisations which comprise civil society gain credibility by appearing to be neutral. For example, they mostly shun links with any particular political party; to do so would weaken their credibility. This wide definition then, would include the accounting profession as part of the state. The accounting profession appears to be reluctant to align itself to any particular party and insists on its neutrality. Yet it also acts in the interests of the state in propagating the existing social order.

Gramsci's narrower definition of the state outlined by Sassoon incorporates political society alone. Political society is broadly made up of the more overtly coercive organs of the state; the police, the army, the prison service, the law courts, tax collection agencies and so on. These "depend in the last resort for their

effectiveness on the state's monopoly of coercion" (Simon, 1982, p 70). The accounting profession is one example of an institution which is both part of civil society and political society. Many of the powers of the accounting profession derive their effectiveness from the state's more coercive abilities. For example in many European countries (eg France and Germany) the accounting profit is the figure used for taxation purposes; in the UK, the government has given effective control of financial reporting to the profession through the review panel; also in the UK trade unions have to prepare and submit audited accounting returns; and companies which have a qualified audit report are sometimes prevented from trading their shares. In the case of borderline bankruptcy, a going concern qualification can lead to the ultimate demise of a company. In the US the power of the FASB relies on the backing of the SEC and the Department of Justice.

The two definitions of the state derive from Gramsci's understanding of the state's many dialectical opposites - force, consent; authority, hegemony; violence, civilisation; externally imposed control, control of self; direct domination, indirect domination; and so on. The consideration of only one dialectical opposite, for example force or direct domination will not lead to a complete understanding of state power, nor will theories which deny the importance of the coercive nature of the state. When Gramsci was writing direct domination could be regarded, very broadly, as deriving from political society and indirect domination deriving from civil society. State power is now diffused through both political society and civil society⁵. Accounting is perhaps mainly grounded in civil society but could also be conceived as being intertwined with political society. The political basis of hegemony and the material foundation for the influence of dominant ideas are rooted in *compromise* and *reforms* which must be promulgated in order to maintain economic systems which no longer represent the advance of the whole of society (Sassoon, 1987). Gramsci sees reform and compromise as being necessary for capitalism to survive in the course of what he calls its "long term organic crisis". Crisis here means reorganisation rather than collapse.

It is true that the state is seen as the organ of one particular group, destined to create favourable conditions for the latter's maximum expansion. But the development and expansion of the particular group are conceived of, and presented, as being the motor force of a universal expansion, of a development of all the "national" energies. In other words, the dominant group is coordinated concretely with the general interests of the subordinate groups, and the life of the State is conceived of as a continuous process of formation and superseding of unstable equilibria (on the juridical plane) between the interests of the fundamental group and those of the subordinate groups - equilibria in which the interests of the dominant group prevail, but only up to a certain point, ie stopping short of narrowly corporate interest.

(Gramsci, 1971, p 182; quoted in Sassoon 1987, p 118)

Thus to Gramsci, the state cannot simply take on board the narrow corporate economic interests of a particular class; it must instead make political and economic compromises and assert that it reflects universal interests. Hegemonic compromise and reform are carried out in cultural, ideological, political and economic forms.

It is possible to see reform and compromise in the workings of accounting institutions. The possibility of political compromise could be one reason why some accounting academics have made calls for the state to become more closely involved in the workings of the accounting profession (see Sikka et al, 1992) or in environmental accounting (Gray, 1992). However one should be aware that small compromises can be made by the state to induce political quietism (or consent) among opponents. In Western societies the dominant dialectical form of state power is that of consent (or indirect domination). Governing powers lose credibility if they resort to violence too frequently. Power is more powerful if it is invisible, disseminated throughout the texture of social life and thus "naturalised" as custom, habit or "spontaneous" practice. This is the major arena of the accounting profession.

Hegemonic power is also achieved in the broadly *economic* arena. The state has the opportunity to win consent by offering improved material conditions to different groups or to individuals. For example, in the UK, the state can refuse to alter laws relating to auditing, to maintain the support of the accounting profession; it can attempt to starve opposing organisations, like trade unions by restricting their funding. Many members of the accounting profession enthusiastically supported Thatcherism in the 1980s; they were rewarded economically very well for this. Through the 1980s the accounting profession expanded dramatically; and many of its members became extremely highly paid. Accountants were offered senior positions in organisations which they traditionally would be considered as having no special competence. Accountants were placed in hospitals to highlight costs rather than patient care. They were employed in newly privatized industries which had a tradition of providing service to attempt to shift the concern to cost savings (arguably at the expense of service). The linkages here are dialectical and not determining. For example an increased emphasis on cost reduction would not necessarily result in cost savings. However, the increasing use of accounting information could be used both to obscure certain issues and lead to certain actions which may be considered to be in the interests of the state in terms of facilitating the introduction of, in the main, totally inappropriate performance measures which help to weaken intermediary institutions, and consequentially to increase state power.

The next section, because of its centrality to my subsequent analysis, discusses the more consensual ideological aspects of hegemony in as much as ideology refers to signification (and how it is contested). Signification, or using words to make sense of the world, is involved in all hegemonic processes but hegemony is broader in that it highlights other (economic, coercive, and so on) ways of winning consent.

Ideology as a set of effects within accounting discourse

Re-readings of Marx's concept of ideology (see for example Hall 1977, 1982, 1983; Eagleton 1980, 1991; Belsey 1985; and Barrett 1985) have taken the highly illuminating "linguistic turn" of many post-structuralist philosophers (particularly Derrida 1976 and 1978). They have moved away from the notion that ideology is to do with ideas⁶ towards a view that ideology can be regarded more as a discursive or semiotic phenomenon. Rather than examine free floating ideas, they concern themselves with a materialist conception of ideology that "grants the materiality of the word, and the discursive contexts in which it is caught up", (Eagleton, 1991, p 195). These re-readings have emphasised the political importance of the concept of ideology whilst distancing themselves from more economic interpretations of Marxism. The concept of ideology is problematic in that it embraces reification - no one has ever seen an "ideological formation" - but the term ideology is a convenient way of categorising under a single heading the material workings of signs (Eagleton, 1991). Eagleton (1991) sees the term as denoting any significant juncture between discourse and political interests and also as a reference to the ways in which signs, meanings and values help to reproduce a dominant social power. Similarly, Hall's (1983) concept of ideology includes "the...languages, the concepts, categories, imagery of thought, and the systems of representation - which different social classes and groups deploy in order to make sense of, define, figure out and render intelligible the way society works".

Is accounting language ideological? Accounting is a particular discourse, but it is not an ideology; to perceive it as such would require that accounting discourse can be somehow separated from other societal, cultural discourses. It would be more insightful (following Eagleton, 1991) to view ideology as a particular set of effects within accounting discourse. Accounting terms such as profit, unfavourable variance, capital, and efficiency, can produce many different

outcomes⁷. In our current ideological order these effects arise in part because certain forms of signification are materially but silently excluded. It is in this sense that ideology brings about certain closures⁸. For example efficiency is privileged over inefficiency, so it would be difficult to convince a National Health Service manager that it would be "better" (better being privileged over worse) to be inefficient. Again it would "ideologically ungrammatical" to suggest that a loss is better than a profit⁹. Ideology makes certain signifiers dominant. Culturally dominant signifiers include profit, economy, efficiency, effectiveness, maintenance of capital, shareholder, revenue, prudent, accepted, receipt, cash, asset, solvency, value for money and so on.

How can ideology effect certain closures? How does it make words like profit and efficiency so powerful? Why do we "inadvertently" collude with the values and assumptions of our society? Gramsci writes that a social order must be constructed "in which an individual can govern himself without his self-government thereby entering into conflict with political society - but rather becoming its normal continuation, its organic complement" (1971, p 268). Belsey (1985) put this slightly differently, suggesting that it is the role of ideology to construct people as subjects. The biggest "ideological mistake" that we make is to assume that we are the authors of our "own" words and the rational decision makers regarding our "own" actions. This mistake means that we believe that we choose which values we wish to adopt. Althusser (1971, p 161) calls this "the elementary ideological effect".

The structuralist contribution made by such writers as Saussure to the understanding of human subjectivity is that it is through language that people constitute themselves as subjects. Belsey (1985) notes that it is only by adopting the position of the subject within language that the individual is able to produce meaning. As Derrida (1973, p 145-6) puts it,

what was it that Saussure in particular reminded us of? That "language (which consists only of differences) is not a function of the speaking subject". This implies that the subject (self-identical or even conscious of self-identity, self-consciousness) is inscribed in the language, that he (sic) is a function of language. He (sic) becomes a *speaking* subject only by conforming to his (sic) speech...to the system of linguistic prescriptions taken as the system of differences.

Subjectivity is linguistically and discursively constructed across the range of discourses in which the subject participates¹⁰. The world is only intelligible through discourse. There is no unmediated access to the self, or to anything else. We are thus constituted by language. Once a child gains access to language it is "already worldly" or as Volosinov¹¹ (1986, p 11) puts it, "*..consciousness itself can arise and become a viable fact only in the material embodiment of signs*" and later, "...The individual consciousness not only cannot be used to explain anything, but, on the contrary, is itself in need of explanation from the vantage point of the social, ideological medium" (p 12).

These insights indicate that the acquisition of accounting language is an important influence on the construction of our subjectivity. The role of language in the construction of subjectivity is one way of comprehending the invisible process of social control in which we "willingly" adopt the subject positions and actions necessary to the continuance of the social formation; how we "allow" closures and the dominance of certain signifiers. Accountants strive to increase profitability, sweat over trying to "improve efficiency" and make devastating decisions in order to maintain capital. However, this does not mean that once language is acquired that we carry on through life, as it were, in a discursive straight jacket. People do try to avoid complying with their budgets, they do "reduce capital" and generally try to "beat the system". People have a dual consciousness (see Gramsci, 1971). This dual consciousness can arise when people are constituted by two different discourses, but, more importantly, it can also arise when lived experience fails to match "discursive expectations". The role of the economic, or our material

conditions bears a dialectical relationship with ideology which will be considered in a latter section. The next section continues to probe the links between accounting and ideology.

Accounting as a natural phenomenon

What are the links between language and ideology? To Volosinov (1986),

the domain of ideology coincides with the domain of signs.... Wherever a sign is present, ideology is present, too. *Everything ideological possesses semiotic value.* (p 10)

It is owing to this exclusive role of the word as the medium of consciousness that *the word functions as an essential ingredient accompanying all ideological creativity whatsoever.* (p 14)

If this is the case then it would be clearly possible to argue that all language is ideological. However, as Eagleton (1991) points out, this type of argument would expand the category of ideology to breaking point. To him, the classical concept of ideology is not limited to interested discourse; it rather refers to the process whereby interests of a certain kind become masked, rationalised, naturalized, and legitimated in the name of certain forms of political power. In terms of the earlier discussion of hegemony, it is one way in which hegemony of consent is exercised.

Classical descriptions of ideology such as those found in Lukes (1974) see ideology's role as "naturalising" social reality. Semiotic contributions to the study of language have again been enlightening regarding the links between ideology and discourse. The early work of Roland Barthes (1972) took a "naturalising" view of ideology. Barthes wrote about *myth* as a type of speech introduced under special conditions. Barthes saw "scientific language" as being composed of three terms; the signifier, which is the empty acoustic image; the signified which is the concept; and the sign which is the associative total of the first two terms (the

relation between concept and image). The three terms together form a semio-logical chain. Myth too contains signifier, signified and sign but is constructed from a pre-existing semio-logical chain in which the sign in the first system becomes a signifier in the second. Barthes called this second order semiological system a metalanguage (see figure 1).

	1. Signifier	2. Signified
Language	3. Sign	
MYTH	I SIGNIFIER	II SIGNIFIED
	III SIGN	

Barthes,
1972, p 115

Figure 1

Following Barthes, accounting could be conceived of as being mythological, as a metalanguage in which signs are appropriated to be "restored" with "mythical" meaning. For example the word "profit" could be conceived as the end result of closing income and revenue accounts and the posting of accrual and prepayments. However, it becomes mythical when the simple word profit is "robbed" of this technical book-keeping history and instead becomes something "natural" - a sign of what is important about an organization, its efficiency, its market position and its strong management. Accounting (myth) is experienced as innocent speech, not because its intentions are hidden - if they were hidden, they could not be efficacious - but because they are "naturalised" (see Barthes, 1972). Although not referring directly to language, Marx called this the "naturalization" effect, treating the products of specific historical development as if universally valid arising not through historical processes but, as it were, from nature itself (see Hall, 1983). Accounting, too, as a signifier often appears natural and coterminous with reality. Profit announcements are widespread, seemingly assuming that there is such a

metaphysical thing as profit. Thus this "naturalization" process adds another important dimension to our understanding of the way in which ideology works. We see the *real world* in terms of *hard* monetary information. The natural way to deal with a cash shortage is to consider common sense cash controls. The insight will be further developed in the case study, where measures were taken in the union as a response to cash shortages which were determined by the way the problematic was set up. The problematic was set up such that *in the first instance* there *were* cash shortages and consequentially that expenditure should be reduced. Another way of seeing this could have been that revenue should be increased.

Language is not immutable but is created from a network of historical struggles. In order to rehistoricise the notion of ideology as naturalisation it would be useful to consider Hall's (1982) concept of historical traces or the politics of signification. The outcome of struggles over definitions (including accounting definitions) depends upon the balance of forces at any one historical moment, on the politics of signification. Lehman and Tinker (1987, p 509) in their study of "themes" in accounting journals note that the

prevalence of discourses promulgated by accounting journals depends on their complementarity with other themes prevailing in the social environment. Thus the amplitude of an accounting theme depends upon its capacity to enlist, echo, harmonize with, and resonate with other themes prevailing in the discursive environment.

Hall (1982, p 73), relates this struggle over meaning to the work of broadcasters (although its relation to accountants seem just as pertinent)

"The deep-structure of a statement can be conceived as the network of elements, premises and assumptions drawn from the long-standing and historically elaborated discourses which had accreted over the years, into which the whole history of social formation had sedimented, and which now constituted a reservoir of themes and premises on which, for example, broadcasters¹² could draw for the work of signifying new and troubling events".

When accountants are faced with new and wily problems such as related party transactions, accounting for goodwill, brands, the environment, foreign currency translation and research and development, they go back to the historically derived signifiers in order to develop new accounting standards and practices to "deal with" the problems¹³. Accounting discourse draws strongly from the discourse of neo-classical economics (Tinker, 1980; Hunt and Hogler, 1990, see also debate between, Cooper and Zeff 1992; Kinney 1992; and Williams, 1992). This allows accounting discourse to be considered "ideologically grammatical"¹⁴. Within a neo-classical economic discourse, accounting's "role" is to provide neutral information to promote a free and efficient operation of markets which (if left unimpeded) will allow individuals to make rational, economically utilitarian choices. Within this discourse, neutral accounting information will enhance efficiency. In an organisational setting too, accounting is seen as promoting economy, efficiency and effectiveness (see Hopwood, 1987, 1984). Ideology is "working" through the alignment of accounting to such things as efficiency, neutrality, freedom, fair allocation. This has the effect of making it extremely difficult to question the discourse of accounting because to do so would also mean questioning our historical traces. Our "common sense"¹⁵ tells us that accounting must be "right". The association between accountancy and efficiency, neutrality, freedom, and fair allocation are not given for all time, but they are difficult to break because the ideological terrain of this particular formation has been so powerfully structured in this way by their previous history. The discourse of neo-classical economics has a dialectical relation to the current economic system. The politics of signification means that accounting is more likely to draw on the discourse of neo-classical economics; the economic base of society is effecting some kind of closure around accounting discourse.

Accounting's links with neo-classical economics and its common sense claims to being neutral, objective, relevant and reliable (ASSC, 1975, FASB, 1980) make it an extremely powerful signifier. This renders accounting arguments difficult

to counter. To argue over accounting numbers adds legitimacy to the "centrality" of accounting. To attempt to dismiss the accounting framework and struggle for other meanings marginalises these struggles¹⁶. The important point here is that ideology is partially determining, because depending on how the ideological struggle is conducted, material outcomes can be positively or negatively affected. "Ideology, in short, goes to work on the "real" situation in transformative ways"¹⁷ (Eagleton, 1991, p 209).

The naturalisation of accounting makes it difficult to remember accounting's history. The more recent history of accounting has been one of growth and proliferation. Accounting has been imposed upon and in many cases has become a central part of many organisations in which in the past, it had been an annoying but peripheral activity. The imposition of accounting onto organisations by the state is consistent with the hegemonic ideological changes which took place during the 1980s. The hegemonic transformation involved making such old "popular principles" as efficiency, economy, effectiveness, the virtues of private enterprise, "slim" organizations, low taxation and "freedom of choice"¹⁸ into a new central unifying principle. The playing out of this "new" hegemonic system was highly visible in such phenomena as the proliferation in the media of financial market "information"¹⁹ and the privatization of many state owned industries. Accounting technology became increasingly involved in privatization, because, it could be used to provide "natural and neutral information" to achieve the "new" goals of the state. We were encouraged to believe that accounting provided a calculative rationality which "we" could depend upon. This increasing use of accounting technology has become an important issue for accountants who are increasingly expected to involve themselves in "a new kind of way" in the day to day running of organizations like hospitals, universities, schools and religious institutions (Broadbent et al, 1991; Preston et al, 1992). Power and Laughlin (1992), ask at what point does accounting shift from being a facilitative practice to that of a repressive totality? They then note that as "socialist countries open

themselves increasingly to the managerial philosophies and technologies of the West such as accounting, it raises the question as to whether they may thereby import a set of practices with unintended consequences." The problem for accountants is not one of how to collect "better information" to make organizations more efficient; an impossible task, given the contested nature of a word such as efficiency; but rather one in which their dual consciousness might lead them to recognise both accounting's problematic, non-neutral nature and its unintended consequences. The next section will continue with the theme of dual consciousness expanding it to explain the role of what Gramsci described as organic intellectuals who have a special position in enabling people, through the provision of an alternative ideological framework, in perhaps resolving their dual consciousness by seeing the world in a new way. Organic intellectuals exist in every class, but throughout this paper organic intellectuals will be taken to mean leaders who wish to promote alternative hegemonic positions.

Dual Consciousness and the Role of Organic Intellectuals

For Gramsci the consciousness of subordinated groups in society is typically fissured and uneven. Two conflicting conceptions of the world usually exist, the one drawn from the official notions of the rulers, the other derived from an oppressed people's practical, although mediated, experience of social reality. One could perhaps add that there are other more radical notions of the world - imaginings (perhaps utopian) of another world. People may appear to be contradictory. However this could be seen as one of the problems of having a pre-determined ideological basis for understanding the real world and actually living in the "real world". For example, it could be argued that it may be better not to see everything in terms of monetary numbers and to be aware that there are some important things which are simply not reducible to the financial, *but* we live in a world where material conditions dictate that the financial *must* be considered.

The point here is entirely Wittgensteinian; this is not to say that the financial (or material conditions) are determining but rather that language operates within practical forms of social life. Discourse is internally related to its social conditions. The use of accounting numbers cannot be simply reduced to *one* overarching reason - a concern with the financial. Our concerns reflect accounting's and accountants' position in society, our seemingly increasing need to build simplifying models (such as those provided by accounting) in an increasingly complex world, the historical development of capitalism, and of course, the havoc which a lack of funds can bring to our lives.

The extent to which we believe accounting information, or do not resist its authoritative position in presenting a certain picture of the world, may depend upon the alternative ideological frameworks with which we are presented. Empirical studies (Bougen et al, 1990; Cooper and Hopper, 1988; Knights and Collinson, 1987; Oakes and Covalleski, forthcoming; Ogden and Bougen 1985) which have considered the acceptance or rejection of accounting "information" in industrial disputes seem to show that accounting information is sometimes accepted almost fatalistically (Knights and Collinson, 1987) but at other times is rejected (Bougen et al, 1990; Cooper and Hopper, 1988; Oakes and Covalleski, forthcoming). Here the links between ideology and hegemonic leadership become interesting. One reason for this apparent difference could be the different roles played by the union leadership (or organic intellectuals) in each dispute, or the extent to which the unions had managed to overcome the existing hegemony and ideology and build a new hegemonic leadership within the union.

Seeing things in monetary terms is interestingly seen as acting in a "common sense" way. Gramsci used the term *common sense* to describe the consciousness of the people. Such common sense is a chaotic aggregate of disparate conceptions, "an ambiguous, contradictory zone of experience which is on the whole politically backward. How could we expect it to be otherwise, if a ruling

bloc has had centuries in which to perform its hegemony?" (Eagleton, 1991, pp 119 - 120). However, common sense experience sometimes leads to popular demands and thus it is not totally without space for resistance. This point can however be overemphasised. For example, one cannot assume that all workers are socialists. This would be gross economic reductionism. We can never be wholly in possession of the knowledge of our own self-interests. To this extent it is the role of organic intellectuals²⁰ to provide us with new ways of seeing our interests. Objective interests do not exist outside of social discourse altogether, but we can be convinced of other discourses. In the case study I consider the role of organic intellectuals in providing *new* ways of seeing.

Thus the role of organic intellectuals and their support in discovering new ways of seeing which destroy the power of meta-languages like accounting is pivotal in any struggle for change. However, initially the human subject only has the dense historically derived meta-languages available to her. For the human subject, "...consciousness awakens to independent ideological life precisely in a world of alien discourses surrounding it, and from which it cannot initially separate itself..." (Holquist, 1981, p 345). So in the following case study, there is the possibility that union members would *at first* use the meta-language of accounting (which has an internal relation to their material conditions); but with hegemonic leadership, could perhaps be able to separate themselves from the particular social construction provided by accounting to another, perhaps more politically productive, one.

The foregoing sections have considered accounting's role in the perpetuation of advanced capitalism from a hegemonic perspective. Starting with the broader more coercive actions of the state, then taking a narrower ideological perspective and finally considering the possibility of resistance to the existing hegemonic leadership by creating a new hegemonic leadership through organic intellectuals. The final section before the case study will contextualise the foregoing by setting

it in an economic situation and by considering accounting's historical development.

Setting Accounting in its Economic Context

Theories surrounding the acquisition of language, the construction of subjectivity and the naturalization of language add much to an understanding of ideology's impact on social control. However these insights are partial in the sense that a concern with subjectivity (its constitution, acquisition of language, links with reality and so on) needs to be contextualised within material conditions. Ideology, as the work of constructing meaning and subjectivity, cannot be divorced from its material conditions in a given historical period (Barrett, 1985). Following from Volosinov, signs should not be viewed as Saussurean abstractions which derive their exchange values from other signs. Rather they should be seen as concrete utterances, unintelligible outside the material conditions and social relations in which they are caught. There is therefore a dialectical relationship between the workings of ideology, economic hegemony and advanced capitalism.

The NUJ case study focuses on the 1980s, during which time there were dramatic hegemonic changes in the UK. The new hegemony of the 1980s was led by the Thatcher government which pursued a new right ideology²¹. While the ideological aspects of Thatcherite hegemony add insights to our understanding of the 1980s, broader hegemonic issues such as economic hegemony of coercion should also be of vital concern. Accounting discourse became a central feature to the new hegemonic leadership. Cooper et al (forthcoming), considered the implementation of European Community legislation during the 1980s, and suggested that the "politics and ideology of Thatcherism are important elements in understanding the way in which the Eighth Directive has been installed in the UK" (p 5). They too are concerned with changing shifts to the management of

society during the 1980s and properly suggest that the changing practices of the 1980s are only loosely connected to the discourses and ideas of the New Right. Keat (1991) appears to come to a similar conclusion but from a different direction; in considering the three pronged political project of halting the decline of capitalism, increasing the power of the state and weakening intermediary institutions (including Trade Unions), he sees little need for ideological disguise, or the transformation of cultural values. To him, the coercive powers of the state, and the forces of material necessity, are enough to ensure the success of this project. The coercive powers of the state in terms of new laws and economic problems came to bear heavily on trade unions during the 1980s. Hegemony of coercion was used forcefully against the trade union movement. However, the government also used hegemony of consent to weaken trade unions. Keat, recognises a role for ideology; he suggests that there is a connection between ideology and discourse, and changing practice, in which ideological discourse provides a particular (and politically "motivated") *interpretation* of changing practice (by the state). To him "ideologies are most effective when they provide people with a not-altogether implausible interpretation of their lives" (p 10). A not-altogether implausible ideological interpretation of the world would need to be build upon pre-existing ideas.

The next section introduces the case study of the NUJ during the 1980s when the union's economic conditions of existence changed dramatically. Furthermore, the union faced the full force of new right ideology. The *interpretation* of its position would have a significant impact on the union's activities. Accounting rhetoric and practice played an important part in the union's struggle to interpret its position and consequentially to determine its actions. The concern of the case study is whether or not the interpretation provided by accounting closes off more radical interpretations of the union's situation; or whether, given the real force of economic hegemony used by the state against the union, accounting could be used to provide a politically productive way of seeing.

Introduction to the case study

This case study focuses on the internal debate within the NUJ during the period 1978 - 1988. It is based on a selection of conference motions relating to finance and structure over those ten years and a more in-depth search of documentation relating to union structure, organization and finance for the final three years (when hegemony of coercion and consent were uniquely pervasive). The conference motions exemplify the above discussion of hegemony and ideological struggle. They will also show the struggle within the NUJ and the constitutive role of that struggle in representing and shaping the social world since the outcome of the struggle over meaning could affect action within the union.

It should be made clear from the outset that this case study is a *partial* reflection of what happened within the union. It is located within Gramsci's theory of trade union bureaucratization, following Devinatz and the foregoing analysis of hegemony, ideology and hegemonic leadership. Gramsci points out that unions "are in a sense an integral part of capitalist society" (1977, p.99). They are clearly part of the civil society arm of the state. Their organizational form is based around occupational rather than class lines. Their historical development was "under the formidable pressure of events and compulsions dependent upon capitalist competition" (p. 74). Gramsci saw unions as "the middle men" caught between capital and labour. To him, the major function of trade unions was that of selling their members' labour power at the highest possible price. Whether or not this view can explain the complexities of the trade union movement in the 1980s is open to debate. However, this viewpoint is accepted in the paper as one which adds to our understanding of contemporary trade unionism in the sense that it recognises one role that union's play in a capitalist system.

Gramsci compares the trade union to a business in that both are concerned with the sale of commodities. He states:

"Objectively, the trade union is nothing other than a commercial company, of a purely capitalistic type, which aims to secure, in the interests of the proletariat, the maximum price for the commodity labour..." (p. 76)

Because of this function of trade unionism, according to Gramsci, capitalist ideology becomes imbued within trade unions; or in other words, ideology through language operates within practical forms of social life. So on the one hand unions could be said to exist to "protect their members" but unions are also faced with the following dilemma: once an agreement is struck with employers, the unions have the task of imposing this agreement on the membership. Employers would be interested in negotiating with unions only if unions had the ability to exert an internal discipline on the rank and file so that they would abide by the contracts negotiated between trade union and employer. Thus union leaders need to create an organization which would be "respected" by both capital and labour. To Gramsci, unions require,

the ability to negotiate agreements and take on responsibilities. In this way it obliges the employer to acknowledge a certain legality in his dealings with the workers, a legality that is conditional on his faith in the union's solvency and its capacity to secure respect for contracted obligations from the working masses. (1977, p. 265, emphasis added)

Thus trade union leaders become increasingly concerned with their own "organizational security". When speaking of union officials, Gramsci stated:

The only contact between them and the masses is the account-ledger and the membership file. (p. 17/18)

The trade union movement in the 1980s however faced rather a different economic and political situation; rather than being concerned with fighting for

improved pay and conditions for their members, they were more often confronted with the need to fight for jobs and in some cases for the survival of whole industries and entire communities. The NUJ too was confronted with concerns other than the fight for improved pay and conditions for its members; during the 1980s its whole conditions of existence were to be shattered.

The National Union of Journalists

The National Union of Journalists (NUJ) was formed in 1907. Its origins were in newspaper journalism but it expanded into the fields of magazine journalism, press and public relations, radio and television and, most recently into the editorial areas of book publishing (Marsh, 1980). The massive changes in the UK newspaper industry both in terms of new technology and working arrangements²² during the mid 1980s had a profound effect on the National Union of Journalists. The union was also affected by changes in Union legislation during the 1980s (see McIlroy, 1988, p 89; Marsh, 1992, p 91). This led to the NUJ being involved in many legal and industrial disputes. The technology changes meant that the lines between previously well defined print jobs became blurred; employers were quick to exploit the divisions caused by this and consequently, many disputes were waged by the NUJ against other print work unions (especially the National Graphical Association and the Society of Graphical and Allied Trades 82). The NUJ and the NGA signed a "Joint Accord" in October 1985 which aimed to provide the unions with the basis of a working relationship, but the problems were to continue.

In January 1987 the NUJ decided to withdraw voluntarily from national pay bargaining with the Newspaper Society (NS), the employers' organisation for local and regional newspapers. The NUJ executive appears to have believed that its members would fare better under local bargaining, especially if newspaper owners

were in financial difficulty. To those who believe that the union would be more powerful if it had remained with national pay bargaining, this decision is now considered to have been a serious mistake. The NUJ is now involved in no national pay agreements. The loss of national negotiating powers has both seriously weakened and transformed the union. The possibility of obtaining employment in journalism no longer remains dependent on NUJ membership. The union is acutely aware of this fundamental change.

The union sees itself as being "non-political" in the sense that it does not have a political fund²³. It operates on the basis of maintaining contact with politicians of all political parties (Maksymiw et al, 1990, p 252). A major concern of the NUJ is press freedom and censorship. It moved an emergency resolution at the 1987 Trades Union Congress which stated that "the failure of newspaper and broadcasting editors to resist government pressure demonstrates the extent to which freedom of speech has been eroded". In 1989 it became involved in a legal battle to declare unlawful the Home Secretary's ban on verbatim broadcasting of representatives of certain Republican and Loyalist organisations in Northern Ireland. These issues are seen by some (leading) members as being outside the realm of politics.

With the abolition of the "closed shop" for journalists, a falling membership and severe financial problems, the material conditions in which the NUJ existed changed dramatically during the 1980s. Likewise employers created further financial problems by using new technologies to divide unions causing disputes and further financial hardship. The exercise of hegemonic coercion by the state against trade unions had a devastating impact upon them. Hegemonic coercion through the economic (financial) remains a major form of social control in the UK. The economic conditions faced by the NUJ could not effect a final closure on the domain of ideology in the sense of securing a particular mode of reasoning within the NUJ; but the material circumstances faced by the NUJ are part of the

"conditions of existence" for members' thoughts about society. Thus the discourses used by members of the NUJ will have a dialectical relationship with their conditions. The range of possible explanations of, and "solution(s)" to, the practical problems of the NUJ in the 1980s articulated by the union members can be seen from an ideological perspective. In order to be seen as "legitimate" explanations and solutions, they will need to be based on "common sense" or be "ideologically grammatical".

"Common sense" solutions to the union's "new" condition may appear to be more powerful if they are articulated to the central unifying principles of their time. Accounting language calls for organisational economy, efficiency and effectiveness, good-house-keeping, and the language of "good" "efficient" markets; these will all be used to signify the new and troubling *material* events of the union and possible actions relating to these events. This discourse which appears to be spontaneous, innocent and naturalised denies presence to alternative ways of seeing. Once the union's problems have been signified in one particular way, warranted by the hegemonic principles of the 1980s, it is exceedingly difficult to struggle for opposing explanations and solutions.

Structure of the Union.

The structure of the NUJ is central to much of the debate surrounding change in the NUJ. Many of the calls for structural change grounded on financial/accounting arguments were proposed during the 10 year period. The NUJ organisational structure is fairly complex²⁴. In many ways the structure reflects the union's history and complex environment.

Chapels are to be found at the bottom of the union's hierarchical structure. If there are three or more NUJ members in an office or organisation, a chapel is formed with its own "father" or "mother". Chapels report to *Branches*. Branches

are almost invariably formed on the basis of geographical location²⁵. The union is then divided into much larger geographical segments. These are called *Area Councils*. These have two stated purposes. They are to act as a outlet for branch representation on a wider basis and as clearing houses for regional problems. A further characteristic of the NUJ structure is the tier of industrial councils which have wide ranging powers, particularly in negotiating pay and conditions. They exist for each of the following sectors of membership; England, Wales, Northern Ireland, Western Europe: journalists in broadcasting, freelance, magazines and books, national newspapers and agencies, provincial newspapers, public relations and information. An equality council and race relations working party are fairly new features reflecting broader societal cultural changes. There is also an ethics council whose stated aim is to improve and maintain ethical standards both within the union and as widely as possible through promotion of the NUJ's code of conduct by which journalists are supposed to maintain their impartiality and professional status.

At the top of the unions' hierarchy can be found the *National Executive Committee* (NEC) and the *Annual Delegate Meeting* (ADM). The NEC is the supreme administrative body of the NUJ. It is elected each year and consists of national officers (President, Vice-President, General Treasurer) and as many others as are elected by the members in industrial sectors on the basis of one NEC member for each 1,500 members in the sector. The ADM theoretically decides union policy each year. However, some members feel that motions passed at ADM have little impact on union members. Some NEC members believe the ADM represents the views of "union activists" rather than the views of the membership as a whole. In an article, "The Politics of Impotence", (Journalist, Feb, 1987), Ron Bowie argues,

".....the vast majority (of members) have no desire to spend time discussing the type of motion that often comes up at ADM.

Every ADM, delegates hail the passing of such motions as victories. Every year such motions are ignored by the ordinary rank and file, no

matter how often industrial councils send circulars to chapels."

It seems from part of the debate during the ADM that there is occasionally friction between the ADM and the NEC. Certain ADM delegates questioned some of the activities of the NEC; while a group of NEC members appeared to be promoting a slimmed down version of ADM. ADM also elects the President, Vice-President and General Treasurer. Branches elect delegates in proportion to size (eg one delegate for the first 50 members, and up to a maximum of 12 delegates for branches with membership exceeding 1,500). Over the past 25 years there have been five serious sets of proposals for structural reform within the NUJ. These have all been rejected by succeeding ADMs.

During the 1980s there were motions concerning structural changes, albeit not full scale structural reform proposals, to the union almost every year. These motions were consistent with the rhetorical central unifying hegemonic changes in the 1980s in which slim, streamlined, decentralised organisations were considered to be more efficient. A surface view of the proposed structural changes would suggest that they were partially intended to move decision making from the centre towards union branches²⁶. Such changes to union structure sought ideological legitimacy through reference to financial problems²⁷. The Journalist²⁸, reporting on 1987's Annual Delegate Meeting's (ADM) call for the setting up of a sub-committee to examine the union's structure explained,

"The examination will consider the value of branches, area councils and industrial councils in the light of the finances of the union..." (author's emphasis, April-May, 1987)

Also,

"This year's ADM is being asked to accept structural changes which would save the union up to £100,000 a year through shortening ADM by a day, reducing the number of delegates and introducing a new system of branch finance."

(NUJ Annual Report

1987/8)

These claims inscribe an economic understanding of the world, an economic definition of the situation. They make any kind of radical political rhetoric or action almost impossible to articulate. The concern for the union's solvency is consistent with the Gramscian view of the **need** for unions to maintain both the respect of capital and labour. The NEC are acutely aware of the relationship between respect and solvency. For example, in 1988, the NEC proposed a motion to increase subscriptions²⁹. In summing up the motion, Alan Pike (honourary treasurer) said a subscriptions increase was needed if the union was to run efficiently.

Our bills are going up and how do we cope if we don't make small, routine, *businesslike* attempts to increase our income at the same time.

It is cant to attack the NEC because you believe it has not been exercising proper stewardship over the union's affairs. You are wilfully going to precipitate another financial crisis in the union if you oppose the motion.

(Journalist, April 1988, p 4,
author's emphasis)

The argument that the main function of a union should be to fight for members' pay and conditions was voiced by Ron Bowie³⁰,

We must, however, get back to the union's prime role - the protection of our members and fighting for better pay and conditions.

We now have a leadership with the negotiating experience and ability to do this. But ADM could undermine it if delegates use conference as their annual chance to kick the union's bosses.

Our energies must not be dissipated in a search for purity until we can deliver on the fundamentals.

There seem to be, broadly speaking, two major groups involved in this complex struggle over definitions of the situation within the NUJ. One group, represented

by some members of the NEC, argues that the financial problems of the NUJ should be solved by a complete change in structure. The second group, which includes many members of the ADM, believes that the union should sort out its perceived financial problems in a different way, for example, with a recruitment campaign, and by encouraging the members to stay within the union. A 1988 ADM motion, Composite D on Union Structure and Organisation, which basically proposed the creation of one of the many structural working parties, urged the working party to bear in mind the following-

ADM must remain annual. As the sovereign body of the Union it must be able to decide upon the constantly changing problems facing the Union. If official positions are not to become sinecures, union officials must be democratically accountable and have the instructions and guidance of ADM...

High expenditure is not a problem if income is sufficient. The Union can increase its income if it attracts a wider membership by its eagerness to fight for jobs, pay and conditions.

Both groups seem to agree that there are financial problems, the former tending to see these problems as more important than the latter. There are some NUJ members, a small minority, who did not believe that the union's financial problems should be a dominant concern. This group is perceived by other union members as being on the fringe. Their arguments are often dismissed as at best straying from the point and more likely to be seen as illogical, eccentric or even not heard. This group may be attempting to provide a new hegemonic leadership; they may however be reluctant for complex political reasons³¹, to stand for election to the NEC.

The present position regarding the union structure is that the sovereign decision making body is the ADM. Those within the union who would like to see structural changes would like to see this changed to biennially. Those in favour of change would also like to see the area councils wound up and the industrial

councils' responsibilities changed. They would also like to see the number of branches reduced. Those who do not favour structural change argue that changes to the union structure will greatly curtail the activities of the union. The structure debate is seen as being fundamental to potential change within the union. It is difficult to tell whether or not changes in structure would actually change the NUJ in a "morphogenic" sense (Smith, 1982) but it is interesting that both sides seem to believe that it will.

It is perhaps possible to trace the current structural debate to the 1979 ADM:

Motion 1: Confirmed the rejection by the NEC of a proposal to change from annual to biennial delegate meetings.

Motion 182: Instructed the NEC to examine the structure of the union at its highest levels with a view to streamlining the organization on the grounds of efficiency and cost...
(Author's emphasis)

Although ADM has passed motions on structure each year, except 1984, between 1979 and 1989, the union structure is still unchanged. In 1987 and 1988 two different committees were set up to review the union structure. These will be examined in more detail since through these committees we can see the workings of state economic hegemony on the internal debate within the union, the conflicts created and the steps taken within the union to deal with their new situation. Further, the ideological frameworks used to signify the union's new situation will be explored to see if accounting definitions of the situation are used; the effects that these have and the extent to which union members promote alternative ways of seeing outside of economic definitions of the situation. In order to contextualise the internal debate within the union the next section will explore the material conditions facing the union during the 1980s.

The Union's Material Conditions

The 1980s were a period of enormous crisis for trade unions. Falling union membership and seizure of union funds in some areas has meant serious cash problems for unions. The NUJ was no exception. The union went from a surplus of £89,000 in 1984 to a deficit of over £300,000 in 1985 and in 1986 of nearly £420,000. The financial sections of the National Executive Council (NEC) reports set out the union's position according to a financial agenda. NEC's interpretation of the situation facing the union were based *naturally* on *metaphysical* surpluses and deficits. The treasurer's report to the 1986 ADM stated-

1985 was never going to be a good year. It began in the heat of the Portsmouth and Sunderland dispute and ended with Wapping. During the intervening months the Union's spending galloped ahead of income and by the year's end we were resigned to being in the red, the only outstanding question being by how much..... In all, a disappointing year which leaves us dipping into the pot to keep the union afloat³².

The 1987-88 NUJ Annual Report Finance Section stated,

"...But it would be wrong for this annual report not to contain reference to the union's finances, *since at the moment finance dominates everything we do and everything we plan to do in the future.*"

(Author's emphasis)

The NUJ faced several additional financial problems, fraud, subscription collection problems on top of the break-down of national pay agreements. The fraud problem first became apparent in 1987 when the Journalist, (April-May, 1987) reporting on that year's ADM, related that, "He (the general treasurer), commented on the fact that vouchers covering £28,000 of expenditure had been stolen. This was not the same as losing the money itself but did mean that much of it could not be properly allocated." One delegate felt that, "....some NEC members have the right to travel virtually anywhere at any time with the union picking up the tab." The following year's Journalist, which covered the 1988 ADM, reported that detectives had been called in to investigate the disappearance

of £18,034 from the union's accounts. Both the treasurer and the financial controller came in for enormous criticism in the (April) 1988 ADM. In September, 1988, the financial controller was dismissed.

There were three major financial problems related to subscriptions. The first problem was that the 1988 conference refused to increase the level of subscriptions. Subscription rates had not been increased for three years³³. Several ADM members expressed the view that they did not want to pay increased subscriptions to an "un-trustworthy" leadership. There was an internal hegemonic struggle being waged on economic terms within the union, with ADM members who were unhappy with the union leadership refusing to vote for a subscriptions increase. A further problem concerned the very outdated subscriptions collection method. Traditionally subscriptions have been paid through collectors going to offices. A centralized collection system of voluntary automatic payments from bank accounts was set up; but still many members did not pay by this method. An article by Hon Gen Treasurer, Alan Pike, (Journalist Jan 1988) reported that:

"A lot of the NUJ's money is either never collected or reaches head-office far too late.

If all active members started the year by putting a couple of hours into persuading and pestering their colleagues to get paid up to date, the union's finances could look much healthier by the time we get to the ADM."

The arrears of lapsed members known to head office totalled £98,777 for the financial year 1987-1988.

The third subscriptions problem, related to the previous two, concerns falling union membership. Trade Union legislation and a general change in the central unifying principles of the 1980s aligned to a loss of the requirement for journalists to be NUJ members seem to have weakened commitment towards the union. For example there seemed to be a major problem of non-attendance at branch meetings. This fed into the debate within the union about structure because there

were some branches that were non functioning due to lack of attendance and failure to elect branch officers. Motion 48 passed at the 1988 ADM states-

"This ADM views with concern the increasing assaults on the rights of the individual and on trade union members under present Government policies. It recognises that the industrial relations climate has altered dramatically and that the NUJ must therefore adapt its outlook accordingly or face the prospect of losing members."

Since the possibility of unions' existence in terms of their negotiating on behalf of their members requires that employers perceive the union as being capable of exerting some kind of internal discipline over their members, the two issues of falling membership and general "lack of interest" on the part of the rank and file membership pose a serious problem for union leadership.

The 1988 ADM attempted to tackle some of these financial concerns; there was some discussion as to whether the union should pay for an outside management survey into the union's operating costs. Would such an "independent" management survey simply obscure many other important issues facing the union and therefore act in the interests of the state? The April 1988 Journalist coverage of the debate presents a complex picture. Certainly some members seemed to want to resist this potential inroad of Thatcherite ideology; for example Don Brind (London Television) opposed the independent management survey, and said that the union did not need to "embrace Thatcherite New Realism" to sort its financial affairs out. Pat Healy (NEC) also opposed the motion, but for different reasons. She said that it would be "a total waste of money to bring in an outside body to take money from the union to solve our financial crisis". But others, who did not seem to trust the union leadership felt that the union should go ahead with the survey. Catherine Lockerbie (Edinburgh Freelance) said that it was obvious after the financial debate and the rejection by delegates of a proposed increase in subscriptions that members did not trust the union leadership. "It is time for an expert overview," she said, "of what is going wrong and what we can do about it.

Otherwise we will end up with a mish-mash, when surely what we need is a complete picture." Peter Dobson (Broadcasting) argued that an enormous amount of money had been wasted already to no avail. "So long as it is an internal enquiry that is carried out, vested interests will rule," he said. Perhaps what is most interesting here is that some ADM members obviously have a clear understanding of the closures which such a financial survey may bring about. But, for those who were concerned about the missing vouchers, poor administration of subscriptions collections, or the potential misuse of union funds by the leaders, would an outside report be counter productive in the sense of concentrating too much attention on the financial at the expense of other issues? Would the production of a financial survey direct attention too much towards the financial? Is it possible to resist Thatcherite ideology *and* have a management survey?

The central unifying ideological hegemonic themes of the 1980s seem to be reflected in the language of the internal debate within the NUJ. The language and "ideas" and struggle of the union members took place within certain material conditions. The next section considers specific union responses to the material conditions which involved attempting to cost cut by changing the structure of the union. Structural working parties were set up by ADM in 1987 and 1988. These will be considered in some detail since they emphasise the complexities of the *internal* struggle within the union, and the use of financial rhetoric.

1987 NEC Structural Sub-committee and 1988 Structural Working Party

In April 1987, ADM approved the setting up of an NEC sub-committee to examine the branch structure and to bring proposals to the 1988 ADM. The sub-committee carried out a survey of members to discover their opinions. Jake Ecclestone, deputy general secretary, reported that, (Journalist, November, 1987),

"Generally - though not always - chapels defended the chapel system,

branches the branch system, and area councils even had a good word for themselves. Nothing remarkable in that, you may think, just a case of vested interests. True, but a timely reminder of how structures have a built in resistance to change..."

(Author's emphasis)

"...There was an understandable and partly justified, irritation at the conflation of financial crisis and structural change. Was the NEC using the union's financial difficulties to achieve some nefarious end which it could not ordinarily hope to pull off?"

The suspicion obviously lurked in the minds of some, and the NEC did nothing to allay such fears when, at its October meeting, two motions favouring a switch from annual to biennial delegate meetings were proposed.

Another general criticism of the structure debate has been that members cannot make sensible suggestions for change if they are not provided with detailed financial information on where the money goes at present."

There was an unquestioned acceptance by some within the union of the neutrality of accounting information as a "provider of guidance" in the debate on changing structure. It was unclear whether or not anyone seriously questioned the seemingly widely held belief that decisions for change can be made on the basis of financial information. Two studies which use a "power-knowledge" perspective, Cooper and Hopper (1988) and Knights and Collinson (1987) noted something similar. Cooper and Hopper (1988, p 16) found that during the 1984/5 UK coal strike, "the National Coal Board (NCB) and the government appealed to common sense notions of the market place and the impartiality of market prices. Financial information, and particularly that produced by professional accountants employed by the NCB, was argued to be neutral, objective and to identify the "economic facts of life" (and for many pits in the mining communities, of death)". Knights and Collinson found that the financial accounts presented in a redundancy audit went unquestioned. They also noticed that workers were resistant to psychological discipline, yet were accommodative of financial discipline. This is illustrative of capitalist ideology working through accounting/finance language. What is interesting from a hegemonic perspective however are the different

outcomes, some unions accepting financial information as authoritative interpretations of the real world and other unions rejecting the authority of accounting discourse. One possible explanation for this could be the different theoretical leadership provided by the union leaders. Whilst the outcomes of different disputes may seem the same, in the sense that workers may in the end lose their jobs; the linguistic/ideological terrain on which the fight takes place matters in terms of raising workers' consciousness³⁴. It appears that the Structural Working Party were fairly accommodative of financial discipline seeing the "need" to cost cut. The changes put forward by the 1987 Structural Working Party were as follows -

- 1 Large chapels allowed to form self-contained branches.
- 2 Small branches merged so that every branch has at least 100 members
- 3 Every chapel to elect an officer to deal with the nearest branch.
- 4 Area councils to be scrapped
- 5 Industrial councils cut to 10 members, meeting only 6 times per year
- 6 Outside London, NEC members representing geographical regions instead of industrial sectors.
- 7 ADM with fewer delegates presenting fewer motions.

These proposals were mainly based on briefing papers by deputy general secretary, Jake Ecclestone. They are basically in line with the group within the union who would like to change the union structure on financial grounds. Predictably there was a response from those against structural changes. For example, Tim Gospill said union members had sent in over 80 submissions, but the proposals were word-for-word those put forward by Ecclestone. To Gospill, the report was a confidence trick.

The proposals put forward by the NEC sub-committee to conference in April, 1988 were rejected. Indeed the NEC was censured for "its inability to complete satisfactorily restructuring recommendations within the original time scale." A new structural working party was set up to prepare a report for circulation to branches and chapels by no later than October, 1988.

The failure of the 1987 structural working party to bring about change did not deter those who sought change within the NUJ. Both structural changes and cutbacks in the union's functions were again sought in 1988, but this time attempts to change the climate of opinion through financial rhetoric were reinforced prior to the ADM. The ideological grounds of those promoting change were vigorously promoted, before ADM, in order to help the passing of NEC motions at the 1988 conference. Much was made of a supposed £250,000 deficit by the NEC. Whether this "financial crisis" was used deliberately by the NEC for its own ends or not is difficult to tell. But it is interesting to note that change was sought using an economic definition of the situation, and that this definition was used more urgently as the deficit appeared to be growing.

With ADM coming up in April, it was fitting that the worrying financial position of the Union took up a lot of time at the NEC meeting held at Acorn House on February 19 and 20.

(Journalist, February, 1988)

In any case, some individual NEC members might have felt that their lives may have been easier *if* the union were in a stronger financial position *and* there was less critical ADM. There was a backlash against these proposed changes by many within the ADM. The 1988 ADM did not approve an increase in subscriptions³⁵. It also voted against an NEC motion to reduce ADM to three days.

The 1988 structural working party (SWP) produced an interim report which was published in the Journalist, December, 1988. The main proposals were as follows:

- 1 Chapels should remain as they are except that each chapel should send one or more delegates to represent members at branch meetings.
- 2 The number of branches should be reduced, through a programme of mergers, from around 180 to 60 to 65.
- 3 All area councils should be wound up and their funds returned to

- head office.
- 4 "Sector Conferences" should be introduced on the first day of the ADM, to reduce the main business load of the ADM.

These proposals are contained in motion number 26 which was put to the April 1989 ADM. Journalist, reported that-

The changeover to a delegate structure is the most fundamental proposal, and is likely to be most contentious. It has come about because the SWP (structural working party) recognised and has tried to resolve a dissatisfaction with a branch structure run by a small number of enthusiasts.

December,
1988

Again, ADM were unhappy with the report of the working party and produced new guidelines for the next structural working party. The entire 1988 working party resigned after ADM produced yet another new remit.

Thus despite the financial rhetoric, the economic definitions of the situation and the economic hegemony of coercion confronting the union, it seemed that the union was structurally fairly resistant to change. While the economic situation did seem to feature very readily in debates, it seems that many ADM members did not lose sight of other issues. What is interesting though is that it is not possible to divide the union into two camps, for example, one which took on board the financial and another which rejected it. It seems that the financial was considered to be an issue by most (if not all) of the competing groups within the union. But one group did seem to be concerned about the financial in the sense of cost savings to the whole union, maintaining union credibility and security; whereas other groups seemed to be concerned with the financial as a mechanism for controlling (or even punishing) the NEC (not increasing subscriptions, controlling NEC expenditure and so on) and therefore contain perhaps at least the potential of being quite radical *if the proponents of these actions are aware of the dangers of closure presented by using an economic definition of the situation - being*

blinded by the numbers. However, accounting was to make a serious more practical (rather than rhetorical) inroad into the union through its formal accounting systems. This is the subject of the next section.

Changes in the union's formal accounting systems

A special NEC meeting, which was called because of the "severe financial position" of the union, was held on January 19-20, 1988. The debate at the meeting was reported (Butler, 1988) as being long and hard-hitting and resulted in,

a tough and far reaching motion which was moved by General Secretary Jake Ecclestone and received widespread support. Jake said: "One big problem is crystal clear - we are not getting the information we need. We are a £2 million organisation and we must get to grips with things.

The Finance Department must be instructed to produce lists of income and expenditure each month. The present state of affairs just isn't good enough.

We are now into the fifth month of our financial year and we don't know what happened in the first quarter.

The meeting passed the following resolution-

This NEC, noting the gravity of the union's financial position and the size of the projected budget deficit for 1987-88, calls for detailed monthly statements setting out the Union's income and expenditure to be sent to all members of the Council no later than the 15th day of the following month. (Journalist, February 1988, p 12)

By 1988, new and significant accounting developments were taking place. No longer was accounting/financial rhetoric being used simply to legitimate certain actions and calls for change within the union. Of course this in itself was important since the debate had material outcomes; for example in 1987 the ADM voted down a call to make the post of technology officer full-time after it was

pointed out that the union couldn't afford the salary. Similarly NEC decided in 1987 to end long running disputes that the union had *no chance of winning*. But in 1988, the production of a monthly accounting picture would mean that a particularly ideological portrait would be frequently presented. This is ideology "working" through accounting language. This "ideological way of explaining the world" through accounting discourse made it extremely difficult to consider the world from alternative standpoints. The motion on finance was passed at the 1988 ADM,

Motion 55-

"This ADM expresses alarm at the effect on lay NUJ activity of the spending cuts imposed by the NEC in July and October last year.....Therefore, ADM as a matter of urgency, instructs the NEC:

- 1 to provide budgets well in advance for all national level bodies and not to depart from them;
- 5 to provide much fuller financial information to all spending bodies including the detailed break-down of expenditure. Such information to be supplied to each meeting of the body involved.

At the 1989 ADM there were demands for the introduction of really quite tight internal financial controls. Does this matter? It could be argued on a pragmatic level that the increasing use of budgets, tight financial controls, monthly financial reports and the appointment of a "strong" financial controller, could help the union out of a difficult financial situation. The difficulty with this is an ideological one; once the "problems" of the union are couched in financial terms, the "solutions" may also be financial ones. The centre of this, the fixed point, is the economic. The decentering of the economic is no easy task. To speak from a different centre often seems rather bizarre, or is seen as being marginal. But different ideological ways of defining the union would produce different action.

I have explored the problems of *closure* presented by the workings of ideology

through accounting information in the sense of occluding other ways of seeing, yet the union cannot simply ignore its financial position. However the dangers of being colonised by accounting need to be recognised in order that this ideology can be resisted. The recognition of the dangers of colonisation would come from organic intellectuals or leaders who have an alternative ideological framework from which to understand the world. The use of the word *colonised* here parallels the insightful interpretation of Habermas in Broadbent et al (1991) and Power and Laughlin (1992). In Broadbent et al's evaluatory model, accounting could be considered to be a steering medium which guides the behaviour of organisational systems. Organisational systems are guided by steering media to follow lifeworld concerns. Lifeworlds are the life experiences and beliefs, formed communicatively over time which guide attitudes, behaviour and action. However, it is possible for societal steering media to "get out of hand" relative to the societal lifeworld leading to *colonisation* of both the organisational systems and the societal lifeworld. Broadbent et al posit that Habermas provides rules which allow us to decide when steering media are getting out of hand; "namely if the media's actions are "constitutive" and "legitimated only through procedure" or "regulative" and "amenable to substantive justification" - without further refinement fail to provide the practical rules for evaluation in particular circumstances" (p 25). Accounting does have a colonising potential for the NUJ (or any other organisation) but it is not possible to predict whether accounting will be sidelined or how colonisation will alter an organisation. Broadbent et al used their evaluatory model to consider changes in the UK National Health Service (NHS) with respect to directives (steering media) issued by the Department of Health. They observed that (p 26) -

(t)he evidence does suggest that the mechanisms issued by the Department are increasingly constitutive from the viewpoint of the NHS - they, therefore, have a clear colonising potential to change the behaviour of the NHS from this organisation's viewpoint. However, this does not mean that the desired outcome in the behaviour of the NHS will be forthcoming. ...organisation change is a complex process and environmental disturbances such as the Department's mechanisms can be sidelined by the organisation

over time.

It is only possible to recognise the non-neutrality or colonising potential of accounting if one has an alternative ideology through which to see accounting. The side-lining or decoupling of accounting from organisational activities requires a politically astute organically intellectual leadership. The role of organic intellectuals is to materialise the relation between social practice and radically politically systematised ideology. This is perhaps one of the major differences between the work of Habermas and Gramsci, the latter providing a very specific means to resist the hegemonic and ideological closures of the financial. Furthermore, it seems that Gramsci's analysis is rather more properly class based, with his major concern being the maintenance of the position of the ruling class in society, how they maintain that position, and the state's role in that process. There is in Gramsci's work a less benign understanding of ideology whereas Habermas's lifeworld seems to be an almost pluralist concept.

The leadership of the NUJ do not seem to see themselves as having a politically radical role. They appear to conform more readily to the Gramscian understanding of trade union leadership which exists to sell their member's labour at the highest price. Without an alternative hegemonic leadership, it is unlikely that the NUJ will be able to resist the hegemonic and ideological closures of the financial. However, it does appear from the foregoing that there are members of the NUJ who seem to be well aware of the closures presented by the financial.

Conclusion

The workings of state hegemony and ideology through accounting rhetoric and practice as illustrated by this case study is very complex. NUJ members have specific political understandings, have lived through different political

experiences and therefore, do not act in unison, responding in a coherent (ideological) manner to coercive economic hegemony. However, there is little doubt that accounting has impacted upon the NUJ in both a rhetorical and practical manner. It seemed to appear naturally, legitimately and spontaneously in many important debates as a way of both understanding the new situation of the union and as a means to solve the problems of the union. The strategy of the union took on a financial rather than a more overtly political imperative. Figures were put forward to recommend that only "winnable" strikes could be taken on, as "reasons" for changing the union structure, and so on. Alternative logics for action could have been articulated and could have motivated action. For example, the decision to take on industrial disputes could have been made by deciding which disputes would enhance the long run credibility of the union; on the basis of which disputes would help win new members to the union; on the basis of economic hardship of the members; or on the basis of which disputes would most damage the state (which had inflicted so much damage onto the union in the first place). Similarly, union structure could have been changed to accommodate an overall union strategy rather than simply on the basis of cost cutting. All of these positions were debated within the union. There was no one single ideological viewpoint and members were speaking from different interested positions within the union.

The decision as to whether or not to use accounting rationales to fight for positions within the union is a complex one. Alternative rationales were again possible, and indeed articulated. For example, those who wished to counter the case for structural change could either put forward alternative, "more correct", figures to show that the union was able financially to withstand the present structure, or that some parts of the structure should be saved because of their low running costs, in which case they would be adding credibility to accounting arguments, or, they could try to put forward their case using non-financial claims. Accounting rhetoric is ideologically authoritative in advanced capitalism. Arguments using terms outside of dominant discourse fail to win credibility and

are often viewed through the spectacles of common sense as being illogical, irrational, or are not even heard or considered. Without alternative theoretical understandings it is sometimes impossible even to express alternative arguments. But, on a practical level, those who fight for their position using accounting rhetoric may quickly find themselves trapped into circular debates about which are the correct figures, or how much something (eg a strike) would cost, perhaps forgetting other (often more important) issues.

The ways in which accounting can help to maintain the status quo are multi-dimensional. As a spontaneous provider of explanations of the world, accounting freezes out other ways of seeing. Given the economic context within which the union was operating during the 1980s, the authoritative position of accounting rhetoric was amplified. This context was imposed by the more coercive aspects of state hegemony. A further aspect of the state's coercive apparatus, the requirement for Trade Unions to lodge audited financial reports, helped to reinforce a financial understanding of the union's situation. The union leadership needed to concern itself with its ability to maintain the respect of its members' employers. If employers decided, by looking at the union's accounts (its definitive financial muscle) that the union was weak and not worthy of consideration, the whole reason for the existence of the union would crumble. The accounts of the NUJ became mythological or metaphysical in the sense that they could be used to signify the ability of the union to negotiate on behalf of its members (and therefore, in the eyes of some union leaders, to exist at all).

The more consensual ideological/linguistic aspects of state hegemony further served to inscribe a seemingly willing and spontaneous mythological *financial consciousness* within the union. In the first instance accounting's historically derived position as a conveyor of neutral information aligned to its increasing importance as an authoritative signifier of public and private organisational performance in the UK of the 1980s (Broadbent et al, 1991), made it a natural authoritative discourse with which to signify the position of the union. In short

it made one feel, not only as if the union were financially wounded, but that the wound was incredibly serious, even potentially terminal. If the union had any desire to confront the state, it would now feel in a weaker position to do so. Similarly, if the monthly budgets become aligned to a strong financial consciousness, *any* decline in the union's financial situation will make the union feel as if the whole union is in decline. Then, no matter how determined the rank and file members are to fight for better pay and conditions, no matter that by taking on disputes the union may become stronger in other ways, the union leadership might decide that the union is too weak to fight. Again accounting practice would have served to help maintain the position of the ruling class. Does this mean that accounting must always and forever be seen as wholly reactionary? Could accounting be used in a radical way? From the case study it seems that a financial consciousness which is unconsciously derived from capitalist ideology will serve to uphold the status quo. However, a concern with the financial which has a different ideological basis *may* serve other ends. The role of organic intellectuals who can provide other understandings and conceptions of the world is crucial.

Gramsci pays specific attention to the formation of organic intellectuals, a group which he distinguishes from other types of intellectuals, and in particular from *traditional intellectuals*³⁶. Traditional intellectuals can come from any class, but generally cease to be linked to their class of origin; this would be the case for example when a working class child becomes an accountant. Each class has its own organic intellectuals-

Every social group coming into existence on the original terrain of an essential function in the world of economic production, creates together with itself, organically, one or more strata of intellectuals which give it homogeneity and an awareness of its own function not only in the economic but also in the social and political fields.

(Gramsci, 1971, p
5)

Ideally, for the creation of a group of leaders who will be able to resist the dominant ideology and create a consciousness of its position in society, the proletariat should be able to generate its own "organic" intellectuals within the class and who remain intellectuals *of* their class. The situation in the NUJ regarding organic intellectuals is therefore complex since its members have very different backgrounds and different employment relationships. Some are self-employed, while others are highly paid celebrities. It may therefore be possible for organic intellectuals from various classes to exist within the NUJ, each with different hegemonic positions. Furthermore, unions are part of society's superstructure and as such are not necessarily organisations which desire changes in the structure of society.

In an earlier draft of this paper David Cooper, as journal editor, wrote that he felt the conclusion left "a strong sense of hopelessness"; he wanted a conclusion that would perhaps make more of the possibilities of resistance, perhaps by referring back to Gramsci's notions of leadership. We later had a discussion about this and we talked about the point of writing such a paper, or indeed any academic paper. Does it matter if this paper leaves a sense of hopelessness? Can any academic accounting writing change anything? Can academics play the role of organic intellectuals? I believe that academics can open their students minds to new ideas, provide them with alternative theoretical "spectacles" through which to make sense of the world, and to help them to develop a critical approach to commonly held beliefs. But academics form part of what Gramsci describes as traditional intellectuals rather than organic intellectuals. Gramsci (1971, p 7) writes about the various categories of traditional intellectuals who experience through an "*esprit de corps*" their interrupted historical continuity. This historical continuity leads traditional intellectuals to characterize themselves as being autonomous and independent of the dominant social group. Indeed the longer the

historical continuity, the more powerful the group's belief in their own autonomy. To Gramsci (1971, p 7 - 8), the danger of the traditional intellectual's belief that they are independent of the dominant class has both ideological and political consequences.

This self-assessment is not without consequences in the ideological and political field, consequences of wide-ranging import. The whole of idealist philosophy can easily be connected with this position assumed by the social complex of intellectuals and can be defined as the expression of that social utopia by which the intellectuals think of themselves as "independent", autonomous, endowed with a character of their own, etc..

Academics who work in the field of critical accounting should pay close attention to this paragraph. It *may be* that their work helps to maintain the status quo; that they may not be as independent minded as they might wish. Gramsci writes that the "mode of being a new intellectual can no longer consist in eloquence, which is an exterior and momentary mover of feelings and passions, *but in active participation in practical life*", (1971, p 10, emphasis added). There are academics who write in supposedly radical areas but who do not appear to carry their reading or writing even marginally into their public (let alone their private) lives.

But this paper is not pessimistic. While many trade unions (and other groups) have been very badly hurt by coercive economic hegemony, I believe that societies cannot survive for long if the dominant form of control is coercion. The State can only survive in the longer term if it carries the majority with it. Consequently, ideology plays an important part in the perpetuation of the state. The value of the study of accounting is that it can give us a unique view of the ideological underpinnings and workings of the capitalist system in which we live. An understanding of the practical workings of capitalist ideology contains the *potential* for a contribution to our liberation. Moreover, the actual struggle taking place within the NUJ is not an academic one. The story told here is one of men

and women, who, however well or badly, were struggling to free themselves from certain forms of exploitation and tyranny. To try to understand the perpetuation of state hegemonic processes and the workings of ideology through accounting in relation to a political struggle is never futile or hopeless.

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1. But this type of economic determinism has never carried much credibility amongst Marxist writers. Engels dismissed this idea in a letter to Joseph Bloch in 1890, "according to the materialist conception of history, the determining element in history is *ultimately* the production and reproduction of real life. More than this neither Marx nor I have ever asserted. If therefore somebody twists this into the statement that the economic element is the *only* determining one, he transforms it into a meaningless, abstract and absurd phrase." Quoted in Eagleton, 1976.

2. The fragmented nature of Gramsci's writings means that it is possible to come up with many understandings of Gramsci's concept of hegemony. Bocoock, for example writes, "this has meant that the issue of where hegemony is exercised in Gramsci's view, whether in civil society, the economy, the state, or in some combination of these, is a matter of debate and interpretation" (Bocoock, 1986, p 34). Terms like "civil society", the "economy" and the "state" are in any case socially constituted categories which may or may not enhance our political awareness; there are many possible understandings of them, and as is possible for all language, they can be appropriated by the state and take on less radical meanings.

3. Other studies in accounting have treated the role of the state as central to accounting's relation to social experience (see Armstrong, 1985, 1987; Burchell et al 1985; Tinker 1984; Puxty et al 1987)

4. The more consensual, political aspects of hegemony are perhaps now more firmly developed than they were at the time when Gramsci was alive. In Western culture people have a strong belief in "self-government" and "democracy". Our parliamentary systems encourage the belief that we are really self-governing and so the state appears to be less coercive.

5. The organisations which make up civil society are the result of a complex network of social practices and social relations. Civil society is the sphere of all the popular democratic struggles which arise out of the different ways people are grouped together - by class, sex, race, generation, local community and so on. It is partially in civil society that the struggle for hegemony takes place.

6. At this point it is important to distance this paper, following Clegg, 1989, from the so called "dominant ideology thesis" found in many readings of Lukes's third dimension of power, in which social control is seen as the ability to shape "perceptions, cognitions and preferences in such a way that they (ie social agents) accept their role in the existing order of things; either because they can see or imagine no alternative to it, or because they see it as natural or unchangeable, or because they value it as divinely ordained or beneficial" (Lukes 1974, p 24). Lukes seems to be accepting a "sovereign" conception of power where one can "get another or others to have the desires you want them to have - that is to secure their compliance by controlling their thoughts and desires. (Lukes, 1974, p 24) Lukes here is caught up in the problematic of dominant ideology. In practice actor's thoughts and desires are never totally controlled. For example Willis

(1977), in a study of working class school boys, found that "the lads" in his study developed powerful "counter cultures" to the dominant ideology of their school; unfortunately, this turned out to reinforce the social system which they appeared to be rejecting.

7. Although not all language can be considered as equal, see Cooper and Puxty, forthcoming.

8. This is consistent with the Derridian notion that all categories of thought are divided into binary opposites, the first term being valued at the expense of the second. Shearer and Arrington (1993) and Cooper (1992) note that many of the forms of signification which are silenced or considered to be "worth less" are those which are considered to be "feminine".

9. To many people losses may be preferred to profits, for example if loss making means that the organisation has taken on board environmental concerns, or decided to pay really good wages in a third world country.

10. This is important for those who consider themselves to be accountants who have acquired a comprehensive understanding of accounting discourse. Their construction as accountants being located within the harsh reality of the market ("making sound economic decisions" to close factories, make people redundant and so on) may sit uneasily with (say) their construction as nice citizens with a sense of justice and fair play learned through the liberal humanist discourse acquired at primary school.

11. Throughout this paper, I refer to Volosinov (1929). This work was written by Mikhail Bakhtin under the name of his colleague Volosinov.

12. or accountants!

13. It is precisely for this reason that I would oppose the involvement of accountants in "green issues". Their "powerful" presence derived from a social formation which has so far been wholly contemptuous of nature would perhaps deny presence to other more compassionate ideologies.

14. "Native speakers can usually produce grammatical sentences in their native language but only rarely can they describe the rules of syntax in use which make their sentences orderly, intelligible to others and grammatical in form. In the same way, statements may be unconsciously drawing on the ideological frameworks and classifying schemes of a society and reproducing them - so that they appear ideologically "grammatical" - without those making them being aware of so doing." (Hall, 1982, p.72)

15. Gramsci's "common sense" is historical; "it contains Stone Age elements and principles of a more advanced science, prejudices from all past phases of history at the local level and intuitions of a future philosophy which will be that of a human race united the world over" (1971 p 324).

16. Opposing arguments are easy to mount. Changing the terms of an argument is exceedingly difficult, since the dominant definition of the problem acquires, by repetition, and by the weight and credibility of those who propose or subscribe it, the warrant of "common sense". Arguments which seek to change the terms of reference are read as "straying from the point". So part of the struggle is over the way the problem is formulated: the terms of the debate and the logic it entails (Hall, 1982). For example, the claims about the efficacy of markets seem now to be taken as given, or part of our "common sense". Thus the collapse of many of the Eastern European governments is "explained" by the "fact" that capitalist markets are the only efficient way to run an economy. Any alternative "explanations" would be seen as "ridiculous", or straying from the point. This makes any criticism of capitalism increasingly difficult.

17. This is quite a controversial point. It assumes, contrary to much "post-Marxist" work (eg Laclau and Mouffe, 1985) that a "real" socio-economic system exists. If one takes the crude reading of the post structuralist case too far, that signifieds are simply determined by signifiers (that the signifier conjures the real situation into being), or that "nothing exists outside of the text", then there could be no "real" situation to work on.

18. This list of central unifying principles and criticisms of the old principles is not exhaustive, for example in the 1970s the state was supposed to have "mollycoddled society" and produced a "dependency culture" which repressed individual initiative and creativity. The reader will probably be aware of other examples here.

19. In the UK most news programmes now close with at least three different stock market indices and the strength of the pound against both the US dollar and the German mark.

20. The term organic intellectual here is taken from Gramsci who saw the need for the working class to develop its own organisers and leaders. These organisers and leaders are organic intellectuals in the Gramscian sense.

21. This ideology was not totally new in the sense that it involved revolutionary ideas; but rather it involved transforming and rearranging existing ideological elements in new ways.

22. On 24 January 1986 6,000 employees of four of the largest UK papers *The Sun*, *News of the World*, *The Times* and *Sunday Times* were told that they could either accept new conditions of pay and employment (including job relocation from the centre of London to Wapping on the outskirts) or be sacked

23. Unions which have a political fund donate a proportion of their dues to a political party, normally the Labour Party. Trade union legislation passed in 1984 required that members should vote on whether unions should maintain such funds, ie that they should specifically have to decide to "opt-in" rather than to

"opt-out".

24. For a more in depth analysis see Maksymiw, Eaton and Gill (1990).

25. In London because of the concentration of members belonging to particular trade sectors of journalism, some branches exist on a sector basis (eg freelance, evening papers, magazines, news agencies etc).

26. The reason why I say "on the surface" is that the Conservative government at the time frequently used the rhetoric of devolution as a bizarre justification for actually increasing central government (and sometimes state) control. Many powers were taken away from local authorities thereby increasing the powers of central government.

27. The cash shortages of the NUJ have also been the "rationale" behind decisions which have had material consequences. For example, in 1987 the union decided to end long running disputes which it "had no possibility of winning with a consequent saving of more than £60,000." (NUJ Annual Report, 1987-88). The NEC imposed spending cuts which curtailed other union activities.

28. The Journalist is the newspaper of the NUJ.

29. This was defeated by the 1988 ADM.

30. When this article was written Bowie was chair of the National Newspapers and Agencies Industrial Council and a member of the Appeals Tribunal.

31. For example some may take the position that to become leaders would mean that they lose their independence and become too much part of the system.

32. It would have been possible by using non accounting discourse to signify these brave trade union struggles in other ways. For example, the politicisation of many of those who participated in the disputes could have been emphasised.

33. There was a motion being put forward at the 1989 conference to increase subscriptions by 7-10% which was passed.

34. Eagleton (1991, pp 223 -224) explains this as follows-

No radical who takes a cool look at the tenacity and pervasiveness of dominant ideologies could possibly feel sanguine about what would be necessary to loosen their lethal grip. But there is one place above all where such forms of consciousness may be transformed literally overnight, and that is in active political struggle. This is not a Left piety but an empirical fact. When men and women engaged in quite modest forms of political resistance find themselves brought by the inner momentum of such conflicts into direct confrontation of the power of the state, it is possible that their political consciousness may be definitively, irreversibly altered. If a theory of ideology has any value at all, it is in

helping to illuminate the processes by which such liberation from death dealing beliefs may be practically effected.

35. The motion for an increase in subscriptions resulted in 152 for the motion and 98 against. However, the motion fell because it needed a two-thirds majority.

36. Gramsci believed that we are all intellectuals but that not everyone in society has the function of intellectuals.

ON THE PROLIFERATION OF ACCOUNTING (HIS)TORIES

This paper was published jointly with Prof Puxty

ON THE PROLIFERATION OF ACCOUNTING (HIS)TORIES

ABSTRACT

While many existing accounting histories are claiming to be broadening their scope to encompass the organizational, the social and the political, they are nevertheless trapped in a logocentric ontology. This paper examines the nature of such histories drawing extensively on Marxism and poststructuralism. It proposes a (re)presentation of four selected histories, and an alternative understanding of the academic structures which produce and proliferate such accounting histories. Further, in line with the philosophical underpinnings of the paper, it proposes a view of humanity in which we are seen as subjects driven under advanced capitalism by a desire for self-reflection; a different view of humanity from that found in mainstream accounting research. Histories are viewed as commodities: and it is argued that the process of commodification of accounting histories and their authors is consistent both with Baudrillard's claims concerning the proliferation of systems of self-referential signifiers and with Marxist theories of control over academics in the interests of capital. The purpose of all this is to probe into the increasing commodification of academic labour and to consider how this is accomplished in a highly complex advanced capitalist society.

KEY WORDS FOR INDEXING: accounting, Baudrillard, commodification, history, poststructuralism, signification.

ON THE PROLIFERATION OF ACCOUNTING (HIS)TORIES¹

Accounting history has traditionally been concerned with the 'mechanical, procedural and technical aspects of accounting' (Johnson, 1986, p.68). Johnson has claimed that recent approaches to accounting history, through incorporating the organizational context of management accounting, have progressed significantly from what he describes as the "Littleton School" (Johnson, 1986, p.67)². Other approaches to accounting history (e.g. Hoskin and Macve, 1986; Miller and O'Leary, 1987; Hopwood, 1987; Loft, 1986) have also contextualised accounting practices, albeit differently, and have been labelled "the new accounting history" (Miller et al, 1991). We accept that these latter histories offer political insights previously denied to accounting history; especially in relation to the control of the individual.

This paper too might be described as a new history; in it we attempt two linked tasks: to interrogate the academic and political structures within which accounting histories are developed; and to undermine the nature of the reality that accounting history claims to work with, in order to problematise the most fundamental beliefs about the uncovering of truths through historical studies³, whether they be traditional (Nobes, 1982); avowedly revisionist (Johnson, 1981); Marxist (Tinker and Neimark, 1987) or Foucauldian (Hopwood, 1987)⁴. We offer a rhetoric to prise open logocentric closed ways of understanding accounting. In a complex and frightening advanced capitalist world this disruption is desirable if it allows for empowering ways of understanding accounting and accounting histories. We view the histories we discuss as commodities, produced by commodified labour in an increasingly factory-like controlled University environment.

Our writing is structured as follows. In the next section we outline structuralism insofar as it is important to our Marxist/poststructural understanding of history as text. We then consider the commodification of accounting histories and accounting historians drawing from Marxist concepts of labour. In the following section we consider accounting histories as "Baudrillardian signs". A critique of the four histories under consideration is then presented, and we finish with our conclusions concerning the commonalities of these apparently diverse historical texts as a proliferation of histories in an advanced capitalist world.

HISTORY AS TEXT

We have no direct access to history. Our interrogation of the debris of the past presents us with the problem of reconstructing something that can never, holistically, be reconstructed. All facts are partial, since it is impossible to know the whole. The nature of ideology makes the partial presentation of facts favour some rather than Others⁵. We propose that we can only understand *anything* including history *as text* and contend that there is no access to anything except through language. This is true of our reading of historical traces generally: it is doubly true when the accounting-historical text itself consists solely of written manuscripts. The aim of our textual (historical) analysis is to uncover processes and structures at work in a text which may not be immediately discernable.

The centrality of text is important to our argument because we derive certain insights from poststructuralist strategies to undermine texts. The very brief account of the component parts of words (the sign, signifier, signified and referent) that follows is explicated in more detail in Arrington and Francis (1989), Puxty (1993) and Harland (1987). Signifiers take meaning through *difference* from other signifiers. The sign (consisting of signifier and signified) has a

referent in the world; but signifieds

are purely differential and defined not by their positive content but negatively by their relations with the other terms of the system. Their most precise characteristic is in being what the others are not.

(Saussure, 1959, p.117)

If *real* referents exist then there must be an underlying trans-historical and trans-cultural unmediated truth. When reading a text, it is traditional to search for the *intended meaning or truth* underlying the text. To discover what a text means we ask the author either literally, or by interpreting the text through the imperative 'what did the author mean by this?' We reject this mode of discovery (see Cooper and Puxty, 1994). We reject the notion that there are *real referents* to which we can have direct access without a mediating language. This view overturns a metaphysic which assumes that "true meaning" is possible. The belief in *only one true* unmediated meaning is tyrannical because it allows for no alternative political or cultural understandings. When confronted with a text there is no reason why the meaning of that text should be constrained by the straitjacket of the author's intentions which in any case are likely to be multiple and ill-understood, even, by the author.

In the case of accounting history this means we are not constrained by the intentions or individual beliefs of the actors who undertook the accountings that we attempt to understand. This then leads to the question: if we are to de-privilege the author, how are we to interpret a statement? The *contextualisation* of text is an essential strategy for disrupting the *logos* of authorial legitimacy. But context is boundless. Like an inverted pyramid, any given context can be given fuller and fuller descriptions. This produces a structural openness, and allows the possibility for historians to bring new or reinterpreted political perspectives or theories to bear on a particular event. More importantly, a continual

recontextualisation allows readers to bring new political understandings to extant text.

The political problem posed by the poststructuralist possibility of infinite recontextualisation, the insistence that there is no one final inescapable truth and the loss of referents, is that nothing can be considered to be right or wrong; if there is *really* no referent there can be no pain, or no child dying of starvation. In one sense, therefore, poststructuralism allows for no solid political position to be taken. This is not simply a question of stepping from the solid unchangeable ground of metaphysics to the quicksand of post-structuralism and a slow nihilistic death. Some readings of post-structuralist philosophy might fall into this trap. We try to avoid this by recognising that we cannot escape metaphysics. We want to promote a materialist conception of language and position the political and economic system (or our material conditions) as our referent. We do so because we wish to recognise both the effects of the system *and* that the system can be changed. Signs are not independent of all material determinants. This understanding of signs moves away from the tyranny of advanced capitalism which has insisted on its own self-serving metaphysical groundings. There is never the need to defer to any particular history as definitive because the nature of the history-text does not permit this silencing of the future.

An explanation of the notion of history used in this paper (following Derrida, 1981), necessitates our giving a brief account of *meaning* and *context*. Discourse, meaning and reading are historical through and through, produced in processes of *contextualization*, *decontextualization* and *recontextualization*. Recontextualisation will not prevent radical ideas and language being recuperated⁶ but forces us to develop our language in the light of a changing political world. Our critical decontextualization of the four chosen accounting histories is an attempt to subvert the belief that it is possible to write authoritative accounting history. In two of the four cases we also attempt to re-radicalise these histories.

Our programme is not to tell a more perfect history or to define any meanings or origins. It is intended to contribute to a critical undoing of the hierarchical oppositions on which theories depend, such as good/bad scholarship or true/false representations of facts. In this way we attempt to disrupt any faith in capitalist metaphysical theories as an unquestionable genesis: because once the text has been successfully challenged as a text, the *logos* of the author/father has been undermined. This is not simply a question of undermining great men (just for the hell of it?). It is more a question of trying to bring about new understandings, hopefully derived from our own political struggles⁷.

Reversal and *neutralisation* are important in this respect. They may be understood by taking the example of the position of women⁸, whose phallogocentric subordination is achieved through two principle modes. The first is binarism or opposition, which creates the hierarchical relation male/female in which the male is considered always to be superior or dominant over the female. Derrida and others have pointed out that the established pattern of perception and classification in the West is organised through dual, hierarchical oppositions. *Man's* desire to be at the origin has initiated a process of separation in which the Selfsame - the ownership (what is mine, hence what is good) - is differentiated from whatever threatens my own good - the Other. In this hierarchical, binary system of language, the "masculine" sign⁹ is always seen as being superior to the "feminine" sign (Man/woman, Head/Heart, Intelligible/Palpable, step/ground where steps are taken (Cixous, 1986).)¹⁰ The second is the neutralisation of sexual difference through a movement of subordination to ontological difference; in other words, sexual difference is assumed to be natural and women are assumed to be naturally inferior to men.

It is not enough to deny the hierarchical relation. As Culler (1983, p 165) explains, it "does little good simply to claim equality for writing against speech or for woman against man; even Reagan Republicans will pay lip service to

equality"¹¹. Instead of merely denying the hierarchy, it needs to be subverted.

Culler quotes from Derrida (1981, pp 56-7/41):

I strongly and repeatedly insist on the necessity of the phase of reversal, which people have perhaps too swiftly attempted to discredit ... To neglect this phase of reversal is to forget that the structure of the opposition is one of conflict and subordination and thus to pass too swiftly, without gaining any purchase against the former opposition, to a *neutralisation* which *in practice* leaves things in their former state and deprives one of any way of *intervening* effectively.

We emphasise the need for reversal, extending it to include oppression in class and race as well as gender¹². Writing (an)other history potentially provides Others with a different, perhaps empowering, constitution of self (eg Hammond and Streeter, 1994). Change can be induced from the "negative" space, the "outside", the position of subordination or from the Other. But change cannot come about through simply asserting that we should be equal. Writing an Outside history, or allowing (an)other reading permits Other perhaps more revolutionary value-laden presuppositions. To allow the subordinate to gain some purchase against its opposition requires a reversal of positions. To facilitate this reversal, the subordinate may need empowering. This might involve for example the writing of accounting histories which valorise certain groups classes or races¹³.

When we understand history as text, then each sign (presented by traditional history as a 'fact') can be understood in its difference from other signs in that history; in other words, to read the signifiers of history we need to consider their context. For example, to read the term "waste book" in a history requires that not just the physical written volume should be addressed by the historian but also the context in which the idea of a waste book presented itself within that time period. In accounting history, the economic is ever-present. Thus to attempt a reconstruction of any period's array of signifiers in context, we need to address the

role of the economic system in the making and disruption of histories; moreover we need in an act of reversal to consider the victims of the economic who have been silenced by traditional history.

COMMODIFICATION IN AND OF HISTORY

All the histories we consider are, at least in part, concerned with commodification. The papers are *about* commodities in some way or other. More significantly, they *are* commodities - they are texts to be consumed, that are produced by *commodified* labour and they are distributed in journals that are commodities. The importance of the production *of* commodities (accounting histories) *by* commodified labour, *for* commodities (journals), will be dealt with in the next section. For now we shall deal with the four chosen histories' concern with commodification. Each paper has its modernist concern with the commodity. Nobes's object of analysis is the ledger, and its means of representation of the commodity; Johnson is concerned both with the implications of cost structures inherent in the manufacture of the commodity and with the different structures of commodification of manufacturing labour; Hopwood with the shifting of the accounting calculus as it weaves its way through the organizational manufacturing process: and Tinker and Neimark consider, dually, the manipulation of woman in the labour process of producing commodities, and the commodification of woman herself.

Bourgeois economics¹⁴, its origins in the market, focuses on the commodity. The humanity of the individual person who undertakes productive activity is bypassed, and peoples' value as labour power only is considered¹⁵. This is excused by appealing to the process of abstraction; other features may be treated as irrelevant¹⁶ given the way the problem is defined. This kind of approach to

abstraction is however a terrorism over the conceptual space: students and researchers alike are policed by the *discipline* (the common use of this term is not accidental) to stick to that which is acceptable: and the conceptual space of economics is filled with efficiency, profits, rents, barriers to entry, and the rest of this dehumanised discourse. In accounting, considerations of humanity are left on the Outside, in the negative space. Accounting also ignores many Other types of labour, such as housework. The commodification of the person into his or her labour power is particularly salient. The individual person is frequently indistinguishable in economic analysis from the candy bar or the vacuum cleaner: the significant features of people and objects alike are understood similarly by neoclassical economics by drawing curves in a two-dimensioned space, or through the equations of general equilibrium theory. The commodification of labour is inherent in the capitalist system.

Marxist theories bring an important political edge to our concern with the commodity. Tinker (1991) insightfully reminds us that Marx differentiates between labour and labour power. *Labour* includes the full set of human potentialities. *Labour power* is the commodified form of labour; it is that part of labour that is purchased with wages, and in this sense, in the present economic system, is the same as any other commodity. It is possible to read Marx's concept of labour with its overflowing potentialities (joy, love, warmth) as being the Other (or the repressed, silenced Outside). This makes labour a source of difference, criticism and change. However as Tinker points out, the difference between labour and labour power is an antagonistic one in the sense that the commodity products of labour power frequently come to dominate the lives of the people who work for them.

The commodity products (in this case, refereed journals/publications that are produced/refereed/ranked by academic labour) of accounting academics increasingly dominate and oppress their lives. Academics are re-commodified¹⁷

by their own labour power. For individual academics there are clear institutionalised economic benefits to publishing; for example tenure decisions, appointments and promotions are made on the basis of an individual's publication records. In the UK the re-commodification of academic labour has been clearly institutionalised through the university research ranking system¹⁸ which directly relates funding to research ranking scores. These institutionalised economic processes are important to our argument because they help explain why commodified and newly re-commodified accounting researchers write traditional, undistinguished, non-disruptive accounting histories *and at least as importantly*, the impact that this has on the researchers themselves. Thus we find the categories of labour and labour power valuable in exploring the writing and production of (proliferating) academic accounting histories. However, the desire to publish is only partly motivated by the economic¹⁹. There are other related drives behind the *desire* to publish in, for example, *Accounting, Organisations and Society*, the *Accounting Review* or, indeed, in *Critical Perspectives on Accounting*, these are dealt with in the next section.

We now consider two further Marxist categories - exchange value and use value²⁰. What is the exchange value of (say) Nobes's, Johnson's, Tinker and Neimark's, Hopwood's or our paper? How does the market for academic papers "work"? The use value of a paper originates in its producer's joy, warmth and comprehension - all things that the market system of exchange cannot measure. But what about the exchange value? Is one *Accounting Review* paper worth much the same as any other? In terms of current UK departmental ranking and, in general, US tenure decisions, it seems that it is²¹.

It is essential here to raise the important political question of interest and decide how the proliferation of accounting histories, research rankings, academic journals and other signs, helps to promote the interests of certain groups (or classes) above other groups (or classes). There is an increasing tendency by the

State in the UK to try to control academic labour, at present with seemingly little resistance. The rhetoric of *the Professional*²², perpetuated in relation to academics, serves to undermine any notion that academics have of themselves as commodified labour (cf Puxty et al, 1993). The outcome of the struggles in the UK to re-commodify academic labour is still unclear; but the cards are always stacked in favour of one social group rather than another²³. For example, older, richer universities with well established research records will manage more easily to keep their high research ranking scores maintaining an elitist two tier tradition in British higher education. Hence the mutual re-commodification by, and alienation of, academic accounting labour promotes the interests of certain groups and the perpetuation of capitalism.

THE PROLIFERATION OF THE SIGN AND HISTORIOGRAPHY

A post-structuralist key to understanding the nature of advanced capitalism is the ubiquity of what we might call the "Baudrillardian sign"²⁴. To Baudrillard (1975, 1981)²⁵, whereas in previous ages objects tended to be valued for themselves within the simplistic propositions of *usage* (the pot was needed for cooking, the novel for reading) value has now come to inhere in the sign itself. Objects are wanted not for consumption in the normal sense of the word, but for the assemblage of signs bundled in the object. The pot has a designer label, is styled to look good in the designer kitchen, and is coloured to match similar pots. The novel is iconised so that an image inheres in the reading of Jackie Collins, Marcel Proust or Salman Rushdie that is significant both to those observing the reader in public and to the reader's self-image. An economic understanding of humanity as wanting things to survive cannot be sustained in a consumerist world of plenty. To understand the commodity today is to understand the sign as taking its meaning from its differentiation from other signs. This means that consumption takes on meaning, and grows, through the entanglement of the system of signs

within which the consumer is implicated. This is as true of the act of production as it is of consumption, because to produce signs is itself a means of defining oneself as a sign. To be the producer of text called accounting history (or even Jackie Collins!) is to define oneself as a sign as much as to consume it by reading the text.

The thought provoking extension that Baudrillard makes to Veblen's notion of conspicuous consumption is the claim that the sign systems have become wholly self-referential. We live in a system in which signs are objects of consumption²⁶. There are whole economies of the production and consumption of signs *as* signs. The result has been the collapse of the signifier-signified-referent plan of Saussurean linguistics. This leads Baudrillard to conclude not only that "use value no longer appears anywhere in the system" (1981 p.87) but that, in the welter of signs that accompany advanced capitalism

'The sign no longer designates anything at all. It approaches in its truth its structural limit which is to refer back only to other signs. All reality then becomes the place of semiological manipulation, of a structural simulation. And whereas the traditional sign ... is the object of a conscious investment, of a rational calculation of signifieds, here it is the code that becomes the instance of absolute reference'²⁷

We find the logic of accounting history to inhere in the interplay between the production of texts of histories and the consumption of those histories. Accounting itself has proliferated, and many kinds of organization beyond profit-oriented organizations must now produce financial accounts (stories) about themselves. This proliferation has extended to both the teaching and the research processes in academic production, as self-referential theory has overlaid itself. To view accounting histories as artifacts intended to make sense of the past is thus to miss a greater part of the production and consumption process of those histories. Instead, each accounting history is

located in a network of other accounting histories. That network then constitutes a large part of the subject-matter of any new accounting history. Accounting histories are telling us as much about accounting histories as about their supposed referents. The *intertextuality* of accounting histories becomes so pervasive that any immanent claim to authenticity about the past is lost. Much of this intertextuality may be attributed to the process of history production through academic journals, because the benchmark for accepting any history by the journal's gatekeepers is a set of other histories.

This brings us to the "non-economic" driving forces behind the *desire* to publish in *Accounting, Organisations and Society*, *Critical Perspectives on Accounting* or the *Accounting Review*. These titles are quintessential Baudrillardian signs, as are the authors published in them. They are self-referential; they "feed into themselves". They are driven, incorporated, transformed and re-commodified by the process of differentiation. Most importantly for our purposes, these Baudrillardian signs are objects of *desire*. According to a Lacanian²⁸ position in which the anxious human subject constantly desires self-reflection or recognition by others, it is not difficult to see why the desire to publish in certain journals and *become a Baudrillardian sign* is so great. What is more difficult is to disentangle this desire from economic concerns. Many academics continue to publish (at their own expense) after they have retired when there is no economic need to do so. Anecdotally academics admit that they would want to publish even if their jobs were not dependant upon their publications record. Publishing in refereed journals does seem to make some people, including us, momentarily happy.

Viewing the research and publication process in this way renders accounting histories - indeed, all published accounting theorising - both ontologically and epistemologically problematic²⁹. The ontological presuppositions about

the possibilities of writing 'natural' histories that are common to accounting history can no longer be unquestioningly accepted. Traditional histories are written in a context which assumes the "economic facts of life" to be given. But in the light of the questions we have raised about the nature and context of the sign, these certainties begin to collapse. As they do, they take with them any confidence in the truth value of the representation of the referent that is claimed to underlie accounting history. We see these histories as *commodities* within the economy of the sign. It is significant that this has caused little self-reflection on the part of academic accounting writers: for in the pressured world of the academic, the pressure to *publish* (in specified journals), to produce an increasing number of signs, is great. Most producers of accounting histories, being caught in the web of previous histories and desiring to become Baudrillardian signs, have no space in which to concern themselves about the victims of accounting³⁰. The first two histories we consider below are particularly susceptible to this criticism.

In contrast, the second two histories are prepared to negotiate the methodological underpinnings of their arguments. They acknowledge that a positivist method, allied with traditional rationalistic assumptions cannot encompass the richness of the process of history as it works through accounting statements and accounting processes. These latter two histories aim to aid in our understanding of accounting's perpetuation of neo-classical values and its force in mediating human lives. However, they too were written in specific historical and political contexts and so we make a radical attempt to recontextualize them. We, of course, expect others to recontextualize our own writing; we are also not writing from a position of truth.

FOUR HISTORIES

The four accounting histories that we consider display differences among themselves. We make three preliminary points. First, any critique that either objects to the particular form of a paper or suggests an alternative approach is frequently taken to be merely an account of what the critic would have written had he or she undertaken the original text. It also smacks of the Derridean binary opposition, setting the critic's better text against the inferior existing text. Yet to view this as an adequate rejoinder to any criticism/critique is to miss the point: for not only does it inoculate any text against any criticism other than that of internal contradiction (cf Arrington and Francis, 1989) or misapprehended 'fact' (Mills, 1990), it tends to leave intact the purpose of reading as being to decipher the intentions of the author. The recontextualizations that follow should therefore not be read as 'what the papers should have been', but rather, how they might be read given our re-commodified positions and alternative theoretical positions.

Secondly, none of the histories makes explicit broad claims to being a contribution that transcends historical specificity (with the possible exception of Tinker and Neimark). Thus any discussion such as the one that follows is an engagement with a whole matrix of histories, written at a certain time, by commodified academic labour, with certain desires. They are not four isolated instances:

The third point concerns the positioning of the named author in this. In the passages that follow, we refer both in headings and in the text to the authors. It is not intended by this that we are personalising our comments (cf Cooper and Puxty, 1994), in which case critique would have become personal criticism. Any text is a joint production of author(s), referees, journal editors, publishers, the academic community, our history, our culture, our economic conditions, the maternal rhythms we experienced before birth and so on; and this means that no author can be autonomous in the discourse he

or she generates. Authors' names are used here simply as brief labels, being shorter than the papers' titles.

NOBES (1982)

Nobes' text is concerned with an account book of the London branch of the Gallerani company that covered the period from 1305 to 1308. He examines the original account book to establish whether or not it is in the form of double entry. He presents a selection of "facts" that he considers relevant: a description of the merchant firm whose account book it was, and a description of the surviving book he was able to examine and those that are now missing. He describes journal entries; considers the nature of double entry, discussing other authors' arguments; and draws conclusions about whether the book available to him qualifies as double entry under these criteria. It seems that the *referent* of Nobes's history is the set of two volumes of translations of the Gallerani accounts (*inter alia*) which he refers to as the Bigwood books, which he claims contain "a number of simple translation errors" (p.304). At the outset then Nobes's work is problematic on both ontological and epistemological levels. There is an internal tension between the Nobes history as a history of the Gallerani accounts and the Nobes history as a history of the 'errors' of the Bigwood books; between, that is, his history as a recovery of the referent ('what happened') and his history as contemporary intertextuality (the web of texts *about* Gallerani).

Nobes' text makes a metaphysical appeal to essence³¹. There is an unstated presumption: that there is a definable class of accounts that may be described as double entry; that there are other sets of accounts that are not in this class because characteristic features of that class are absent: and that therefore we may understand a historical document through a discourse which

distinguishes between members and non-members of the class.

This approach will be familiar to those acquainted with analytical philosophy. Despite the difficulties posed by a representational theory of language (or in our case, a representational approach to signs), it is implicit Nobes's approach, that the *essence* (double entry bookkeeping) may be understood as representing the things within that class. Thus all individual double entry bookkeeping systems together *define the set* of double entry bookkeeping systems, and the only possible meaning of such a system is derived from the enumeration of the contents of the set of such systems. The Nobes text defines its problem as deciding whether or not the Gallerani account book was a member of that set.

We show this approach to be problematic by considering the nature of the Gallerani book itself. Any written text is itself a type of discourse, and consists of a set of signs. The ink signs on the page are one such example; the book itself and what it represented to the merchants is another. The book can therefore only be examined as a set of signifiers, since that is all that is or can be presented to the perception of the historian. The difficulty with this is that the historian then proceeds to claim to understand those signifiers purely in terms of referents: or indeed, claims that the *referent itself* is open to the historian. However, "facts" can only exist in discourse and since discourse changes over time, there is no unproblematic access to the real for the historian (Barthes, 1967). The Gallerani text would therefore need to be contextualised within the signification for the whole social matrix of its time.

This argument, then, treats each historical period as constituted within itself through a web of meanings at that particular time, and does not acknowledge any *necessary* traces of meaning either from a previous period or traces

leading into a future period. This would seem to make our argument Foucauldian, where we suppose that there is an essence, although that essence cannot be said to be trans-historical³². We are, in fact, questioning the notion of essence as a category. In a Foucauldian framework the notion of double-entry might be interrogated as part of a system of thought within an era. But this necessarily leaves it open for the historian to ask whether the Gallerani book was double entry *within the meaning of double entry at that time* (Nobes of course treats double entry as a transcendental concept). This in turn leaves a space for a contiguous categorisation (single entry, double entry, triple entry and perhaps things in between). This kind of contiguity was questioned in *The Order of Things* (1977), in Foucault's oft-quoted reference to Borges' "Chinese Encyclopedia". Foucault used the Chinese Encyclopedia to show how a classification scheme which was apparently full of meaning at some time, becomes unimaginable in another time (perhaps ours). Any historical continuities (or discontinuities) may allow us a richer understanding of our present position; but we believe that in order to sift the continuities from the discontinuities we need to be aware of our cultural biases and of the economic and social contexts of different periods.

Not only does the Nobes text fail in any interrogation of the question it sets itself - whether a set of books was double-entry or not: it fails through its negation of any questioning from the outside, or from the position of Other. The text claims specific priority over earlier texts on the subject of the Gallerani because it is a text authored by an accountant³³. This move, for the author to interpose his being and past socialisation into the text, is unusual in the historical literature. The appeal relies on the expertise of the author; and in doing so it denies any space to interrogation. The labelling of the author as accountant, in contrast to earlier Gallerani investigators who laboured under the label of economic historian, appeals to an unspecifiable expertise as evidence for the *hierarchy* and privileging of the new (Nobes)

text. This argument is unsustainable. A text is constituted through a dialogue between the reader's understanding and the words of the text itself. The particular knowledge-training that had been undertaken earlier by the author cannot provide grounds for any authority-claim on the part of the text: and indeed, any attempt to do so is an attempt to silence the reader through the monological weight of the author's superiority. If this were not so, then any reader who disagrees with Nobes' interpretation need only repeat that she too is 'an accountant', to remove the author's privilege. The argument would then revolve around who was the 'better', or 'truer' accountant, rather than around the quality of the textual analysis itself. These are very shaky grounds for historical scholarship.

Nobes's closed, teleological approach to history, its narrow concern with *double-entry book-keeping*, adds very little to our understanding of the historical *development of accounting*³⁴. The explicit lack of contextualisation in Nobes's work may be read as a belief that no contextualisation is required. The hierarchical binary opposition system of language in which the dominant term is considered to be at the origin can be seen very clearly in this history. There is no space in the Nobes text for the Other. For him, accountants have authority to decide what double-entry book-keeping is. Advanced capitalism in the Nobes' paper is *the* natural economic system. Furthermore, double-entry book-keeping seems to be more important than humanity; more important than any of the consequences of its use. No room for the victims of the system here.

JOHNSON (1981)

Like the Nobes text, the story presented by Johnson shows faith in the notion of essence³⁵; in this case, the essence of cost accounting as a bounded system

distinguished from industrial bookkeeping (p.510). We are told that historians are agreed that cost accounting arose 'only after the late eighteenth century' (ibid). The subject of Johnson's paper is the *reason* for the emergence of this system. Johnson's text appears to argue that though there is truth in the claim that it arose because of the need to account for the high capital investment that characterised early capitalism, other factors are implicated in its rise: the factor he emphasizes is the rise of new methods of organizing economic activity.

Johnson (1986) claims that his and similar historical work is superior because it acknowledges the organizational environment of management accounting. That claim is crystallised in Johnson (1981). Unlike Nobes, who did not claim to find a relationship between the trading and other features of the society that he describes on the one hand, and the emergence of double entry on the other, Johnson's text does claim to explain an accounting feature by reference to that accounting's environment. More: it claims to be able to distinguish one environmental factor from another. However it shares with Nobes's paper the tendency to collapse signifier, signified and referent into signifier and referent - and, indeed, to mystify the relation between signifier and referent. Thus Johnson does provide a contextualization, albeit a weak one. The paper has no difficulty in making sense of a past world on behalf of its subjects. Because it conceives of nineteenth century capitalism as natural and good, the text ascribes to the actors of the time both rationalistic activity and rationalistic discourse. For example, it treats the notion of goal congruence as unproblematic:

The capacity of managerial accounts such as these [*i.e. productivity cost monitoring*], then, to promote goal congruence in a hierarchical system and to provide cost information about internally-coordinated processes clearly indicates that industrial organizations used double-entry

systems to gather useful managerial cost information long before they used such systems to account for the costs of long-lived assets. (Johnson p.514)

To Johnson, when workers try to produce more to earn more, and the owners wish them to produce more, the system has achieved goal congruence. We are invited to accept that there are no goals for a worker beyond the production goal; there seems to be little possibility of workers resistance to the dehumanising drives of capitalism. Those who used to be domestic outworkers and are now disciplined to the rhythms of the factory are further coerced into accepting piece-rate systems by the unfettered power of the owners of the means of production: and this is transformed by the sleight of hand of the paper's history into the pluralistic expression 'goal congruence'. Yet had the paper examined the place of the worker in the relations of production and in the power structure of society, where there are strong elements of a zero-sum game in the extraction of surplus value, it would have found an insuperable difficulty in making the claim of goal congruence. This point is also made by Neimark and Tinker (1986).

Now this is just one specific instance of a general characteristic of Johnson's inside history. He recounts the traditional economic story of day rates and piece rates as follows:

... these first cost controls also provided incentives and controls that prevented employee opportunism from dissipating the productivity gains inherent in mechanized, multi-process systems. Workers had a natural inclination, of course, to use their time efficiently when paid piece-rates; they had no automatic incentive to pursue the same goal when being paid a wage (p.514).

Supposedly disinterested reportage, this passage is packed with value-judgement, of workers naturally shirking and thereby depriving the owners of their profits. In order to re-contextualise Johnson's work we offer the context of the *Reports of the Inspectors of Factories* in 1866:

Wheels, rollers, spindles and shuttles are now propelled at increased and increasing rates; fingers must be quicker and defter in their movements to take up the broken thread, for, if placed with hesitation or carelessness, they are sacrificed ... A large number of accidents are caused by the eagerness of the workpeople to get through their work expeditiously. It must be remembered that it is of the highest importance to manufacturers that their machinery should be in motion, i.e. producing yarns and goods. Every minute's stoppage is not only a loss of power, but of production, and the workpeople are urged by the overlookers, who are interested in the quantity of work turned out, to keep the machinery in motion; and it is no less important to those of the operatives who are paid by the weight or piece, that the machines should be kept in motion. (quoted by Marx, 1976 p.552)

The Victorian factory inspectors who wrote these words have the advantage over modern-day accounting historians of having observed these processes taking place. After the passage quoted they go on to describe how workers have to clean the machines while in motion (an extremely dangerous practice forbidden by the law of the day) while being unpaid for doing so, and how the result is a number of accidents "much larger than on any other day" (ibid.).

The putative contextualisation of accounting by Johnson's text obliterates the Outside (non-dominant class) history. The factory inspectors' picture of misery, of the workpeople who, in their own time and unpaid, have to clean moving machinery and risk the loss of fingers or even whole limbs, is a tale from history that recontextualises the accounting story proposed by Johnson. This tragic contemporary account reflects the power structure of the time, in which the workforce had no choice but to submit to the power of their employers. It is difficult to read these stories as Johnson would wish us to do, as arms' length contracts freely entered into, when we learn that a "favourite operation with manufacturers is to punish workers by making deductions from their wages for faults in the material supplied to them" (*Reports of the Inspectors of Factories*, 1863, quoted by Marx, ibid.). According to the quotation from Johnson provided

above, cost controls were needed to "prevent employee opportunism from dissipating productivity gains". With this kind of structural power on the owners' part, it becomes clear that capital owners were absolutely determined to extract as much profit as possible from their workforces, whatever the human cost.

There is a further contextual omission in Johnson's account, which constitutes a significant feature of any social system: the symbolic synchronicity as well as the symbolic history of the attributes concerned. The text claims to penetrate the world of signs to reach the material referents. Yet the interplay of signs is omitted, both within the single historical period, and from period to period. By treating the accounting environment as merely an economic system mediated by market prices, and omitting the semiotic structures of the time, Johnson's explanation is deficient in two ways: through his reification of the rationalist enterprise that modern management accountants classify as a cost system, and by his treatment of the supposed emergence of that reified cost system within its fullest context. This presents the difficulty previously referred to: that synchronic structures can play no part in explaining a diachronic development (Bennington and Young, 1987). This is however no barrier to the tracing of symbolic structures and their trajectories through time, with the various possibilities of retention, supplementation, and residues.

Johnson defines the operational activity of the organizations that form the context of management accounting as a series of referents to which he has access, and which only take on meaning through production. It is feasible that the seeds of management accounting systems arose through the need for the authorities under capitalism to make themselves visible to their workforces: to show they were in power, and would be able to conquer any worker resistance. Taking this view the signification of cost accounts as symbols of strength, authority, legitimation and power of the masters would have become salient. For the Johnson text to have acknowledged this would have immanently destabilized the legitimacy of the

structures of capitalism: for by the act of naming, we bring phenomena into question³⁶. By omitting this even from the notion of the organizational context, Johnson's text is silencing the outside. It must be incredibly hard for serious historians not to be moved by the plight of the emerging working classes and their brave struggles to win safe work practices, and decent pay and conditions, yet, this omission may have been essential for the paper to have become commodified through being publishable in the *Accounting Review* and thus joining the galaxy of similar uncontextualised histories.

TINKER AND NEIMARK (1987)

Tinker and Neimark use General Motors' annual reports in order to trace the evolution of managerial ideology concerning women over a sixty year period. It considers annual reports as ideological instruments for promoting policies, beliefs, attitudes, and practices that perpetuate the inequality of women and other disadvantaged groups. To Tinker and Neimark, the manner of women's exploitation changes with changes in the crises facing capitalism. The almost deterministic emphasis of the economic system is a problem here, but there are other problems. According to the paper, the starting point in any analysis should be capitalist alienation. This may be an empowering starting point for women, but this paper does not consider women's alienation. It rather relies too heavily on a distorted reflection of women in a large capitalist company's annual reports. This is not a women's history, for women are not allowed to speak for themselves.

Tinker and Neimark's avowedly Marxist history is an example of the "political economy of accounting" (see Hoogvelt and Tinker, 1978; Tinker, 1980; Cooper

and Sherer 1984). This history examines "the issue of female oppression and the relationship between the nature of women's role in society at particular historical periods, and the cyclical development of business enterprises in market economies" (p.72). In bringing the issue of women into the accounting literature the paper constitutes an important and poignant trailblazer. Its Marxist contextualisation and its concern with women presents a vigorous political awareness that working class solidarity is splintered by the State's use of gender and race. The comments made here are made with a sharp awareness that there is no one over-arching or correct feminist theory, and that the women's movement has many competing understandings still very much debated and developing. This commentary attempts to *recontextualise* the paper in terms of the current feminist/feminine debate which may help to further empower women. Some recent feminist writing proposes that equality does not mean sameness, but is concerned with the respect of difference. The notion that we should respect difference is perhaps one of the most important feminist developments of the 1980s. It is debatable whether an accounting paper written by two academics can empower women³⁷. However, in an attempt to empower women, our discussion here tries to allow the outside to speak, allow the repressed Other to come into existence.

Tinker and Neimark argue that "studies of female exploitation frequently pay too little attention to the broader social context; particularly alienation and crises in the development of late capitalism". The paper from the outset then, with its particular emphasis on *alienation and crises in the development of late capitalism*, privileges the economic. Its contextualization is explicit, although the meaning of *broader social context* in the paper appears to be the rather narrow one of the economic. The concentration on the economic is, in our reading of the paper, at the expense of the possibility of empowering women, for although it provides some explanations of the way women are repressed in society, it does not provide an adequate *reversal*. The contention of the paper is that

only when female repression is situated in a long-term analysis of the evolution of capitalism can we begin to identify the reasons for the resilience of the ideology supporting sex typing,..., as well the causes of major switches in women's social roles (p 72).

The paper's concentration on the economic is at once *too little* in that it fails to see the economic implications of its analysis for women (especially at a micro-level), and *too much* in the sense that the "big economic picture" is privileged at the expense of many other important aspects of society, not least language, or indeed women themselves. The paper sees all "instances" of female oppression as emanating from capitalist social relations, and it is only if we can see these instances as a larger part of a mutually reinforcing configuration of instances that "we are likely to begin to adequately comprehend the resilience of social ideology concerning women and develop effective political and social counter strategies." There are many examples of women's oppression in societies other than capitalist ones; indeed women's oppression appears to be cross-cultural and trans-historical (French, 1993).

But does the paper encourage/empower women to develop effective political and social counter strategies? The paper has an interesting and important section on *patriarchy vs class*. It pays brief attention to the work of Christine Delphy (1976). But does not address her concern that the overthrow of capitalism will not lead to equality and emancipation for women (although Tinker and Neimark do not explicitly deny this). If needs and desires are socially constructed, then it must be possible to have a socialist society in which the socially constructed position of women is less than that of men. Of course women may, as a political strategy, choose to attack both patriarchy and capitalism as the paper suggests, but this political decision is not arrived at naturally or spontaneously. Women and feminists have multiple agendas.

Women's multiplicity is somehow lost within the paper since it appears to assume homogeneity among women.

A longitudinal study of the corporate policies of General Motors, spanning some sixty years, not only provides a panorama of an array of roles assumed by women in different eras - as wives, employees, trade unionists, as mothers and as consumers - but it also reveals patterns of reinforcement between those ostensibly separate roles that cohere into a socially constituted person; one who is moulded and remoulded to fit the needs of capitalism at different phases in its development (p 76).

The paper later suggests that women in the post-war era became "consumers". This too seems to be assuming too much homogeneity amongst women. Many working class women are forced into the difficult position of having to take paid employment and run a home with (for example) inadequate child care facilities in order to be able to afford a very basic (albeit socially constructed) standard of living. Tinker and Neimark point out themselves (p.86), "As *Business Week* reports, "60% of all family income is now earned by households where wives are working"." Unless wives only contribute on average 10% to household income, this must mean that many wives must be working out of "economic necessity". The paper's unquestioned linking of interests and gender may be, in part at least, due to its continued privileging of the economic. Only if the economic were totally determining would the position of women be disrupted by the disruption of the economic system. Our ideological positions would be fixed to our economic position. The relations between ideological forms and social interests are not however eternally fixed and given (Eagleton, 1991, p 212); if they were then all women (and socialists?) would be feminists.

Although the paper never explicitly acknowledges women's equality to men, it does appear to accept this. However, its lack of "feminine" contextualization leads to its being sadly lacking in "feeling". In this sense it is a masculine paper³⁸. For example the paper tells a story about women who worked during the second

world war losing their jobs at the end of the war. The painful disruption to these women's lives was twofold. For a woman who had probably always lived "at home" and had decisions made for her, to be forced to cope with bringing up a family yet carry a full-time job in a patriarchal culture like General Motors must have required enormous strength and resilience on her part. Worse; the conflicting emotions that a woman must have felt in losing her job and being thrown back into the home and losing her individual economic power must have been terrible. If the woman had been widowed during the war she would also face a life of poverty. But we hear none of this. The paper states that "fear of unemployment in the automobile industry led workers to see the maintenance of sex discrimination in seniority as the way to preserve their monopoly over jobs" (p 80). While this may be so, surely a fuller picture would include an understanding as to why this position might exist. In a Marxist paper which seems to privilege the economic, the economic power of men over women should have been an important consideration. This "Other history" has been silenced.

Tinker and Neimark do not add the context of the growing feminist movement to their analysis, so the gains made by this movement are not acknowledged in the paper. Tinker and Neimark state that (p 86)

We suggest that the increase in women's participation in the work-force today represents a two-pronged attempt by capital to resolve the economic downturn that began in the mid-1960s.

This could be read as a silencing of the gains made by the women's movement. One reading of this might be that women need only sit back and wait for the correct economic conditions and they will be "liberated". This political position has been refuted by many Marxists (see Gramsci, 1971).

The paper's economic contextualization traces "female" subordination to two

primary sources: "First that part of the labour process where the existence of female labour facilitates surplus value appropriation by playing the part of an industrial reserve army. Second, in times of overproduction and underconsumption, capital has invented a consumerist ideology about women to help resolve its crisis of realising surplus value." Both of the *primary* sources are *economic* in the sense that they are concerned with capital's concern with **surplus value**. But is this economic determinism? The first source is almost accusatory - *women play the part of an industrial reserve army*. Of course women are forced into this role (even today), but how would a woman see this? Does the paper enable women to eschew this demeaning position? The paper's explanation in terms of the second economic source is from an emancipatory point of view extremely harmful - *capital has invented a consumerist ideology about women*. Are women unthinking dupes who unreflectively accept this "consumerist ideology"? Where is the space from which they can resist (see also Crompton 1987)?

Tinker and Neimark write that they wish to show the "big picture", but we fail to see how the paper can stake a claim to be a contextualized Marxist history with the word gender in the title, yet keep women's voices out of its "big picture" A more adequate contextualization of the role of language both in the constitution of subjectivity and the workings of ideology may have led to the insight that one of the problems facing women is that they are constituted through different discourses and as such the roles ascribed to women do not cohere into one (or a) socially constituted woman, but many. Women in Tinker and Neimark's history are still relegated to the position of Other, "female", to be moulded and remoulded at will, reflected in male annual reports.

The economic base is regarded as the determinant in Tinker and Neimark. While we need to be concerned about the processes through which women are constituted and reconstituted in society, the recognition of how they are

constituted is not on its own enough to empower women. This paper goes some way towards debunking some of the myths surrounding women - for example, it correctly points to the mutability of the sex typing of jobs, and it raises interesting issues such as the role of trade unions. But our reading of the paper is that women are written about as powerless, and unable to resist. The women who have fought and died fighting against their oppression are denied a presence.

HOPWOOD (1987)

This history is concerned with accounting change. Its contextualization reflects the author's reading of the work of Michel Foucault³⁹. Its stated purpose is to probe more actively than other accounting histories into the underlying forces and processes at work in accounting's past. The paper suggests (p.207) that "much of the significance for accounting of the wider economic and social setting of the organisation has been ignored" in other histories, and that

Instead of being interrogated in the name of factors that either impinge upon accounting or are changed as a result of it, a relatively unproblematic progressive and functionalist interest has been imposed all too readily on the accounting past (p.208).

The paper contains three different organisational histories and uses these to discuss a number of theoretical issues relating to the process of understanding accounting change and to tease out some bases for an alternative questioning of the accounting craft. The task of analysis in the paper is seen to be archaeological, sorting through the sediments of organisational history. It claims however to be merely suggestive and particularistic rather than ambitious and universalising in its scope, and this point is repeated throughout. Examples are:

The objective of the case discussions is the more tentative one of... (p.209)

No unproblematic pattern of accounting progress has been charted. The changes were specific ones (p.227)

As in the Johnson text, there is an element of essence. Accounting itself is treated transhistorically; there is no suggestion that accounting at the time of Wedgwood might be different *as part of a different system of thought* than accounting in the present (i.e. at the time of companies M and Q) and that therefore the analysis needs to take cognisance of this fact. Nor is the nature of accounting ever problematised. We may perhaps suppose that by 'accounting' the paper refers to methods of rational calculation. If so, this just moves the question back to what these terms mean. We shall return to the problem of the transhistorical implications of the analysis below.

In its appeal to an essence in accounting, the paper can be read as surprisingly similar to the Johnson text. Both texts view accounting as reified; both have the notion of a context within which accounting operates. This is a systems view, in the sense that both papers take an organization (the nature of which is not interrogated, but unproblematically reified) and its environment. Both view the organization as essentially unitary. Both are managerialist (we shall return to this point in the case of the Hopwood text below, too).

The paper's emphasis on accounting's tendency to become what it was not, and on accounting's constitutive role, gesture towards an understanding of accounting as a Baudrillardian sign, in which signs do not designate anything at all other than a reference back to other signs. Furthermore, Baudrillardian signs develop a "life

of their own". Perhaps this in itself is suggestive of the pervasiveness of the sign that Baudrillard's analysis highlights. We may read into the paper an otherwise unapprehended Baudrillardian⁴⁰ perspective. Indeed the paper's genealogical perspective would support this (quoting from Foucault, 1977, p 146):

genealogy "does not pretend to go back in time to restore an unbroken continuity that operates beyond the dispersion of forgotten things".

To Baudrillard, signs acquire meaning or allure which make them objects of desire. All reality then becomes the place of semiological manipulation or of a structural simulation. Whereas the traditional sign is the object of a conscious investment, the Baudrillardian sign becomes the instance of absolute reference. Viewed this way accounting is a sign. Under Baudrillard's political economy of the sign, there is no referent against which to define a finitude of needs for accounting because the sign is its own referent and there is no end to the consumption of the sign. Consistent with this, the Hopwood text states that "(n)ew patterns of organisational autonomy and interdependency have been highlighted *if not more actively created*, by accounting means" (p.207, our emphasis) and "(F)or accounting, by becoming more embedded in the organisation, not only shaped other important aspects of organisational life, but in turn, also was influenced by them, over time *playing some role in creating the possibilities and conditions for its own transformation* (p.226, our emphasis). And again, "although functioning within the organisation, accounting is best seen from such a perspective as an artefact residing in the domain of the social rather than the narrowly organizational" (p.213)⁴¹. Accounting too, as an artefact has become what it is not. Accounting has become a sign with its own referent (creating the possibilities and conditions for its own transformation) and with its own economies.

It seems that the Hopwood text views accounting's emergence in organisations, while having "no unitary mobilising force" (p.227), as arising to resolve particular problems and issues. We agree that there is no simple or straightforward correspondence between the economic base and the superstructure and agree with Hopwood that there is no simple correspondence between accounting development and changes in the economic. Yet in the three specific cases in the Hopwood paper it seems that all three *were* motivated by perceived changes in the economic environment. Semiotic contextualization would add insights as to why an economic crisis might provoke calls for changes to the accounting craft within an organisation. Our linguistic constructions of the world are immanently historical, and could be considered to have been constituted and reconstituted in particular social and economic periods.

Hopwood's history faces an internal paradox. Through employing the discourse of the permeation of the social, it avoids discussing the *language* of a conservative managerialist history. Yet by focusing solely on the *use* to the entrepreneur or capitalist organization of accounting it bears all the hallmarks of traditional histories written in terms of accounting's use as a tool of *progress*. For example, Hopwood quotes from McKendrick that

he [Wedgwood] transformed a collection of what in 1765 he called 'dilatory, drunken, idle, worthless workmen' into what ten years later he allowed to be 'a very good sett of hands'

Hopwood, p.218

Although superficially this quote from a managerialist does not make the Hopwood text itself managerialist, the lack of any attempt at reversal, and hence the display solely of signs revolving around the managerial *does* permeate a reading of the text. In each of the his-stories recounted, the paper concentrates on local issues and sees these as an important historical contextualization. Yet a "reversing recontextualization" would be even more localised in the sense of

considering accounting's intertwining with the individual or those excluded from the histories. What was it like for the employees of the organisations involved? The workers in Wedgwood for example came under the anonymous, autonomous and pervasive surveillance of accounting (cf Miller and O'Leary 1987). M's decentralised operations were reorganised in a way that may well have relied on redundancies and probably did mean increased boredom on the part of the workforce (the omission of any mention of whether it did or did not is further indication of an implicit managerialism). The reduced product range of M perhaps meant that some companies with older machines could no longer find the necessary parts to repair the machines. The solidification of the information system of Q must have been, at best, a frustration to the workforce. An "outside history's" disruptive force would be that it would enable other insights into accounting change and allow for an alternative (more radical) questioning of the accounting craft.

This is especially poignant given the text's comments on its own method. Explaining the 'archaeology' of the title, it observes (p.230)

It was with such metaphors in mind that the task of analysis was seen to be an archaeological one of carefully and cautiously sorting through the sediments of organizational history, however recent, to reconstruct the ways in which the present emerged from the past.

But the sources used exclude the underside of other entirely. We are to suppose therefore that there are no sediments to worker resistance, since the text has 'carefully and cautiously sorted' its sources. If such material is not available, then the archaeological method must be supposed to be inherently flawed since it cannot account for any kind of resistance, or managerial change that is predicated on legitimating a particular exploitative industrial system.

These problems are reinforced by the text's unreflective use of the concept of the social without any indication of the nature of the society within which the events occurred (society and the political were at the time of Wedgwood very different from those of the advanced capitalist present in which M and Q operate). By focusing on two fragments of time without - quite deliberately, we must suppose - attempting to delineate any connections between them, the history appears to be promoting a transcendent conception of the interpenetration of the social and the organizational through calculative practices.

Hopwood's history omits any concern with the suffering of the Other. The only references to the employees in the Wedgwood tale, for example, concern either their stealing from their employer⁴² or being 'all at play' (p.215), or 'frolicking' (p.216) - delightfully bucolic scenes, tempered by the knowledge that one of them had the 'foul Disease'. People hardly appear at all in the story of M: just abstract conceptions such as "'productive" and "unproductive" cost categories' (p.220). The language here is infused with the managerialist language of the standard costing textbook. There is a mention of the new methods putting 'a heavy burden on local production control systems, stores personnel, operators, inspectors and factory supervisors' (p.219), but the criterion for this judgment seems to be the outcome for the efficiency of the unit rather than these peoples' suffering *per se*.

People are even less visible in the story of Q, which itself we are told was (at first, at any rate) uninterested in anything except accounting numbers. The paper makes no attempt to redress the instrumentalist vision immanent to Q's worldview: it makes no gesture towards reversal. On the contrary: the text permits organizational reification. It refers (p.226) to the way

the quite specific properties of the accounting system played an active role in mediating the organizational response to the perceived need to change. The mobilising potential inherent in the early costings of Wedgwood was now seen in action,

helping to shape in quite particular ways the marketing, production, and thereafter, the organizational, information and even accounting strategies in M.

The organization is depicted as a unity; and that unity is perceived through the managerial eye. There is a centred, teleological, unitary 'organizational response'. There is no space for dissent. There is no discussion of the symbolic implications of the changes, only the economic colonisation of the organization. Moreover, there is a value-system inevitably inherent in the use of language. We are told of a 'mobilising potential'. This use of language is positive, rather than negative; it is action-orientated. Action, is good, masculine, and to be approved of. Better to mobilise than to do nothing. Hopwood's apparently social, reflective text is thus colonised by the very phallogocentric language that, implicitly, is being rejected by the dispassionate nature of the Foucauldian discourse. He subsequently acknowledges the complexity of his analysis, acknowledging there is 'no unitary mobilising force'; yet the emphasis of this cautionary remark is on the lack of 'unitary' rather than any autocritique of the notion of 'mobilising'.

Finally, the text becomes problematic in its attempts to distance itself from notions of purpose (and hence of success or failure to achieve those purposes). The paper is careful never to say that any of the organizations after its colonisation by accounting's calculative practices is 'better' than before. But is it more effective or efficient at doing whatever it was implemented to do, or what those in a position of power wished it to achieve? We are not explicitly told this either. Without this notion, there is a lacuna at the heart of the analysis. For why should the calculative practice of accounting be adopted if not to constitute the organization into harmony with some particular view or views (presumably one of better functioning towards some goal)? If this is not the reason, then the whole analysis floats in a purposeless vacuum which gives no space for explanation of why things happen at all.

CONCLUSION

In the above critical examination of the proliferation of histories we find a number of features. First, there is proliferation in the underlying ideological frameworks of the histories⁴³. Second, there is a proliferation in the number of writers using each of the frameworks. Third there is a proliferation in the number of histories. Fourth, there is a proliferation of what we would term *self-same histories*. Each of these histories represents the same male logocentric tradition⁴⁴.

The common tradition is concerned with the inside. There are many voices: but the discourse tends to be a common one. In the cascade of signs that constitutes advanced capitalism, we find all these histories jostling for space, claiming the status of true descriptors of 'what happened'. Bound tightly into the semiological systems of advanced capitalism, they all exhibit the features described by Baudrillard as being a 'mirror of production' in the sense that social activity is only deemed to become intelligible through production. Being accounting texts, all focus on the acts of accounting and the discourses surrounding those acts: and all make sense of the features they perceive through the text of history as being a history of productive forces and productive relations. All are concerned with the accounting calculus as, in the last analysis, a calculus driven by productive needs and conforming to (*so-called*) productive interests. The histories suffer too from the logocentrism of our age, which under the cloak of reflection over things past (the writings of histories) is taking command over history itself. To say is to do, since there is a strong element of the imperative in all descriptive statements, to the effect that it must be believed, because it is so set out. Thus the claim over a history through the writing of that history is a control over both past and present: and the proliferation of voices clamouring to take that control is both symptomatic of, and constitutive of, the semiotics of advanced capitalism.

Our position runs the risk of solipsist powerlessness in the face of exploitative capitalism. To the extent that our critique implodes on itself, this would be true. However what is omitted from such a criticism is the empowerment that can arise from within a critique. Empowerment in this paper can work on many levels. Perhaps our foremost concern here is with the political consciousness raising of accounting academics; our programme is to promote new understandings of the treadmill on which they place themselves when they begin to desire to become a commodity (or a Baudrillardian sign). All academic labour is commodified labour but the desire to actually become a commodity is destructive of humanity.

We now return to the nature of an accounting history, given our analysis of the characteristics and problems of particular accounting histories. Baudrillard distinguished among four different value concepts. A functional logic of use value (an instrument); an economic logic of exchange value (a commodity); a logic of symbolic exchange (a symbol); and a logic of sign value (a sign). In this rather extreme Baudrillardian view of the world, there is no apparent use for accounting histories in the way that there is for a jug or a croissant; since there is no market in buying and selling such histories; since they are not presented as gifts, then, we are left with their position within the postmodern world as signs that necessarily take their value in their difference from other signs. For example, we value an accounting history by Chatfield because of its difference from CVP analysis, from FASB pronouncements and from Lee Parker's histories. The nature of each accounting history as commodity may therefore be comprehended in the signification of the other signs that surround it. It exists in the world of signs. The matrix of signs in these histories includes the other histories themselves, the teaching process, the reputations of the authors⁴⁵, and the standing of the journals in which the papers appear. Otherwise, why would authors prefer the *Accounting Review* to the Academy of Accounting Historians' own journal as an outlet for their histories? Or why would the critiques in this paper have more weight when

focused on respected authors rather than those relatively unknown. These Baudrillardian insights perhaps miss more political elements; the suffering of their writers; the question of interest; the possibility of contested values; and any adequate theorizing of the "outside".

Academic accounting histories are commodities in the sense of semiotic commodities: and the relevant interrogation of all of these concerns their nature, rather than how to undertake them. We are thus problematising the question of methodology. The primacy of ontological questions in post-Enlightenment thought was silenced by the rise of scientism. This mandated silence, abetted by the asking of and concentration on the methodological question, demanded that ontological questions be dismissed as either irrelevant or resolved. But by doing so, it became an essential element of the alienation intertwined with the proliferation of signs in late capitalism, that has ever since abetted capital as it entrenched, extended and mystified exploitation. The proliferation of signs in late capitalism is a means to perpetuate a social order: for through the power of the sheer quantity of self-referential signs with which we are surrounded, the emptiness that lies at the heart of the system is concealed. This is the turn that is a necessary addendum to Baudrillard's insights. He leaves no space for reversal, because he perceives no possibility for change. This is an unnecessary pessimism. The problematic nature of the four papers with which we have been concerned is not uniformly spread among them: for in the final analysis, the last two do have an important political use-value in the position they enable for the extension of critique, whereas the first two act only as an entrenchment of the status quo, their use-value being confined to the authors themselves, dominant power groups and capitalistic journals.

Given the foregoing it is perhaps appropriate at this point to locate our own agency and position as commodified labour. We too are subject to research ranking pressures, economic imperatives and a desire to become Baudrillardian

signs. To this extent many of our insights into other papers and the conditions of their production could also be levelled at this paper. Being caught up in all of this makes us feel very angry. But we hope that the development of ideas within this paper will provide some means of escape. As with the Marxist concept of an "immanent" critique, we believe that it is possible to launch a radical critique of a culture from somewhere inside it, not least from those internal fissures or fault-lines which betray its underlying contradictions (Eagleton, 1994). We hope that this paper will encourage other writers to find our internal fissures and contradictions and to develop other means of escape - in other words we hope that this paper encourages the production and proliferation of critical accounting history.

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1. Bracketing as wordplay is not infrequent in the areas on which we draw. We acknowledge the ambiguity in our chosen bracketing. Our intention is firstly to highlight the phallogocentric nature of language in which *history* privileges the masculine and appropriates, negates and destroys the feminine. We could perhaps write poetry to write herstory, but we tremble at the use of the word herstory fearful that such words might "paper over the cracks" in our language by claiming to work within a neologistic herstory. The bracketing can also be read as an erasure of *his* altogether. The proliferating accounting histories are conservative, tory, histories. The reader will perceive the bathos in this explanatory note, as occurs when one explains a joke. We resolve this problem by avoiding explanation henceforth.

2. It appears that Johnson, particularly in the light of his later work with Kaplan (Johnson and Kaplan, 1987) perceives the key rationale behind his accounting history - and perhaps others' accounting histories - to be instrumental. We study accounting history, he is suggesting, the better to understand and design accounting systems. This instrumental approach to history itself has a long history, as Parker (1981) has pointed out, and extends beyond management accounting. Parker quotes Charles Waldo Haskins in 1900 as proposing, as a reason for the study of accounting history, 'the better to understand our present and to forecast or control our future'

3. Traditional histories are consistent with the common belief in accounting scholarship that there is a reality that can be discovered by the accumulation of facts, that good history is the uncovering and interpretation of those facts, and that historical analysis can be politically neutral. The demystification of these beliefs has already to some extent been undertaken by others (for example, Tinker, Merino and Neimark, 1982).

4. Such a typification of authors is problematic. See endnote 40, *infra*

5. The use of capital "O" here means that we wish to denote everything which is repressed in our society.

6. By 'recuperated' we mean that radical positionings are wherever possible co-opted by the status quo. For example, the word *empowerment* is now being used by right-wing organisational theorists. Similarly, in the late 1980s, as the green movement showed signs of political popularity in the UK, the then prime minister claimed the Conservative party was the natural protector of the environment.

7. The struggles for new understandings are never easy; however, it is dangerous for any group which desires to bring about changes in society to dogmatically follow a

(metaphysical) party-line.

8. We are using women's position as Other as a critical wedge. It has been argued by some women writers (for example Irigaray) that women are the *only* radical voice. However we see women as exemplary of the Other.

9. In the Saussurean scheme, the sign consists of the signifier and signified already discussed.

10. For a clear introduction to the binary opposition system of language in accounting see Shearer and Arrington (1993).

11. Indeed the liberal humanist tradition is very powerful in Western culture.

12. This "phrase of reversal" is perhaps best explained by way of an example. There are millions of hidden ways which are used in our culture to (for example) repress women. From early childhood they are taught that being a woman is less valuable than being a man; their opinions are considered to be less valuable because they are emotional, this list could go on almost forever. Given all this there is little point in simply telling a woman that she is equal to men; in order to begin to subvert the hierarchical opposition man/woman, women need to somehow be empowered to take on the long battle. This is the phase of reversal. Deconstructive strategies which help undermine a whole history of thought which serves to repress women is one potential strategy which could be attempted to help empower women.

13. There may be a certain elitism in our offering to "empower the subordinate" by writing histories for them. See Cooper (forthcoming) for further discussion of the role of academics as providers of alternative ideologies.

14. Usually today this is neoclassical, marginalist, market-based economics. We use the term to distinguish an economics that had sought to distance itself from the political and human, and sought refuge in quantophobia, hoping to avoid being implicated in value judgements.

15. If people are considered in any other way apart from as labour commodities, it is as self-interested, grasping individuals, as in "positive" accounting research. We add the scare quotes here because nothing could be more negative in its definition of the complex, creative, feeling human being than an accounting research programme that writes the person solely as being concerned with the all-encompassing selfish pursuit of money.

16. thus if a factory worker dies from asbestosis, or a miner from silicosis, this is sidelined as a mere externality.

17. It is after all, other university labour which agrees to sit on judging panels, ranks journals, referees submitted papers and so on. But why do we do this to each other?
18. For the benefit of readers who are not subject to its delights, this is a system under which periodic written returns have to be made to the universities' central funding body showing research output (*inter alia*) by nominated academic staff in each cost centre. Accounting is one such cost centre. These returns are assessed by a selected panel of peer academics and rated on a scale of 0/1 to 5. The research funding then provided to the university over the next few years is proportional to the *ex post* peer group assessment. Departments rated as the lowest category get no research funding at all.
19. The British state has now effectively abolished the tenure system. Pay and promotions also depend on publishing.
20. We do not see use-value as representing a commodity's ability to meet a pre-given natural need but rather as deriving from the social processes to which the person in modern society is subjected.
21. Yet it would be *politically* problematic to institute a debate as to how research rankings should be carried out. This would add credibility to the whole process. Instead we point out the inability of such constructions to include a worker's hubris, *jouissance*, boredom, sadness or radical potential, and to note the contested nature of value.
22. For example, it is considered to be unprofessional to take industrial action.
23. There is a political agenda to every journal's editorial process, whether overtly acknowledged or not.
24. In terms of providing understandings of advanced capitalism, the Baudrillardian insight is important. However, Baudrillard's analysis is based on his perception of the need to produce entirely new theories and categories to make sense of advanced capitalism. Although we find Baudrillard, on occasions intuitive, in the sense that it provides an explanation of how people's desire to become more centred might lead them to desire Baudrillardian signs, without a clearer analysis of the social economic and political aspects through which we acquire our subjectivity, we question where his analysis leads politically.
25. We use here our reading of the insights provided by Baudrillard into understanding the self-referentiality of signs in advanced capitalism. We find his apparent reading and critique of Marx to be problematic given that he picks on *one* "economistic" reading of Marx. The free play of the signifier would not allow for this. For a fuller discussion of a post-structural understanding of reading see Cooper and Puxty, 1994.
26. For a vivid and disturbing fictional depiction of this see Bret Easton Ellis's *American Psycho*.

27. This quotation from Baudrillard is taken from Poster. It is not page-referenced, and we have been unable to find it in Baudrillard's translated works.

28. Lacan's view of subjectivity, is that we are not autonomous, intentional human selves with basic (biological) human natures, but rather are anxious subjects gridded by the world through language with imaginary relations and empty cores. This according to Lacan creates an unfulfillable desire in us to confirm our selfhood. This desire is unfulfillable because no amount of recognition from others can confirm our selfhood. The desire for self-reflection means far more than just a wish to be admired or appreciated by others, but is linked in Lacan's psychology to a primordial phase of the construction of self-identity. See Cooper et al 1993; Cooper 1994).

29. "Ontologically" because we are no longer sure what we mean by "accounting histories"; "epistemologically" because their grounding in apparently disinterested historical scholarship has been undermined.

30. We except from this most of that subset of papers that has come to be known as 'critical accounting'. Here any critique we present (as in our comments on Tinker and Neimark, below) is concerned with the way the critique is undertaken rather than the intention behind it.

31. By essence here we mean the fundamental nature of double-entry book-keeping by which it is supposed to exist. Indeed Nobes sets up his own closed system of double-entry book-keeping.

32. For example, it is meaningful to ask what madness meant within a past age, even though it may bear no relation to the web of meaning with which we surround madness today. According to our reading of Foucault there is an *essence* to the social construction of madness, albeit one that becomes subject to erasure at historical disjunctures.

33. Accountant in this context must surely be a Baudrillardian sign - "different from all the rest!". The status of accountant as object is one of status and standing (see Baudrillard, 1981, p 68).

34. One might for example compare Nobes's paper with Burrell's (1987) Hoskin and Macve's (1986) or Bryer's (1993) insights into double-entry book-keeping.

35. By "essence" here we mean that by which cost accounting exists.

36. Most accounting historians seem to be very reluctant to use the word 'capitalism' to describe the socioeconomic structure within which the phenomena they investigate operate. Terms like 'industrialisation', for instance, have very different meanings. Clearly they are concerned with capitalist enterprises: but the term is erased from the discourse. This contrasts with the text with which all business historians are aware: Sombart's *Der Moderne Kapitalismus*. This silence can be understood through the concept suggested. Keeping silence is immanent legitimation, a spell that can be broken by uttering the word.

37. Perhaps, at the very least, the writing of this will help the authors own political awakenings.

38. The use of the words *female* and *women* in the paper highlights the problematic nature of language in terms of trying to write an outside history. When either term is used we are reminded that women are defined through mas(k)culine language. This is a severe problem in a Marxist paper.

39. That is, it is not necessarily in itself 'Foucauldian', just as Tinker and Neimark cannot be 'just Marxist' within a multiplicity of Marxisms. Categorisation is always problematic, and authors frequently and understandably take exception to being boxed. Thus any comments on Hopwood's paper are not necessarily comments on the Foucauldian position. For an excellent critical analysis of the incorporation of Foucault into accounting discourse see Armstrong 1994.

40. Baudrillard's perspective has changed dramatically. We refer here to his more critical work on the political economy of the sign.

41. In the Late Capitalist era, Ray-ban's have become what they are not. They are now no longer *just* sunglasses.

42. The power of the Word through what Kristéva (1981) has called its intertextuality is especially interesting here. Wedgwood as a person or an employer is not part of day-to-day discourse. Wedgwood as a manufacturer of high quality elegant pottery is - and so is Wedgwood as a generic term for a particularly delicate blue. Hence there is a residue of sympathy engendered simply through the nuances in the name. Had the employer in the story been called Gradgrind, we might unreflectively respond differently.

43. On the surface, four may not seem to constitute a 'proliferation'; but the number of frameworks has grown over a relatively short space of time, and there are no signs (perhaps there could not be) that the increase in number has ceased.

44. They are written in the same unambiguous masculine goal-centred style, use appropriate "authority bullets" and so on. We might add that this paper too adds to the proliferation in this sense. In our experience referees find deliberately provocative ambiguity to be deeply suspect.

45. All the authors we have named are themselves constituted as Baudrillardian signs by their positioning in the matrix of signs of academic accounting. Nobes, Tinker, Neimark and Hopwood all are or have been editors of respected journals (*Accounting and Business Research*, *Critical Perspectives on Accounting*, *Advances in Public Interest Accounting* and *Accounting, Organizations and Society* respectively). Johnson is a past *Notable Contribution* winner. Hopwood was a founder of the *European Accounting Association*. Their writings have been routinely assigned to thousands of students worldwide.

**Against postmodernism: Class Oriented Questions for Critical
Accounting**

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To Tony Puxty - I so miss our quarrels

Huge thanks to the participants of the Accounting and Modernity Conference, August, 1985; especially Finley Graves and Paul Goldwater. Very special thanks to Marilyn Neimark, Kim Smith, Mairi MacIntyre, Lesley Catchpowle, Pat Arnold, Ed Arrington, David Cooper, Theresa Hammond, Tony Tinker, and Ann Watkins.

Abstract

This paper is concerned with critical accounting theory and critical accounting researchers. The purpose of the paper is to promote Marxist class-based theoretical accounting research by arguing that a Marxist perspective would give a voice to working class people in the critical accounting literature *and* provide a theory of *praxis* which would make action more effective. The paper contends that postmodern theoretical perspectives due to their historic and theoretical foundations cannot take a class perspective *and* are cynical and disillusioned about the possibility of beneficial social change. The paper begins by considering how the introduction of profit related pay in UK universities might be understood by postmodern theory and then by Marxist theory. It then provides a context for the development of social theory, including postmodernism and Marxism, since World War II paying particular attention to accounting academics.

But as Marx noted long ago, the role of philosophy is not to describe the world but to change it. And the aspirations of critical accountants should be no less.

Neimark, 1990, p 111

This paper is concerned with critical accounting theory and critical accountants. The purpose of the paper is to encourage more Marxist class-based theoretical accounting research. This is partly a very simple appeal for critical accounting researchers to address the concerns and give a voice to two major groups who, although subject to the full impact of accounting technology, are as yet almost invisible in the critical accounting literature. The first group is the majority of workers within the accounting industry, who are not members of the accounting profession and who might broadly be described as the cleaners in accounting. This group would contain data control clerks, coding clerks, data input operators and so on. The second group consists of the workers who are the subject of accounting's technologies of power (McLennan, 1996). The critical accounting literature has, among other things, paid significant attention to the role of the accounting profession, accounting standard setting, accounting regulation, accounting history, sexuality and accounting, accounting rhetoric and accounting discourse. The researchers involved talked to the members of the accounting profession, managers, and standard setters, considered the documentation of "the profession", but have rarely given explicit voice to the two groups mentioned above.

The type of research undertaken by accounting academics is partly governed by the theoretical perspective taken. Much of the critical accounting research informed by broadly postmodern theoretical perspectives would not, for important theoretical reasons, concentrate on the two groups mentioned above. Although there are huge differences in the theories of writers who are generally categorised

as postmodern, two common themes prevail within their work. One is the belief that there has been a fundamental shift in society such that Modernist theories like Marxism have lost their explanatory power. These writers believe that the nature of society would best be described as postmodern. Second that class, as a concept is obsolete, metaphysical and/or reductionist. Therefore postmodern based research in accounting, due to its theoretical foundation, would not take a class perspective.

This brings me to the second part of my appeal, which is theoretical and concerned with praxis. How do you make sense of what is going on around you and what should you do about it? I will argue that aside from failing to address the concerns of the groups mentioned above, postmodern theoretical perspectives are too frequently based on a belief that social change is, if desirable at all, impossible. Postmodernism has been linked to cynicism about power and change (MacDonald, 1990). I will begin by briefly considering how two postmodern theoretical perspectives might make sense of a new pay proposal for UK universities and then compare these postmodern approaches to a Marxist approach.

Strathclyde University, my Scottish employer, has been chosen to test a totally new form of pay in UK universities - profit related pay (PRP)¹. Staff at Strathclyde are going to be invited to vote on the proposal that they should participate in the PRP pilot scheme. In order to encourage staff to support the scheme, there is a taxation incentive - any part of remuneration linked to the profit related pay scheme can avoid the burden of income tax. My trade union has distributed a flier with information about the proposed scheme. It states that the PRP *advisors* are accountants - Coopers and Lybrand. This highlights the general direction of social reorganization in many of the older capitalist countries in which governments and public sector organisations consistently seek advice from *accountants* rather than from other experts.

If I were to adopt a postmodern Foucauldian² position, I would keep my interest rooted in the particular, the specific and the local³. As such the introduction of profit related pay at Strathclyde University may well be an interesting research problematic for me. I would be concerned with the processes by which the effects of truth are secured, particularly on the individual. My concern may well alight upon the recent fundamental shift in the regime of truth that governs academic production in the "Western" world. Linking the introduction of profit related pay to the pervasive move to increasing number of audits, total quality management, accountability, customer service, performance indicators, research rankings, teaching quality assessment, appraisal, aims and objectives, targets and the like, I would correctly see the production of an extremely powerful new discourse or technology of power. Furthermore I would gain valuable insights into why I, and other academics whom I consider to be fairly progressive, have been caught up in this new regime of truth. As an individual who is concerned with student welfare, it is difficult to deny that many of the new apparatuses of peer-evaluation, "reflexive practice" in education and so on, could be useful or even necessary. Partly because of this, the new technology of power gets legitimated and reproduced. It then becomes extremely difficult not to get caught up in the whole process. On an individual level, a Foucauldian perspective might help me to understand how I becoming subject to a new managerial discourse. But where does this leave me, especially if I keep my analysis rooted in the "particular", the "specific" and the "local" (McLennan, 1996)? Along with other postmodern theories, Foucauldians would be suspicious of power and the way it seems necessarily to corrupt (MacDonald, 1990). But if power is everywhere, how can I choose which forms of it to resist? If I, along with many other academics, found the new "regime of truth" surrounding higher education in the UK to be problematic, I could at least be comforted by the Foucauldian insights into how my body is being controlled and that others are suffering from the same disciplinary practices.

One noticeable aspect of the new pay scheme is that it is a *profit*-related-pay scheme rather than, for example, a *performance*-related-pay scheme. Why would a state funded (not for profit?) university wish to base remuneration on profit? Given these more semantic concerns, an appealing postmodern theoretical framework might be Derridian Deconstruction⁴. As a deconstructionist I could reach beneath the cracks of the phrase and interrogate the "truth" claims of the word profit. I would almost certainly note that universities in the UK (to date at least) have not been concerned with profit making. It is possible to deconstruct language because language is not able to immediately and "truthfully" reflect the world. Rather, the inverse is true; language conditions and creates all the meanings that we have no access to any interpretation of the world that is separate from language. Through the acquisition of language, a surprisingly large amount of knowledge about society and its values becomes lodged inside of us like a lump of indigestible porridge. In order to deconstruct the phrase "profit related pay", to uncover the text, I would look for hidden traces and meanings. I could immediately discern that profit is a "privileged" term over loss. This is because Western thought as a binary opposition linguistic system, has privileged those terms which offer the best possible mastery of the world through interpretation and representation. It is in the less valued that Derrida sees the chance for subversion, for escape from this desire for Mastery⁵. Through deconstruction I could tell something about the society that I live in - that it values profits rather than losses. But why value profits to losses in education? Deconstruction might seem like an exercise in logic, but it is also ethical and political (MacDonald, 1990). Derrida sees the referential aspect of language and its subordinate relationship to reality, as intrinsically totalitarian. The undigested lump of porridge within us tells us what is good, what to value and what is to be shunned.

Derridian deconstruction can invert our beliefs. From a close reading of the work of Derrida himself it seems that his view of ethics is based upon an extreme

distrust of power⁶ and thus Derrida genuinely engages in his work in order to help us disengage from systems of domination. But where does deconstruction leave us? MacDonald (1990) is concerned about the ethical dimension of Derrida's work, seeing his desire to side with the underdog or the oppressed as requiring more serious theoretical underpinnings-

He can, for example, demonstrate the "false" nature of representation, and reveal the "truth" of non-identity, of the inability to represent anything (in language or in politics) as it actually is. This "truth" then corresponds to an ethical position, in which he sides with the underdog, the oppressed, the powerless. But the oppressed it seems, deserve his support, simply because they have no power. In other words there is no inherent qualities of political underdogs to which he can attribute a value, other than as their existence as underdogs, as marginal to the power system.

MacDonald, 1990, p 230

Derrida's attention to texts, as the root of oppression, distances his work from the understanding of oppression beyond intellectual questions of interpretation. To Derrida oppression appears as such when it is a question of meanings, and interpretations which are denying other meanings, or which are being hidden themselves. It seems that the only ethical position to take is as a deconstructionist. *There is no place to understand oppression, other than as interpretative oppression* (Macdonald, 1990, p 237). MacDonald further notes that deconstruction's radical nature could be described as being very quietistic when you realise that the political impulse within it dictates only the practice of deconstructing texts. Worse; it is virtually impossible to discriminate among or between texts. Moreover, if Derridian deconstruction does question the "truth" claims of the accounting profession, should the profession then be the target of our rebellion against the new pay scheme? Or is the accounting profession another text worthy of deconstruction?

In postmodern theory there is limited space given to freedom. There is no basis

for choice of action, and no way in which action can be made more effective through the theory. In addition there seems to be a vague suspicion that if action is effective then it may too become part of the normalising and totalising practice of power. If this were the case then all effective action would have to be unethical (MacDonald, 1990). If I vote "no" to profit-related-pay and in the end the scheme is rejected would this mean that I have become part of the normalising and totalising practice of power? I will now set a Marxist perspective against the politics of disillusion and despair (Dominelli and Hoogvelt, 1996) of the postmodernists.

Marxist perspectives probably reached their hey-day in sociology in the late 1960s and have never been prominent in the accounting literature, even within critical accounting⁷.

But, the appeal of a Marxist theoretical framework is in terms of *praxis*. Using a Marxist theoretical approach I would perhaps relate the introduction of profit related pay in a UK university to New Right ideology and note the close connection to contemporary economic structures and capitalistic class interests. In short, I would be concerned with, among other things, ideology, class and the economic. I will begin with the economic. There appears to be an increasingly widely held belief, partly due to the collapse of the former soviet style command economies, that there is now only one possible viable economic system, global capitalism - a new world order. This new world order entered the 1990s in a severe economic recession. The editors of the *Monthly Review* (January, 1992) wrote that "a consensus is building up that the present recession is not a routine phase of capitalism's recurrent business cycle but rather a turning point to a new phase of capitalism's long term trajectory....[inviting] comparison with the 1930s...." (quoted in Panitch and Miliband, 1992, p 7). In terms of ideology, alongside this economic crisis, Western bourgeoisie reasserted their faith in competition, individualism and free markets. During the 1980s a strong rhetoric of the emancipatory nature of free markets began to emerge⁸. According to some

on the New Right, if the market dispenses benign virtue and discipline, the political allocation of resources dispenses ultimate oppression and therefore anything run by government is corrupt and coercive (Thompson, 1990)⁹. Thus *profit-related-pay* according to New Right ideology could be seen as a fair and benign way of allocating resources in education. Furthermore the seeming oppressive and corrupt nature of governments could in some sense be punished by the taxation implications of the new pay regime. There were technological underpinnings too to this bourgeois renaissance. The revolution in communication through computer technology has increased flows of international trade and finance opened up new configurations of capital mobility and accumulation. Production was also restructured to make it more integrated internationally and more flexible in terms of labour and material inputs (Panitch and Miliband, 1992).

But what has any of the above got to do with the state's proposed change to university lecturers pay? Clearly "profit related pay" could be identified as ideologically consistent with the New Right bourgeois renaissance outlined above. The tax incentive is consistent with the populist anti-government rhetoric of the New Right. But connectedly, it is also to do with changes in the state encouraged by global capitalism. Panitch and Miliband (1992) point out that the impact of the hidden hand of financial markets in putting constraints on the options of indebted states does not mean that there has been less of a role for the state in the context of globalisation. But the nature of state intervention has changed in the sense that there have been important shifts in the hierarchy of state apparatuses particularly bringing to the fore those which facilitate accumulation and articulate a competitiveness ideology, while those which fostered social welfare and articulated a class harmony orientation have lost considerable status (Panitch and Miliband, 1992). The accounting profession is a key player in this; they certainly facilitate accumulation and articulate a competitiveness ideology, train their students in new Right ideology and make vast amounts of money for their

services. But they are not the drivers of these changes.

There is less state spending on education and cuts in education spending have been planned for the future. For example, for the three years 1996 - 1999, the UK government plan an 11.4% real terms cut in higher education spending (AUT, 1996). This shift in state policy which began in the 1980s was partly a direct result, in the context of a fiscal crisis and rampant inflation, of "the growth of a new global financial system ... which effectively checked the power of the nation state (even the United States) to pursue any kind of independent fiscal and monetary policy that did not run afoul of the volatility of international currency markets" (Harvey, 1988, quoted in Panitch and Miliband, 1992, p 12). A weak trade union like AUT would want to maintain national pay bargaining. If the state could break down national pay deals with the introduction of profit related pay, they would then be in a stronger position if they wished to reduce academic wage rates; also resources could be put into "profitable" institutions, playing off one institution against another, forcing institutions to be more concerned with financial matters. In short, a Marxist perspective would serve, at least, to remind me of capitalist class interests, in the sense that the introduction of profit related pay will weaken my trade union. In this sense a Marxist analysis would direct me to where I should focus my energies against the new pay scheme. I would recognise that the accounting profession are part of a broadly defined state which serves to enhance the power of Capital. There are other connected issues, for example, if I believe that education is an important social welfare issue, which can, at the margins, enable working class children to have improved life chances, I might direct my energies to opposing cuts in higher education.

This paper is not new in its call for a more class-based analysis of accounting (Moore, 1991; Armstrong, 1994). For example, Neimark, 1990, p 106, states that in "its reactive form, the postmodernist influence in accounting ends up unintentionally reinforcing the status quo by overlooking structural inequality ..".

While it is clear that "class" does not have a monopoly on structures of inequality, research using postmodern theoretical frameworks does tend to overlook structural inequality (Miller and O'Leary, 1994). Armstrong (1994) in his discussion of the Foucauldian power-knowledge perspective, argues that

Most of the difficulties of the power-knowledge approach stem from the theoretical enclosure of motive and perception within the concept of discourse. Whilst this might be tackled by the introduction of a concept of real interests, or simply opening up motive to empirical investigation, both moves would call for a radical rethink of the treatment of subjectivity and disciplinary power. (p 25)

In arguing for a more Marxist, class-based analysis of accounting, this paper does not wish to deny many of the important insights derived from the work of "postmodern philosophers" especially from the Derridian, Foucauldian and Poststructuralist feminist accounting research (eg Arrington and Francis, 1989; Neimark and Tinker, 1987; Lehman and Tinker, 1987; Miller and O'Leary, 1987, Cooper, 1992; Shearer and Arrington, 1993). The importance of this work, especially from a psychoanalytic viewpoint, the concern with the decentred, alienated subject, the importance of knowledge and the centrality of language, is undeniable. However, as Neimark (1990, p 107) points out-

But this emphasis on language comes at the price of not merely ignoring, but being actively hostile to, the broader materialist emphasis of Marx. Thus their work fails to consider the cruder, but no less significant fields of social combat in the day-to-day experiences of work and survival through inter- and intra-class struggle, patriarchy and imperialism. They fail to appreciate and acknowledge the interpenetration of language and materiality so central to both recent Marxist and feminist perspectives.

In other words, there is a dialectical¹⁰ relationship between the class ridden material base of society and its linguistic/ideological superstructure. *Both* are important to an understanding of contemporary society. But many of the arguments surrounding the usefulness of postmodern theory vis a vis Marxist

theory debate the *nature* of the society which we live in. Postmodern theorists tend to believe that the (postmodern) nature of the world in which we are living renders modernist theories like Marxism redundant. Marxists, whilst noting significant changes in the world, believe that Marx's theories are as relevant today as at the time in which he was writing. Recognising the insights added to accounting research by the various strands of postmodern theory, this paper considers the development of social theory since World War II considering the class implications of different theories and the economic context in which they were developed. The first section considers theories developed in the "golden age" of post World War II western capitalist prosperity, which coincided with the Cold War, during which time, special economic conditions enabled the widespread belief that capitalism had finally overcome its crisis ridden nature. The paper then turns to the end of this golden era when for the first time in a generation, the return of crisis conditions encouraged the development of new social movements and theories. But these movements proved to be less dynamic than their more right wing counterparts. Part of the response to the intellectual disappointment created by this "defeat" is considered in the next section on Postmodernism. If society didn't change in a manner consistent with the aspirations of the broadly left social theorists of the 1960s and 1970s this was because the historical possibilities of a modern era had ended when society transformed into a postmodern era. The next section questions whether or not such a fundamental change in society has taken place. The final section considers postmodernism within academic accounting set in the context of the changing economic conditions of academic labour..

Post World War II social theories

In order to better understand the historical roots of postmodernism, the marginalised position of Marxism and the contemporaneous rise of right wing economic theories and policies of the 1980s and 1990s, this section considers

social theories of the post world war II era. *Modernization theory* dominated social theory in the period after World War II until the mid 1960s (Alexander, 1995). Modernisation Theory emerged during the accelerating postwar boom during which time there appeared to be, in the West, a widespread belief that many social evils could be eradicated by the prosperity which capitalism could provide. This is not to suggest that the ideological underpinnings of modernisation theory were new, it is possible to trace modernisation theory's origins to before World War II. Modernisation theory was developed and promulgated mostly in the US during a period of long term prosperity and an exceptional lessening of labour-capital conflict. The need for Capital to pay for the reproduction of labour power to serve its expansion needs during this period meant that capital needed to consider labour reproduction within the boundaries of the nation state. So mass production and mass consumption during this period encouraged the expansion of the welfare state. Alexander (1995) delineates Modernisation Theory as a distinctive theoretical cum ideological period in postwar social thought. The modern was defined with reference to the social organisation and culture of specifically Western societies, which were typified as individualistic, democratic, capitalist, scientific, secular, and stable, and as dividing work from home in gender-specific ways. As a historical process, modernization was held to involve non-revolutionary, incremental change.

For twenty years modernisation theory acted as an ideological metalanguage which fed into policy formation; and, in its more right wing form it still does today¹¹. This does not mean to suggest that all theorists viewed the era in identical ways; however, there did seem to be a sense of some fairly fundamental historical "break". Theories developed in this period focused on individuals, the private rather than groups or classes, and incremental rather than revolutionary change. This is not to imply that throughout this period there were no Marxists. But the period 1946 - 1968 in the US marked a new age of anxiety, a new "Red Scare" (Bennett, 1988)¹². Bennett (1988) sees part of the driving force behind the

red scare as being technological and part historical. But it could also be described as economic in the sense that it aided post war reflation by justifying vast expenditure on the military. Technological weaponry advances meant that there was no "safety in distance", and that atomic bombs could be seen as a constant threat. The cold war provided the setting for a search within the US for un-American activists. This was an issue with deep roots in American history. McCarthyism¹³ represented the status anxieties of the upwardly mobile in an age of opportunity;

This "pseudo-conservative revolt," as Richard Hofstadter called it, "a product of the rootlessness and heterogeneity of American life," appealed to many people, but particularly to ethnic Catholics, happy to have "as the objects of their hatred the Anglo-Saxon, Eastern, Ivy League, Intellectual Gentleman".

Bennett, p 311, 1988

Several theorists (Bell, 1962, 1963; Hofstadter, 1955; Riesman and Glaser, 1955; Viereck, 1955; Parsons, 1955) saw a neo-populist element in the "revolt against elites". To the New American Right this element was driven by status concerns rather than real economic interests. Bennett (1988, p 311) notes that this was a vision of an American people who shared a common set of values from a land in which real ideological disputes were absent. Moreover, Americans traditionally worked out their differences in a variety of pluralistic interest groups. The New Right deemed that the era heralded an end to ideology¹⁴.

In Central and Northern Europe, the aftermath of World War II was an intellectual turn to America. This was a time when American empirical social science, particularly sociology, political science and social psychology, were received and adopted in Europe. What caught on most easily were the more empiricist and conservative variants of US social science. Marxism was marginalised to far left politics (Therborn, 1996, p 75). Adorno, recently returned from America, was listened to as someone introducing empirical opinion research in West Germany. In 1961 the German Sociological Association invited Popper to give an address

on the logic of social sciences with Adorno as co-referent. Popper criticized an inductivist and naturalist conception of science, and acknowledged the importance of an interpretive method of the "logic of the situation" in the social sciences (Therborn, 1996). Adorno strikingly found much to agree with in Popper's presentation, but, one major divergence between the two concerned the object of criticism or critique. "For Popper, the target of criticism was proposed solutions to scientific problems, but for Adorno critique must extend to the totality of society. Only when we can conceive of society as being different from what it is, does the present society become a problem for us" (Therborn, 1996, p 64). The modernisation focus of capital market based accounting research, with its tenacious belief that there are few problems with our present day society and that many of society's evils will be sorted out by a huge dose of capitalism, have still not learned to use their imaginations and conceive of a different society or that their critiques should extend to the whole of society.

It is possible to discern certain strains of modernisation theory which, either in recycled, or in developed form have fed into contemporary theories of the New Right or into postmodernism. These include an emphasis on individuals rather than classes; the impossibility of revolutionary change or a belief that capitalism is *the only* possible social system to provide the means to alleviate social ills; an end to ideology; a populist anti-bureaucratic/anti "elite" belief system; and action driven by status concerns rather than real economic interests. However, postmodernist theories were also developed in the context of a rather different economic and political situation and in the wake of the defeat of anti-modernization theories. Anti-modernisation theories are the subject of the next section.

Anti-modernisation phase

It has been argued that in the mid 1960s Marxist theory and other anti-modernisation theories began to dominate modernisation theory; this is not to suggest that this was the death of modernisation theory or modernity, but rather that the New American Right retrenched for a while and took time to develop their theories. Anti-modernization theories of the mid 1960s onwards developed among a new generation of intellectuals. Challenges to modernization theory also emerged from the new social movements of the 1960s, women's liberation, gay liberation, ban the bomb, black nationalism, anti-Vietnam war and so on¹⁵. At about the same time a drying up of labour markets paved the way for a resurgence of class conflicts (Therborn, 1996, p 76). Sociology, a rapidly expanding subject area, became a battleground.

Marxism became both the political language and the theoretical perspective for a generation of radicals, who found it the best way to understand the phenomena of colonial wars and underdevelopment as well as the domestic socio-economic functioning of Western democracy.

Therborn, 1996, p 76

Marxist or marxisant perspectives became legitimate - but still very much minority views - in most academic social science and humanities departments. But most of those described as being "New Left" were not Marxists. During this period, some anti-modernization theories began to have a small impact on accounting research and practice. A thorough investigation of this is beyond the scope of this paper, but an example of this would be the writings of Briloff (1972) which had a considerable impact on bringing the abuses of accounting to the attention of the financial community. In economics, a serious threat to the triumphant marginalist economics was mounted by Sraffa, pitting Cambridge England on the side of Ricardo and Marx against Cambridge Massachusetts (Therborn, 1996). This too fed into the accounting literature (see for example, Tinker 1980).

However the anti-modernisation phase was very short-lived. When the radical political thrust began to peter out in the second half of the 1970s, political Marxism evaporated rapidly. Academic Marxism also retreated seriously, sometimes abandoned for more novel theoretical "isms". As Alexander (p 80, 1995) clearly puts it-

By the end of the 1970s, the energy of the radical social movements had dissipated. Some of their demands become institutionalised; others were blocked by massive backlash movements that generated conservative publics and brought right wing governments to power... Maoist ideologues - one thinks of Bernard-Henri Levy in Paris and David Horowitz in the US - became anti-communist *nouveaux philosophes* and, some of them, neoconservatives... For many intellectuals who had matured during the radicalism of the 1960s and 1970s, these new developments brought unbearable disappointment.

Postmodern theory provided an intellectual way out of this disappointment by transforming "defeat" into an immanent one - a necessity of historical development itself. The grand narratives of the left with their insistence on the importance of class, the possibility of profound social change and so on had not so much been defeated as merely taken over by history. As an ideology, postmodernism is animated by the failure of reality to unfold in a manner consistent with the radical anti-modernization creed. The development of postmodern theory and its proposition that class and socialism are the historical possibilities of a different "modern era" is developed in the next section.

Postmodernism and Class

Lyotard's *The Postmodern Condition: A Report on Knowledge* (1984) has created for itself a certain definitive status in any discussion of postmodernism. In this book Lyotard proposes a radical break between modernism and postmodernism in (i) dominant cultural and aesthetic (postmodern art) phenomena; (ii) a new

social and economic moment (or even system); and (iii) a whole new range of philosophy. If one accepts that postmodern theory was developed by certain intellectuals as a way of addressing their need to explain the events of the sixties and seventies, then one can understand why postmodernists must desire the fissure between the modern and the postmodern. The notion of "progress", golden ages and utopia disappear with postmodernism. The major historical propositions of postmodernism - the decline of grand narratives (Lyotard, 1984); the return to the local (Lyotard 1984); the rise of the empty symbol, or simulacrum (Baudrillard 1983); the end of class and socialism (Gorz, 1982); the emphasis on plurality and difference (Derrida, 1978) - are responses to the decline of the anti-modernization theories of the 1960s.

However, it seems that there is more of a fissure between postmodern theories and Marxist ones than between postmodern theories and modernization theory. Both modernisation theory and postmodern theory emphasise the private, the personal and the local. Indeed some of the ideas of the American New Right of the 1950s and of the Postmodernists -- for example, the belief that ideology is closed and resistant to innovation; the belief in reformism rather than revolutionary change; the concern with the individual; the dismissal of class; the privileging of the local; and the belief in some kind of epochal break -- are at least on the surface strikingly similar. Even the offshoots of the social movements of the sixties which still retain some romantic strands with postmodern thought (for example, ecological activities, women's, gay and lesbian struggles) articulate their demands in terms of "difference politics" rather than as collectives.

Lyotard defines the postmodern as a "condition of knowledge in the most highly developed societies...(the postmodern) designates the state of our culture following the transformations which, since the end of the nineteenth century, have altered the game rules for science, literature, and the arts", p xxiii. This leads Lyotard to

use the term *modern* to designate any science that legitimates itself with reference to a metadiscourse of this kind making an explicit appeal to some grand narrative, such as the dialectics of the Spirit, the hermeneutics of meaning, the emancipation of the rational or working subject, or the creation of wealth (p xxiii).

Lyotard, defines the *postmodern* as an incredulity toward metanarratives. In many ways Lyotard's offering of a "postmodern knowledge (which) is not simply a tool of the authorities" (p xxv) but which "refines our sensitivity to differences and reinforces our ability to tolerate the incommensurable" (p xxv) is, in an increasingly complex and shocking world, highly appealing. Perhaps of more direct relevance to accounting researchers, Lyotard proposes "local determinism" rather than "decision makers" who-

allocate our lives for the growth of power. In matters of social justice and scientific truth alike, the legitimation of that power is based on its optimizing the system's performance-*efficiency*. The application of this criterion to all of our games necessarily entails a certain level of terror, whether soft or hard.. p xxiv (emphasis added)

To those involved in research concerning (among other things) the use of the rhetoric of efficiency to legitimate local government rationalisations, the advice given to educators by the accounting profession on profit-related-pay, health care and educational "reforms" and coal pit closures which are, to many, incommensurable with social efficiency, a (postmodern) theory which will refine their sensitivities to differences and reinforce their ability to tolerate the incommensurable must be both alluring and comfortable.

But Lyotard's position can be seen as being linked to pluralism, it cannot cope with the problems of "interests". The denial of any metanarrative on which to base our understanding of a true theory or a just society by Lyotard seems to derive from his refutation of Marxism (Callinicos, 1989). Postmodernism rejects metaphysically grounded theory. Eagleton (1991, p 165) puts this postmodern case in slightly parodic form in terms of the relativity of truth; "there is no such

thing as truth; everything is a matter of rhetoric and power; all viewpoints are relative; talk of "facts" or "objectivity" is merely a specious front for the promotion of specific interests. The case is usually coupled with a vague opposition to the present political set-up, linked to an intense pessimism about the hope for an alternative." The problem with postmodernism's pluralistic denial of *any* metaphysical grounding is that it robs us of the ability to distinguish the ways in which *specific* ideas help to legitimate unjust and unnecessary forms of political domination¹⁶.

The political questions raised by the spectre of postmodernism were considered by Jameson in his introduction to *The Postmodern Condition* (1984). Jameson (p xiii) discusses the thematics of knowledge in their social form:

one that raises issues of social class - is the technocracy produced by such a primacy of knowledge a bureaucracy or a whole new class? - and of socioeconomic analysis - is this moment of advanced industrial society a structural variant of classical capitalism or a mutation and the dawning of a wholly new social structure in which, as Daniel Bell and other theoreticians of the concept of a properly "postindustrial society" have argued, it is now science, knowledge, technological research, rather than industrial production and the extraction of surplus value, that is the "ultimately determining instance"?

Later Jameson adds that these two interrelated theoretical problems (of class and of socioeconomic analysis) turn on the nature of the mode of production, in particular the capitalist mode of production and the structural variations of which it is capable. The question may therefore be rephrased as a question about Marxism: do the categories developed by Marx for the analysis of classical capitalism still retain their validity and their explanatory power when we turn to the multinational and media societies of today with their "third-stage" technologies? Jameson's (p xiii) response is that

The persistence of issues of power and control, particularly in the increasing monopolization of information by private business,

would seem to make an affirmative answer unavoidable, and to reconfirm the privileged status of Marxism as a mode of analysis of capitalism proper.

Jameson correctly points out that the "usefulness" of Marxism as a mode of analysis means articulating other concerns or perhaps even consequences. These have to do with the "end of capitalism, the possibility of revolution, and, *first and foremost, the continuing function of the industrial working class as the fundamental 'subject of history'*" (Jameson, p xiii, emphasis added). Eagleton (1991) explains the "necessary" relation between class and the possibility of revolution when considering whether or not, for example, the fight against capitalism could be led by students-

Marxists have no objection to students, having occasionally been in this unenviable condition themselves; but however politically important the intelligentsia may sometimes be, it cannot provide the major troops for the fight against capitalism. It cannot do so because it happens not to be socially located within the process of production in such a way as to be feasibly capable of taking it over. It is in this sense that the relationship between certain social locations, and certain political forms, is a "necessary" one - which is not, to repeat, to assert that it is inevitable, spontaneous, guaranteed or God-given.

Eagleton, 1991, p 218

It is possible for intellectuals and militants to give Marxist theory privileged position as a method for understanding capitalism but, *at one and the same time*, to abandon the traditional Marxian vision of revolution and socialism, primarily out of a belief that the industrial working class no longer occupies the strategic position of power in the social formation (Anderson 1976, Eagleton, 1991). Another form of this position would be derivable in the notion that social classes - of the classical type described by Marxism - no longer function as such today, but are rather displaced by different, non-class formations such as bureaucracy and technocracy¹⁷. The classical Marxist stress upon the class struggle as the driving force of history and of the working class as the agency of socialist change could be rejected by the idea that the Western world at least was entering a

"postmodern" epoch fundamentally different from the industrial capitalism of the 19th and 20th centuries. The questions surrounding whether or not we live in a "postindustrial society"¹⁸, so fundamental to postmodern theory are important. The next section will argue that Capitalism's contradictions, its crisis tendencies, its class exploitation and its generation of class conflict are as important today as they were at the time Marx was writing.

The Economic Base

A typical theorist of postindustrialism is perhaps Daniel Bell (1963, 1974, 1988). Bell sees post-industrialisation as being the end product of a progression from pre-industrial to industrial to post-industrial modes of production. To Bell, "the post-industrial society is *not* a projection or extrapolation of existing trends in Western society; *it is a new principle of social-technical organisation and ways of life*" (1988, p 6, emphasis added). To Bell, postindustrial society is first a "society of services" (1988, p 7), whose activities are primarily processing, control and information. This post-industrial society requires the expansion of higher education and the education of more of the population in abstract conceptual, technical and alphanumeric skills. The types of services provided in a post-industrial society are "new"; they are-

human services: education, health, social work, social services; and professional services: analysis and planning, design, programming, and the like. In the older conceptions of classical economics (including Marxism), services were thought of as inherently unproductive, since wealth was identified with goods, and lawyers and priests or barbers or waiters did not contribute to the national wealth.

(Bell, 1988, p 7)

Callinicos notes that Bell (1974) argued that the big corporations are shifting from an "economising mode" of activity, "in which all aspects organisation are single-

mindedly reduced to becoming means to the goals of production and profit", to a "socializing mode", one "*in which all workers are guaranteed lifetime jobs, and the satisfaction of the workforce becomes the primary levy on resources*" (Bell, 1974 quoted in Callinicos, 1989)¹⁹.

A contemporary critique of Bell's theories can be found in Callinicos (1989, p 121 - 122). He writes

It is indeed hard to take seriously the alleged shift from "economising" to "sociologising" modes in the wake of the holocaust of manufacturing jobs at the end of the 1970s and the great bull market of the mid-1980s, in the era of concessions and leveraged buyouts, of privatisation and greenmail, of Ivan Boesky.....

The privatisation of nationalized capitalist economies has taken place in both authoritarian-corporatist and social-democratic states. The capitalist "economising" drive to profit is exemplified by the rush of acquisitions, mergers and speculative investments in the 1980s' booming property markets, much of this financed by huge amounts of corporate debt²⁰. Bell's other suggestions, the change to a "socialising mode", the "knowledge elite" and "secure employment" are equally unfounded. The service industry knowledge elite comprises computer programmers, analysts and operators, data-processing machine operators and mechanics, travel agents and so on; hardly a knowledge elite. Furthermore, the fastest growing part of the service sector was accounted for by the food and retail sector where hourly earnings were 38% below those of manufacturing and typically are part-time or carry little job security (Kaletsky and Jonquieres 1987). Rather than encouraging Bell's vision of a "postindustrial society", the 1980's economic recession and the globalisation of capital have in fact turned back many industries from Fordism to Taylorism. Callinicos notes that, in California, for example, the 1979-1982 recession virtually wiped out the state's car, steel, tyre and other basic industries. Labour-intensive, low-wage industries consequently expanded in manufacturing as well as services. Employment in textiles, where

California can now compete with Hong Kong and Taiwan, grew. Davis and Buddick (p 48, 1988) wrote that "LA industry has been turned back from "Fordism" to "Bloody Taylorism" of an almost East Asian standard. Perhaps the most convincing argument *against* postindustrial theorists is the rise of the newly industrialising countries in the Third World. The consequence of the emergence of new manufacturing centres of capital accumulation has been the considerable *growth* of the industrial working class on a global scale. It does seem in any case rather narrow to identify labour with industrial labour. Wage labour has if anything become a more pervasive feature of social experience in the past half century, with the decline of peasant agriculture and the growing involvement of women in the labour market.

One economic change that most writers agree has taken place is the globalisation of capital. Fox Piven (1995) argues that there are three different ways in which economic globalization has been characterised. The first emphasises the decentralisation of production from older industrial hubs to low-wage countries on the periphery of advanced capitalism, thus pitting the organised and better paid workers of the developed North against newly emerging working classes. Secondly enlarging circuits of migration bringing workers from the South and Eastern Europe have also served to pit worker against worker. Finally, the most recent variant is about the vastly accelerated movement of financial capital, pinioning not only workers but entire economies to the wall. Each of these arguments serves to emphasise the importance of class and a Marxist concept of labour.

Whatever the emphasis, all of these arguments lead to a common, and chilling, conclusion. Labour power is, after all, rooted in the fundamental interdependence of capital and labour. The exercise of that power always involves the threat by workers, explicit or not, that they will withhold their contributions to cooperative economic endeavours.

(Fox Piven, p109, 1995)

Fox Piven believes that these changes have prepared the way for a much more aggressive class politics. "Put another way, capital is pyramiding the leverage gained by expanded exit opportunities, or perhaps the leverage gained merely by the spectre of expanded exit opportunities, in a series of vigorous political campaigns" (Fox Piven, pp 110 - 111, 1995). The energetic political and ideological campaigns by the right in the 1970s, 1980s and 1990s, cannot be overemphasised. *Postmodern theories would be able to see the New Right technologies and mechanisms of power but would be unable to grasp the connectedness of the new ideological forms to the wider class formations and economic structurings which sustain them* (McLennan, 1996). The New Right innovative twist on modernisation theory was a revival of 19th century laissez-faire and the operation of the market on an international scale. To the New Right, capital and goods circulate the globe in search of markets where profits are highest and costs lowest - and these processes are beyond the reach of politics or nation states. The latter part of this reveals one of the central myths in New Right ideology and practice - that they use both politics and states to secure advantages for themselves, indeed on an unprecedented scale, to create the very conditions which their ideology purports to be natural.

the Republican juggernaut now in power in the United States, tutored no doubt by business backed think tanks, is undertaking a series of changes in American political arrangements which will make the ideology of neo-laissez-faire "true", in the sense that people will now experience the world in a way that confirms the ideology.

Fox Piven, p 113, 1995

Another facet of globalization is considered by Dominelli and Hoogvelt (1996). They are more convinced than Fox Piven that globalization has altered the economic relationship between labour and capital. Dominelli and Hoogvelt believe that the globalization of capital has "eroded the social contract which in the post-war period underpinned the growth of the public sector and the welfare state and fashioned the cultural value system and organisational goals of the

professional elites working within them" (p 191, 1996). The New Right ideological changes are essential to this process-

this changing social position had to be accompanied by a changing organisational *culture* and ideology which, we argue, is being transmitted from the global market to the (privatising) state sector through methods of state de-regulation and re-regulation. Key players to the transition to "Government by the Market", or "Contract Government", we submit are accounting firms and the accounting profession.

Dominelli and Hoogvelt, p 192, 1996

Several structural changes have taken place within the labour market in the 1980s and 1990s to aid capitalists in the extraction of increased amounts of surplus labour. Labour "flexibility" has come to be a widely used term-

The term itself has become so widely used, encompassing such a wide range of ideological, structural and industrial shifts, that it conjures up everything that conservative forces regard as necessary for social and economic regeneration; from privatisation to labour mobility and from paycutting to dismantling protective legislation.

Atkinson and Gregory, 1986; quoted in Potter, 1987

The movement towards greater use of a two tier labour market comprising a poorly paid, insecure periphery whilst retaining a smaller established core of workers has been supported by the UK government who have been quick to introduce employment deregulation. Having identified the needs of a firm or business in terms of numbers of workers and their skills (the core) this can be supplemented by an unskilled, insecure and relatively cheap group of workers who can be picked up and put down at will (the "periphery") Potter, 1987, p 9. The accounting profession has been at the heart of these changes. Ideological concerns have been well considered in the accounting literature. However, what

is less often considered is the role of the accounting and banking industries and their phenomenal growth as a direct result of money made from such things as privatisation, in selling financial advice and also in selling "ideology". This is not intended to suggest that accounting has its own ideology separate from the rest of society, but rather that the ideology of capitalist neo-classical economics works through accounting and prevents other ideologies from being expressed. Martin (p 84, 1993) writes about the growing industry in accounting advice to government as follows

A global industry has grown up in advising governments how to reform their public sectors and designing and carrying out privatisation programmes. Dominated by the "Big Six" international accountancy firms, with the leading City of London and New York merchant investment banks not far behind, this business has enjoyed spectacular growth.

The roots of state re-regulation advice now given by the major accountancy firms can be traced back to their earlier public sector consultancy during the 1970s and 1980s doing studies in such matters as "value for money" and "efficiency". This work helped to develop the climate of commercialism in which service design is increasingly cost led. Privatization in various forms followed, in a climate in which the ability of firms to cut costs came to be regarded as more important than their suitability to carry out a service (Martin, 1993). It would be surprising if accounting and firms did not give advice which would at the same time enhance their own profitability. The advice which they give and the programmes which they design consistently reproduce their own market niche. The increases in profits due to privatisation work generally among the big accounting firms, underwriters and merchant banks has been substantial. Martin (1993, p 88) explains:

Having enjoyed growth in public and private sector consultancy income estimated at between 31 per cent in the United States and

47 per cent in Britain over the decade to the late 1980s, income from privatisation consultancy alone has doubled every year since then, according to Anstee, who is in charge of international privatisation for Ernst and Young. His own service...cost £2,000 per day. There are some part-time hospital cleaners who are paid less or little more than that per year The secret of privatisation, it seems, is to pay consultants very well to tell you to pay workers very badly or to get rid of them entirely.

The relationship between the development of new right theories and government policies is complex. As in the 1950s and 1960s there is clear evidence of the transportation of ideas from the US to the UK; for example, a new right think-tank, the Adam Smith Institute (ASI), was originally formed in the US but moved to London in 1979. This think-tank saw its role as pushing back the limits of the politically thinkable (Desai, 1994). It was widely rumoured to be financed by the CIA. But how did these ideas help to influence government policy? There is evidence of some form of trial and error here. For example privatisation was not seen as a viable option for the UK Conservative Party's 1979 or 1983 manifestos (Brittan, 1985). But when in the UK the experiment turned out to be a success, the think-tanks came up with more systematic and theoretical advocacy and blueprints for further extensions.

A Marxist theorist who explains the way in which government policies are related to intellectual developments is Antonio Gramsci (Desai, 1994). Gramsci wrote that the way to understand the distinctive character of intellectuals is in "the ensemble of the system of relations in which these activities (and therefore the intellectual groups which personify them) have their place in the general complex of social relations" (Gramsci, 1971, pp 8 - 9, quoted in Desai, 1994, p 36). The meaning of intellectual here is distinguished by its social engagement. Intellectuals produce culture and present a way of understanding society and its organisations (Desai, 1994). The context of the rise of the new right was an organic crisis of capitalism. In such a context, restabilization depends upon the successful construction of a new hegemony. Here intellectuals can play different

roles; they can play a crucial role in the dissemination of the hegemonic ideology; they can give the state or dominant class intellectual direction. During times of crisis intellectuals themselves at a critical phase and need to become much more active. Moreover, their ideological response must lie in an already articulated and available alternative philosophy. Already existing components of the national intellectual tradition almost invariably provide materials for even highly innovative ideologies (Desai, 1994, p 41).

Thus the New Right has paid attention to the importance of ideology, it has used its Organic Intellectuals to both disseminate hegemonic ideology *and* give the state intellectual direction. But what of the role of traditional intellectuals? Traditional intellectuals are to be found in universities; whether or not they could in general be described as organic intellectuals in the Gramscian sense is debatable. For this they would need to be consciously committed to structural change on a practical basis. Dominelli and Hoogvelt describe intellectuals within universities as being "The Privatised Professional Intellectual; The Petty Bourgeois Intellectual; The Counter Hegemonic Intellectual and The Post-Modernist Intellectual. The next section is concerned with broadly postmodernist intellectuals in accounting.

Academic Accountants and Postmodernism

From the late 1970s up until the present day many critical accounting academics have embraced postmodern theories. As outlined earlier in this paper many of the themes of postmodernism are attuned to the experiences of cynicism and disillusionment, so common in the 1970s and 1980s. MacDonald (1990) writes that postmodernism has been able to capture and express a popular mood of

distrust and defeatism. There are two main features of this. Firstly, power cannot be trusted. Secondly, collective identities cannot be fostered in trust because individuals are unable to reflect their own interests even to themselves. This mood of pessimism is understandable, even if we are committed to political change, we are not immune from the despair that change may never happen, or even if it does, it may never be enough to create the kind of society we are looking for. MacDonald points out that postmodern theories have a particular appeal for academics, not least because they offer the promise of surmounting some of the basic conflicts which have arisen in other social theories.

The current debates in the accounting literature between "the Marxists" and "the Foucauldians" (Grey, 1994; Armstrong, 1994; Hoskin, 1994; Neimark, 1990, 1994) are taking place within a specific cultural, political and economic context and by individuals who (at least) share a common occupational grouping. Unfortunately, there appears to be little debate as yet between Marxist theorists and other postmodern theorists. Neimark (1994, p 89) is correct when she states that

the apparent triumph of Foucault over Marx in inspiring critical accounting research in accounting and elsewhere cannot be explained solely by the former's superiority. One must look more closely at the context in which these struggles over ideas are taking place.

She sees part of this context as writing Marx out of intellectual life while it appears that the West has won the "Cold War". The popularisation of Foucault seems to be aiding in the perpetuation of the status quo in the sense that Foucault appears to be gaining ground over Marxist scholarship. Neimark asks (p 88, 1994)

What could be better for the unrestrained rule of capitalism than to efface the intellectual tradition that is still most suited to understanding and challenging what is taking place? What could

be better, at a time when society is becoming less democratic, less just and more impoverished, than an academy that argues that ideas of democracy, justice, equality and class are metaphysical constructs?

According to Michel Foucault power is a pervasive, intangible network of forces which weaves itself into our slightest gestures and our most intimate utterances. That we should think of power as imprinting our personal relations and routine activities is a clear political gain as in feminist theory. But the point of "metaphysically grounded" theory is to present us with the tools which allow us to distinguish between those power struggles which are somehow central to a whole form of social life, and those which are not (Eagleton, 1991). It is perfectly possible to agree with Foucault that power is everywhere, while wanting for practical purposes to distinguish between more or less central instances of it. To claim that one metaphysic is more important than another involves arguing for it (and being open to disapproval) - to decide, for example, that the economic situation is going to be your referent, could enhance possibilities for politics and action. For Foucault the question of where political resistance springs from remains obscure. "It is this stoicism in the face of an apparently all-pervasive power or inescapable metaphysical closure which will flow into the current of post-structuralism"....."A "scandalous" vision of the whole of society as one restless will to power, one irresolvable turmoil of embattled perspectives, thus serves to consecrate the political *status quo*", (Eagleton, 1991, pp 146 and 167).

To perhaps add some finer detail to Neimark's analysis this section considers the narrower material conditions of academic labour which came to embrace postmodernism in the late 1970s and early 1980s²¹. While there is no simple connection between class and the emergence of postmodernism one should not rule out of hand the possibility that some types of ideological discourse may be more closely tied to certain social interests than others and indeed that these interests represent pre-given social or economic ones (Eagleton, 1991). Callinicos

(1989) suggests that there are two important reasons for the acceptance of the postmodern by many academics in the 1980s. The first is economic (hegemonic). The second is more political. It is now well documented that during the 1970's and 1980's, the middle class became, relatively speaking, richer. Wage inequalities from the mid 1970s to the early 1990s in fact became greater.

Wage Inequality		
	Wage inequality Male wages; ratio of upper to lower decile	
	Mid 1970s/Early 1980s	Late 1980s/Early 1990s
USA	4.7	5.6
UK	2.4	3.4

Source: OECD Employment Outlook, in Graham, 1994, p 7

The first Reagan administration pushed through cuts that reduced the benefits of low income families by \$23 billion whilst at the same time increasing the benefits to high income families by \$35 billion. There were other factors too which helped to promote the expansion of upper income group's wealth. The major factor in the UK was the boom in property prices. For shareholders, there was the bull market of the mid 80s. The political reasons for trying to understand the embracing of postmodernism by academics perhaps derive from the political fallout of 1968 (see also Neimark, 1990). Towards the end of the 1960's, many young Western intellectuals had brief affairs with far left organisations; but, in the aftermath of 1968, the hopes of an immanent revolution were dashed. Twenty years after, with the seeming invincibility of the new right, many of the generation of 1968 had totally abandoned any socialist principles. Moreover, the economic prosperity of the "new middles class" depended upon the defeat of the political challenges of the late 1960s. Callinicos states that (p 168), "[t]his conjecture - the prosperity of the Western new middle class combined with the political disillusionment of many of its most articulate members - provides the context to the proliferating talk of postmodernism". The hope of any fundamental social change is gone along

with a belief in its desirability; classical Marxism with its orientation on the class struggle appears to be both futile and irrelevant; but what is to replace it? A nice comforting theory that tells us that there is nothing we can do to change the world but which also conforms to our postmodern Angst?

the term "postmodern" would seem to be a floating signifier by means of which this intelligentsia has sought to articulate its political disillusionment and its aspiration to a consumption-oriented lifestyle. The difficulties involved in identifying a referent for this term are therefore beside the point, since talk about postmodernism turns out to be less about the world than the expression of a particular generation's sense of an ending. (Callinicos, 1989, p 171)

Dominelli and Hoogvelt's (1996) description of a "Post-Modernist Intellectual" is remarkably similar-

Rejecting a conception of society with an overall structure that may be studied, let alone improved upon, post-modern intellectuals eschew even the theoretical possibility of drawing on the intellectual traditions of the past, particularly those rooted in the grand theories of society..... Instead they have gone down the post-modernist road out of disillusion and despair (p 209).

In the 1990s with the worldwide cuts in education budgets and the increasing commodification of academic labour (Cooper and Puxty, 1996), the economic-hegemonic condition of academics is deteriorating as an rapidly increasing pace. It would be a mistake to lump all academic labour together; different universities face very different conditions of economic existence and this impacts on the academics who work in them. However academic labour is increasingly becoming subject to the same economic structural changes as many other occupational groups. Neimark (1996, p 4) states that "the very organisational tactics that we teach in business schools and that are being implemented in the corporate sector (with the help of the management consulting divisions of public

accounting firms), 'are being turned back on the university in a parallel restructuring project that impacts campuses". Parker and Jary (1995) present a powerful survey of the changes in Higher Education in the UK. They, whilst noting the differences between "old" and "new" universities²², explain how structural (for example modularisation and the increasing casualisation of academic labour) and funding changes in higher education have served to increase the variety of formal control systems by management and at the same time diminish the autonomy of academics.

	Full time equivalent students per staff member			
	Lecturing ("old" universities)	Lecturing ("new" universities)	Library ("old" universities)	Computer ("old" universities)
1985/86	10.3		220	178
1986/87	10.5		229	166
1987/88	10.7	12.0	237	164
1988/89	11.4	13.7	250	166
1989/90	11.3	14.8	263	169
1990/91	11.7	15.3	271	172
1991/92	12.4	17.1	293	175
1992/93	13.2	18.7	315	184
1993/94	14.0		335	193

Adapted from "Efficiency Gains or Quality Losses?", AUT, Summer, 1996

The decline in the relative number of academics was matched by a decline in the status of academics and their relative pay (Dominelli and Hoogvelt, 1996). Academic labour is also suffering the same structural employment changes as the rest of society in terms of "flexibility". Many higher education institutions are increasingly unwilling to appoint new *permanent* staff. For research staff fixed term (flexible) contracts have become the norm and this pattern is being repeated

in teaching and other areas. In the UK academics have doubled their "output" in the last ten years, decreased the cost of their major "product" by over 30% and have seen their pay *decline* relative to average earnings by 16.4% (AUT, 1996). The "performance" of university staff in the UK is phenomenal. Is this why the government have chosen profit related pay and not performance related pay?

It is totally beyond the scope of this paper to consider what theoretical direction future research in accounting will take. Clearly academics who have made an "investment" in certain theories may well be unwilling, especially given the productivity gains demanded by the state, to undertake the huge amount of work that the development of new theoretical perspectives would require. But, the challenge for accounting academics is not simply to describe their changing world, it is to think about how to respond to these changes.

Conclusion

The accounting literature is slowly giving voices to groups under-represented in the accounting literature like African-Americans (eg Hammond and Streeter, 1993) and women (Kirkham and Loft, 1993); however, a large group - the working class - have to date been denied a voice in the accounting literature. The majority of "workers in the accounting industry", the book-keepers, data processors and so on are almost invisible even in critical accounting research. Moreover, those suffering the effects of new accounting regimes also seem to be invisible²³. This gestures towards many different avenues of accounting research which would benefit from a recognition of the "modern" nature of our world, the capitalist drive to profit and the continued importance of class. In auditing, we could turn our attention to the long hours worked by newly appointed accounting graduates "off the clock" and the implications this might have for "audit failures". Furthermore, this might ring alarm bell's which will encourage the recognition

that the drive to increase profits is heralding in the use of computer systems to replace accountants. In terms of the provision of accounting information, it might be worthwhile pursuing the recent studies which have shown that a majority of US corporate downsizings did not accomplish the efficiency and profitability objectives that motivated them²⁴.

This paper challenges some of the theoretical perspectives used in critical accounting research. The perspectives which are described as being postmodern do add important insights into the understanding of accounting; but, perhaps in the end, the debates amongst the different theorists and how to interpret theory and the wider world remain a matter largely to be argued. Certain theoretical positions perhaps do attach more easily to different class interests, but there is no necessary relation between the two. Perhaps we might more easily warm to the theoretical positions which we feel most secure with. Marxist theory which seeks to change the world is frightening. Social change is never easy. But the world in which we are living is becoming increasingly frightening and perhaps changing it might turn out to be the least scary option.

Constant revolutionising of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation distinguish the bourgeois epoch from all earlier ones. All fixed, fast-frozen relations, with their train of ancient and venerable prejudices and opinions, are swept away, all new-formed ones become antiquated before they can ossify. All that is solid melts into air, all that is holy is profaned, and man is at last compelled to face with sober senses, his real conditions of life, and his relations with his kind. K Marx and F Engels, p 487

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1. It seems that the exact details of profit related are still not final. But in basic terms the proposal is that staff should accept a notional pay cut, the removed slice going into a "profit pool", which could be allocated unevenly amongst university staff. The end result would be the abolition of national pay rates.

2. I have deliberately used the phrase "postmodern Foucauldian" here with an awareness that Foucault himself probably never intended to be "tied down" as a "postmodernist". I am concerned here with the interpretation of Foucault's work.

3. Along with other post-modern thinkers I would eschew any social explanations since I would believe that the "social" cannot be conceived either in terms of possessing unproblematically "real" empirical characteristics, or in terms of constituting a structured totality. Furthermore I would shun any analysis which included any structures like class.

4. For an excellent introduction to deconstruction see Arrington and Francis (1989).

5. Derrida would side with losses. But despite describing himself as a Marxist, Derrida, in a book devoted to exegesis of Marx, *Specters of Marx* (1994) gives only a passing mention to the concept of class.

6. no matter who is in power

7. During the late 1970s and early 1980s as the New Right Ideological renaissance was rapidly gaining ascendance, many of the attacks on Marxist perspectives came from Postmodernist writers.

8. The cultural changes of Capitalism have been charted in the accounting literature (see for example, Lehman and Tinker, 1987; and Tinker and Neimark, 1987). Adam Smith underwent a profound intellectual rehabilitation alongside the market acceptance that permeates Parsons's theoretical work and the individualism of Weber's marginalist economics (Holten and Turner, 1986).

9. This anti-bureaucratic, anti-government stance has its roots in the New American Right of the 1950s who believed that McCarthyism could be explained away as a neo-populist revolt against elites.

10. Marxist dialectical theory serves to explain the rise of capitalism as a progressive stage of historical development but also sees capitalist contradictions, its class exploitation and its crisis tendencies. Therborn (1996) argues Marxism that is the major manifestation of the dialectics of modernity and that Marxist parties, movements, and intellectual currents are the most important means of embracing the contradictory nature of modernity.

It simultaneously affirmed the positive, progressive features of capitalism, industrialisation, and urbanisation, mass literacy, of looking to the future instead of past and of keeping one's eyes fixed on the earth of the present, and, on the other hand, denouncing the

exploitation, the human alienation, the commodification and the instrumentalization of the social, the false ideology, and the imperialism inherent in the modernization process.

Therborn, 1996, p 60

11. For example Parsons's (1964, 1966, 1971) ideas in relation to "traditional societies" had genuine economic policy implications. From a semiotic perspective, the discourse of modernization theory can be seen as functioning according to its binary code construction, dividing as it were the acceptable and valued from the unacceptable and worthless. As a "discourse of civil society" and as a metalanguage, it provided simple rules. The acceptable and valued terms like rationality, individuality, trust, and truth came to shape what was acceptable, while other qualities like irrationality, conformity and suspicion and deceit were deemed undesirable.

12. Many of the classical Marxist texts were hidden from view in the 1950s and 1960s, not only from competing world views but also by the critical theorists themselves. After World War II, nearly all of the Western Marxist survivors were academic philosophers of professorial rank. Their work on politics, economics and labour movement institutions shifted to academia and philosophy, particularly epistemology and aesthetics

13. Given that Communist Party membership in the US by 1953 had declined from fifty-four thousand to twenty-four thousand within four years, and couldn't realistically be seen as a "threat" in the post war years, it is interesting to consider the effectiveness of McCarthyism and the red scare.

14. The belief that ideology is a schematic, inflexible way of seeing the world, as against some more modest, piecemeal pragmatic wisdom, was elevated by the New American Right from a popular illusion to an elaborate sociological theory (Eagleton, 1991; Bell, 1962; Aron, 1957). The New American right saw their "ideologies" (although of course they would not describe them as ideologies) as being *natural and reflecting reality*.

15. Anderson (1976, pp 56, 88) sees a "common and latent pessimism" running through Western Marxist texts of the 1950s and early 1960s. These arguably pessimistic texts surfaced in the late 1960s to encounter a new, young, but different generation of intellectuals (Therborn, 1996).

16. Eagleton (1991, p 166) explains how Lyotard's argument serves to undermine one part of capitalist logic with another-

Capitalist society is a battleground of competing interests, and cloaks this incessant violence in the guise of disinterested ideas. Those postmodernists who quite properly see through this illusion often enough end up pitting against it a "radical" version of the very-market place behaviour it conceals. In espousing a rich plurality of

contending viewpoints and idioms as a good in itself, they turn an ideolised version of that market-place reality against the monistic certitudes which help to hold it in place, thus seeking to undermine one part of capitalist logic with another. It is then no wonder that their "radical" politics are a little strained and bleak, or at worst (one thinks of Jean Baudrillard and Jean Francois Lyotard) entirely vacuous.

17. This seems to be Lyotard's position, perhaps derived from the anti-Stalinist formative political work in the *Socialisme ou barbarie* group which similarly analyzed bureaucracy in the Eastern bloc countries.

18. Several writers, notably Jameson, have related what they see as the emergence of postmodern culture to changes within the capitalist mode of production, while rejecting the idea of postindustrial society. Indeed Jameson suggests that we should explore the subversive possibilities of new forms. But despite Jameson's methodological commitments he asserts that shifts in the productive base of society had created the superstructural confusions of a traditional time (Alexander 1995) identifying "a new and virtually unimaginable quantum leap in technological alienation" (Jameson, p 25).

19. Bell's work can be considered on many different levels. Callincos (1989) outlines several different Marxist theories which offer explanations of the form of our current socio-economic society. These range from Mandel's (1975) theorisation of a third stage of capitalism beyond that of the classical or market capitalism analyzed in *Capital* to that of the monopoly stage or stage of "imperialism" proposed by Lenin (1944). Mandel accounts for the shift from the older industrial technologies to the newer informational ones in classical Marxist terms, "as indices of a new and powerful, original, global expansion of capitalism, which now specifically penetrates the hitherto precapitalist enclaves of Third World agriculture, in which, in other words, capital more definitively secures the colonisation of Nature and the Unconscious" (Jameson, 1984, p xiv).

This new period [1940 to 1965] was characterised, among other things, by the fact that alongside machine-made industrial consumer goods (as from the early 19th century) and machine-made machines (as from the mid 19th century), we now find machine-produced raw materials and foodstuffs. Late capitalism, far from representing a "post-industrial society," thus appears as the period in which all branches of the economy are fully industrialised for the first time; to which one could further add the increasing mechanisation of the sphere of circulation (with the exception of pure repair services) and the increasing mechanisation of the superstructure (Mandel, 1975, pp 190 - 191).

20. The crash of this extravaganza was exemplified in the US by the Savings and Loans and "junk" bond scandals. In the UK, several notable Thatcherite heros-Saunders (Guinness); Asil Nadir (Polly Peck); Goodman (International Leisure

Group); Maxwell and Ratner seemed much less concerned with "socialising" than "economising". Other commentators (Heilbroner, 1977; Kumar, 1978) noted the misinterpretation of economic trends made by "postindustrialist theorists". For example, the rise in service industry employment took place primarily at the expense of agriculture rather than manufacturing industry. In any case manufacturing has never accounted for a majority of the workforce. The peak was achieved by Britain in 1955 when industry accounted for 48 per cent of employment (Prowse, 1987). Furthermore, although since the early 1970s there has been a more pronounced shift away from manufacturing towards services in *Western* economies, this has been a *relative* change. In other words, it was manufacturing industries' share of the workforce which fell rather than the absolute number of industrial employees. Also this fall could be seen as part of a rise in the productivity of labour in manufacturing industry which actually far outstripped service industry productivity (Callinicos, 1989; Gaffikin and Morrissey 1992).

21. Perhaps one of the most radical aspects of poststructuralist writers like Foucault, Derrida, Deleuze and Guattari is the "decentering of the subject". But what kind of political subject is constituted by the discourse of postmodernity? Lyotard writes,

Eclecticism is the degree zero of contemporary general culture: one listens to reggae, watches a western, eats McDonalds' food for lunch and local cuisine for dinner, wears Paris perfume in Tokyo and "retro" clothes in Hong Kong; knowledge is a matter for TV games. (Lyotard, 1984, p 76 quoted in Callinicos, p 162)

Even to the relatively affluent accounting professors of the late 1970s and early 1980s, the opportunities to hang out in Hong Kong in trendy clothes were rather rare. It seems that the "subject" under consideration here was a representative of a salaried middle class which, while caught in the middle between capital and labour, is rather different from the traditional *petit bourgeoisie*. This class

distinguishes itself more by its spending than its saving. The Sunday colour supplements give it both a fantasy life and a set of cultural cues. Much of its claim to culture rests on the conspicuous display of good taste, whether in the form of kitchenware, "continental" food, or weekend sailing and cottages. New forms of sociability, like parties and "affairs" have broken down the sexual apartheid which kept women and men in rigidly separate spheres.

Class hardly enters into the new middle class conception of themselves. Many of them work in an institutional world of fine gradations but no clear lines of antagonism.

The new middle class have a different emotional economy than that of their pre-war predecessors. They go in for instant rather than deferred gratification, making a positive virtue of their expenditure, and treating the self-indulgent as an ostentatious display of good taste. Sensual pleasures, so far from being outlawed, are the very field on which social claims are established and sexual identities

confirmed. (Samuel, 1982, quoted in Callinicos, 1988, p 163).

22. Very simply in the UK a "new" university would in previous times have been mainly described as a polytechnic. In general polytechnics were seen as been less oriented towards research than "old" universities.

23. Arnold (1995) is a refreshing exception. In this paper she undermines some accepted management accounting theory by considering what the work-force have to say about new management control techniques.

24. Kim Cameron of the University of Michigan found that of 150 companies that had downsized, 75% ended up worse off (Faux, 1994, p 24).

A Tale of Two Classes: The Privatisation of Medway Ports

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Abstract

This paper presents a UK case study of the privatisation of a UK port, Medway Ports, which was sold to a Management and Employee Buyout consortium in 1992 with assistance from the accountancy firm of Price Waterhouse. Half the work force was then dismissed by the new management and forced to sell back their shares which were valued at £2.50 by another accounting firm, KPMG Peat Marwick. Within a short time, Medway was resold to Mersey Dock & Harbour Company for £37 per share, making millions for Medway's directors and financial backers. The resale price was eight times more than the amount the UK Treasury had received from the original sale only 18 months earlier prompting an investigation into the government's handling of the privatisation. The study examines the privatisation of Medway Ports as a focal point for understanding the role major accountancy firms have played in the neo-liberal privatisation program.

But when the transaction was concluded, it was discovered that he was no "free agent", that the period of time for which he is free to sell his labour-power is the period of time for which he is forced to sell it, that in fact the vampire will not let go "while there remains a single muscle, sinew or drop of blood to be exploited".

Marx, 1990, pp 415 - 416

This paper presents a UK case study of the privatisation of Medway Ports. Medway Ports, which include Sheerness, a deep water port in the Thames Estuary, and the former Royal Naval Dockyard at Chatham, Kent, were sold to a management and employee buyout consortium in 1992. Price Waterhouse served as lead advisors to the UK government on the Ports' privatisation. The privatisation took the form of a management and employee buyout. Many dock workers and other employees acquired up to 10,000 shares at £1 each. Soon after Medway's privatisation, more than half of the workforce, including nearly all of the manual dock workers, were dismissed, many to be re-employed on a casual basis with reduced wages and no rights of employment, pensions, or sickness benefits. Redundant workers had to sell back their shares at a price, valued by KPMG Peak Marwick, of £2.50. Within months, the ports were resold to Mersey Dock and Harbour Company at a price of £37.50 per share. The total resale price of the port was almost eight times the price paid to the UK Treasury only 18 months earlier when the ports were privatised. This prompted a government investigation into Department of Transport's handling of the original sale. Although this is a single case study, perhaps made special by the dramatic increase in the share value within a very short period of time, many of the important characteristics of this case are to be found in other privatisations and management buyouts both in the UK and internationally. In the British case, the large scale rationalisation of jobs (British Gas, British Telecom, the Water Authorities, Kingston-upon-Hull and so on), the huge executive salaries, and the losses to UK taxpayers are well known. So while we draw out the threads of this

particular story, it will resonate with the experiences of many workers who have had their livelihoods stolen from them by privatisation.

In considering this case, one could easily become immersed in the institutional, legal or technical accounting issues related to the case. Accounting could evaluate the valuation methodologies used by Price Waterhouse to establish a benchmark selling price for the port, examine the assumptions underlying the share price set by KPMG Peat Marwick, or address the question of the *real* value of Medway Ports in order to determine how much taxpayers and dock workers lost in the transaction. While valuation issues are not unimportant to the case, they are best understood within the context of a class analysis that recognises the relationship between the draconian job cuts and harsh flexible work practices imposed on dock labour and the increased value of the port to its owners. By their nature, economic valuation models abstract from any historical context and hence obscure the history of exploitation that underlies privatisation. Thus, rather than focussing on the technical issue of how to (or not to) perform a business valuation, this study presents a historical analysis of the changing relations between labour, capital, the state, and the accounting profession that surround the port privatisation. In particular, we examine the question of how and to what effect the accounting industry has, through its consulting and advisory arms, come to play a central role in the neo-liberal privatisation project, the dismantling of social democratic states, and the global restructuring of class relations.

The accounting industry has undergone dramatic changes in recent years reflected not only in the increasing concentration within the industry due to the mergers of giant international accountancy firms, but also in the declining importance of audit work as a source of revenue. Auditing is losing its position as the mainspring of accounting practice as firms move aggressively into the burgeoning business of consulting and advisory services. The metamorphosis of the accounting industry poses a challenge to accounting research that continues to define the domain of accounting in terms of the traditional functions of auditing, financial reporting, and cost accounting even as these activities lose importance. Today, the

business of accounting is increasingly about *doing* valuations, privatisations, mergers, acquisitions and corporate restructurings, and with advising transnational corporations on subjects as diverse as offshore banking in the Caymen Islands, tax regimes in the former Soviet Republics, and trade laws in Vietnam. As international accountancy firms expand their businesses into areas traditionally deemed the prerogative of business strategists, lawyers and investment bankers, the boundaries between the various business disciplines (accounting, finance, business strategy, law, etc.) become blurred, and the study of accountancy becomes increasingly indistinguishable from the wider study of the movements of global capitalism.

The critical accounting literature (Armstrong, 1985, 1987; Dezalay, 1995; Hanlon, 1994, 1996, 1997; Dominelli & Hoogvelt, 1996; Willmott and Sikka, 1997) has begun to examine the changing face of the accounting industry within the context of the changing market for accounting labour and increasing commercialisation of the professional service sector. Hanlon (1994, 1996) describes the ongoing transformation of accountancy from a semi-autonomous, public service profession to a highly commercial service industry increasingly dependent upon serving the private interests of clients, and ever more distanced from its traditional public service functions (auditing, fraud detection and so forth). Like Hanlon (1994, 1996), this study locates the changing role of accountancy within a political and economic context marked by the rise of neo-liberalism, the dismantling of social democratic welfare states, and the global restructuring of relations between capital and labour that has occurred over the past quarter century. However, while Hanlon's work is primarily concerned with understanding how transformations in global capitalism have affected the accounting profession, the converse is also true. Accountancy institutions have played a pro active role in executing the transformations prescribed by the neo-liberal economic agenda. In particular, the consulting divisions of major accounting conglomerates have organised, directed and implemented privatisation on a global scale (Catchpole and Cooper, forthcoming). The case of the privatisation of Medway Ports is presented, not as an isolated occurrence, but as a representative

example of the redistribution of wealth that has resulted from privatisation. As such, the case highlights the intrinsically social, as opposed to the technical, implications of accounting's involvement in the business of privatisation consulting.

The Commercialisation of Accountancy

Over the course of the 1980s and 1990s, the accounting profession took on the characteristics of a global industry. Small partnerships and sole proprietorships remain viable forms of organisation for supplying accountancy and tax services to small, local and regional businesses. The national and international markets, however, became increasingly dominated by a few giant firms as the largest international accounting firms, the Big Eight, merged into the Big Six, and then the Big Five. Although these mergers were ostensibly driven by competitive pressures on profits, the international accountancy industry has proven exceedingly profitable. Hanlon (1996, p. 343), reports that fee income of the Big Six in the United Kingdom increased approximately 700% between 1982 and 1994 (from £370m to £2554m). At the same time, the nature of accountancy work changed as auditing, the traditional mainstay of accounting practice, declined in relative importance and advisory and consultancy practices grew. In the United Kingdom, auditing fees comprised less than 40% of total Big Six revenue in 1993; down from 70% in 1980 (Hanlon, 1996, p. 344). In the United States consulting fees grew to somewhere between 25% and 50% of Big Six revenues by 1995 (Neimark, 1996, p. 2). Today, the accounting industry is dominated by a handful of commercially oriented international firms that sell services as diverse as advise on tax and trade laws in Botswana and Barbados to assistance in downsizing and implementing flexible manufacturing systems in middle America.

In his book, *The Commercialisation of Accountancy: Flexible Accumulation and the Transformation of the Service Class*, Hanlon (1994) views these structural changes in accountancy as visible evidence of a more fundamental transformation of

the professional service class from an ethos of social services to one of commercialism. Drawing from regulation theory, Hanlon (1994, 1996) takes a broad view of economic history and attributes the shift in accounting labour markets to the movement of capitalism from Fordism to a regime of flexible accumulation (Harvey, 1989). The decline of the welfare state, global competitiveness and ubiquitous commercialism has, according to Hanlon, altered the shape of the professional service class. Occupations, such as accounting, law, management consulting, and investment banking, which are directly concerned with servicing capital and promoting accumulation, have risen in prominence, displacing social service professionals who served state functions under Fordism. At the same time, the accounting industry has become more commercialised and entrepreneurial as its profits have become increasingly dependent on selling consultancy services. Hanlon (1994, 1996) argues that such commercialism and dependence on consulting revenue has made the accounting profession increasingly subservient to corporate clients, and ever more distanced from its traditional public function as independent watchdog and corporate auditor.

Hanlon's (1994, 1996) work, focuses primarily on how transitions in global capitalism have affected the market for accounting labour and the socialisation of accountants into an ethos of commercialism. By focussing on accountants primarily as objects, rather than agents, of economic change, Hanlon (1996, p. 358-360) is able to refute the notion that a "new service class" drives social change (Lash and Urry, 1987). To the contrary, Hanlon shows that the new service class does not set the political and social agenda, but rather "serves capital on capital's terms". While we concur with the thesis that the new service class is subservient to capital, an emphasis on accounting institutions as objects of economic change can neglect the significant role the accounting industry has played in executing the neo-liberal agenda that has transformed global capitalism. As Willmott and Sikka (1997, p. 836) observe, a "theoretical tension" runs through Hanlon's book:

Generally, members of the service class are mere bearers of the will

of capital. However, occasionally, accountants are identified as key elements of a commercial service class whose members are responsible for engineering the transformation from a Fordist to a Flexible regime of accumulation.

Gramsci's (1971) writings on organic intellectuals provides a resolution to this tension by explaining how the professional service class is at one time both the bearers of the will of capital and the engineers of its transformation. As Sasson (1987, p. 139) notes Gramsci emphasises the "*organisational*" function intellectuals perform as much as their "*ideological*" role. Organic intellectuals not only organise culture (as teachers and journalist), but also production (as industrial technicians) and political society (as state bureaucrats). These knowledge specialists occupy different positions within the social strata. Some, like the industrial technicians, function close to the economic base as direct "deputies" of the dominant class, while others, like civil servants and educators, occupy mediated positions in relation to capital. Although both strata of intellectuals play a role in maintaining hegemony, Gramsci argues that the distinction between them is politically important because those who function in a mediated relationship to capital exercise some degree of relative autonomy, while intellectuals who function directly as deputies of the dominant class have "no autonomous initiative" (Sasson, 1987, p. 143).

The progression of accountancy from a semi-autonomous "profession" to a commercialised industry selling advisory services to corporate clients can be understood from this theoretical vantage point. Over the past two decades, intellectuals (i.e. holders of specialised knowledges) have increasingly moved from the position of relatively autonomous social service "professionals" within state service or semi-autonomous professional associations to the position of commercial entrepreneurs serving organisational and directive functions directly on behalf of capital. While accountancy has always operated closer to the economic base than social service professionals, the relationship between accountancy and capital was partially mediated by the state under Fordism. In their capacity as independent

auditors, accounting firms served the state regulatory function of facilitating the orderly functioning of financial markets. Persons with specialised knowledge of accounting also moved into state bureaucracies as planners, controllers, analysts and administrators. Today, consultancy is fast replacing auditing as the primary business of accounting firms, and states are increasing contracting advisory services out to private sector accounting firms, rather than relying on the expertise of civil servants and state bureaucrats. As accounting "professionals" move closer to the economic base, they lose autonomy and function more directly as deputies of the dominant class. The new professional service class does not set the political and social agenda, but it does execute it. From their positions of deputies of capital, the major international accountancy firms have participated in organising, administering and executing the neo-liberal agenda that is reshaping global capitalism.

Privatisation and the Accountancy Industry

The direct role accountancy firms have played in executing the neo-liberal transformation of international capitalism is nowhere more evident than in the field of privatisation. Although, in the accounting literature, privatisation is often associated primarily with the sale of Britain's state-owned industries, it is an international phenomena that Ernst and Young (1994, p. 3) call "the great economic transformation process of our time". In the twenty years period from the initial privatisation of Chile's nationalised industries in 1974 to 1994, more than 10,000 state-owned enterprises in over 100 countries were sold to private investors. In the decade of the 1980s, Eastern Europe and Latin America, respectively, privatised 805¹ and 804 medium to large state-owned enterprises; Africa 337, Asia 122, the Middle East 58 and OECD countries 175 (Ernst and Young, 1994, p. 30-40). The trend continued into the 1990s; more than 2,000 privatisations were completed in 1994 alone (*European Accountant*, April, 1995, p. 8). In 1996, \$88bn worth of state owned assets were transferred to private ownership (*Financial Times*, April 10,

1997, p. 30). This global restructuring of asset ownership has produced massive redistribution of wealth from public to private hands and often from poor countries in the South and East to investors in North America and Europe.

Martin (1993) provides a thorough account of how transnational capital has set the agenda, sponsored and benefited from privatisation. Although neo-liberal ideology spurred privatisation in some countries, the greatest impetus to privatisation came from the World Bank and IMF (International Monetary Fund) which, in response to pressure from the United States, made privatisation an essential component of their economic reform and structural adjustment programmes. Investors and banking interests have been the main beneficiaries of these programmes. Investors profited directly as privatisations of state owned industries removed barriers to the integration of world capitalism and opened vast new markets in the fields of telecommunication, energy, and transportation as sites for accumulation. Transnational banks also benefited as cash poor third world nations were forced to sell public assets, often at discounted values, in order to service debt and alleviate the 1980s Debt Crisis. In the 1990s, that model is being replicated in Asia where the IMF has imposed privatisation programmes on Korea and Indonesia in the wake of the Asian financial crisis.

These privatisation programmes have been organised and directed by an "influential technocracy of economists and accountants" (Martin, 1993, p. 2). Privatisation consultants and advisors, drawn predominately from the ranks of Big Six accountancy firms and investment banks, became central figures in the "neo-liberal alliance" (Martin, 1993, p. 6) that implemented privatisation. Their activities range from advising governments on how to "reform" public sectors, to performing valuations of state-owned enterprises, to designing privatisation plans, to overseeing tender offers, negotiated sales, stock flotations, joint ventures, management-employee buyouts and a myriad of other types of privatisations. The accountants' advisory role is not strictly technical. Since the "marketability" of a state-owned enterprise depends upon creating a political and economic environment conducive to investment (i.e. a liberalised economy), and providing state subsidies to make

privatisation targets commercially viable², privatisation advice becomes intertwined with economic and public policy decisions. Privatisation consultants play a strategic policy role advising on matters such as the need for neo-liberal economic reforms to create an "enabling environment" for privatisation, the necessity of pre-privatisation restructuring, and the wisdom of building political support for privatisation by offering potential opponents a stake in newly privatised industries (Ernst & Young, 1994).

While investment banks captured the market for the largest scale privatisations, Ernst and Young (1994, p. 129) claims that accountancy firms, particularly the Big Six, have been the "dominant providers of privatization advisory services". Price Waterhouse and Coopers and Lybrand led the field of accounting and consulting firms in *Privatisation International's* 1996 annual survey of top firms in the privatisation industry. In 1996, Price Waterhouse performing 336 privatisations in 60 countries, selling assets valued at \$35bn. Coopers & Lybrand conducted 425 privatisations with a transaction value of \$31.5bn. The same year, the leading investing bank in the business, SBC Warburg, completed 58 privatisations valued at \$61bn.³ Other Big Six firms are also active in the field. In 1994, Coopers & Lybrand reported 379 privatisation assignments to *Privatisation International* while KPMG Peat Marwick reported 208; Arthur Anderson 155; Price Waterhouse 137, and Deloitte Touche Tohmatsu International 118 (*European Accountant*, April 1995, p. 8)⁴. Together the Big Six have conducted privatisation engagements in nearly every country of the world. They have valued electric plants in Peru (Arthur Anderson), banks in Czechoslovakia (Ernst & Young) and postal and telephone operations in Thailand (KPMG), sold power plants in Singapore (Deloitte Touche), advised on the privatisation of oil refineries in Romania, telecommunications in Macedonia and electric utilities in Brazil (Coopers & Lybrand), and designed plans for privatising state-owned enterprises in Ethiopia (Price Waterhouse).⁵

Several factors explain why professional technicians, in general, and private sector accounting firms, in particular, came to play a such a prominent role in the

privatisation industry. One explanation attributes significance to professionalism's cultural capital (Dezalay, 1995). Halliday & Carrthers (1996), for example, argue that the involvement of "professionals" in privatisation was largely symbolic. By leading an appearance of legitimacy and technical correctness to privatisation, "professionalism" served to reassure a public that was concerned about the corruptive influences of market capitalism. While accounting's ostensible professional objectivity may have contributed to rationalising and sanitising privatisations, accountancy institutions prominence in privatisation can also be explained by political and economic factors.

On a practical level, accounting firms and investment banks cultivated the privatisation business by building links to government advocates of privatisation and New Right think tanks. In the UK, for example, John Redwood moved from a policy position in the Thatcher government to head the privatization division of Rothchilds, and then back to a prominent position in the British government. Lance Anisfeld moved from the Adam Smith Institute to Price Waterhouse and later to a government advisory position (Martin, 1993, p. 52 & 85). Martin (1993, p. 91) further documents the considerable "cross breeding" that occurred between Conservative politicians and the profitable privatization divisions of the Big Six and investment banks. He traces these linkages in the persons of Lord Young, a former British Trade Secretary who was also a director of Salomon Brothers; John Moore, a former Treasury minister and Secretary of State for Health who served concurrently as a member of parliament and a senior privatization advisor for Hill and Knowlton International; Peter Walker who was a director of a Rothschild's subsidiary and the British representative to the Treuhandanstalt, the agency responsible for implementing privatisations in the former East Germany; and, David Howell who was both an MP and a privatization advisor with Coopers and Lybrand. These elites circulated from positions in government to accounting firms and investment banks forming a network that both created a demand for privatisation services and an industry that profited from servicing it.

Economic factors also help explain accountings' involvement in the business of privatisation consulting. The lucrative business for which accountants are paid as much as £2,000 pounds per day (Martin, 1993, p. 88) has been largely funded by state subsidises to the private sector. As Martin (1993, pp. 91-92) notes consultancy fees have been paid by an array of governmental and intergovernmental agencies including the World Bank, the Asian Development Bank, the European Community (EC PHARE funds), the British Know How Fund, and the US Agency for International Development (USAID). When the USAID established the Center for Privatization in 1985 to provide technical assistance to countries implementing privatisation programmes, it contracted with a consortium of private firms to manage the centre. The Consortium, which included Arthur Young:

carried out more than 50 US-funded consultancies over the next five years, everything from identifying targets for privatisation through designing projects to advising on how to handle labour relations. Electricity in Grenada, telecommunications in Guatemala, refuse collection in the Dominican Republic ...

It spent more than \$22 million of US taxpayers' money by 1990 when it was replaced by a new body called the International Privatization Group (IPG), again comprising a consortium of private companies, this time led by Price Waterhouse.

The same agencies that sponsored privatisations, also provided financial assistance to investors seeking to acquire newly privatised companies. Ernst & Young (1994, p. 134-135) lists several financing sources available to help investors pay for advisory services and other costs related to the acquisition of privatised industries around the world. They include the US Overseas Private Investment Corporation (OPIC), the US Trade and Development Agency (TDA), the International Finance Corporation (a division of the World Bank), the European

Bank for Reconstruction and Development, and the Inter-American Investment Corp. (a division of the Inter-American Development Bank). Free market rhetoric, notwithstanding, it was these state subsidies that transformed privatisation consultancy from a narrow specialisation into a lucrative industry thereby providing the economic incentives for accountancy firms to expand their advisory divisions.

Political factors, also, played a role in creating a market for private sector advisory services. Private consultants provided an infrastructure and organisational capacity for executing privatisation programmes that were more politically reliable than public sector expertise. By contracting privatisation consulting out to accounting firms and investment banks, governments avoided the possibility that privatisation programs might be undermined by opponents within the state bureaucracy. Private sector accountancy firms could be relied upon to perform business valuations and implement privatisations without questioning the ends of privatisation. Unlike civil servants who exercised some degree of autonomy, the dependence of the commercial service sector on generating profit ensured that they would produce predictable commodities and boilerplate advice on the need to liberalise economies. The effect of this contracting out of advisory service has been to commodify and fragment intellectual labour; a process that Dominelli & Hoogvelt (1996, p.199) refer to as the "Talyorization of intellectual labour". Thinking about the social consequences of privatisation was compartmentalised and de-coupled from the for-profit business of privatisation advising.

The Privatisation of Medway Ports

The history of the privatisation of Medway ports provides a context for examining the neglected social underpinnings of accountings involvement in the business of privatisation consulting. As Martin (1993, p. 144) notes accountants are seldom asked to question ends of privatisation, or examine the "whole history of exploitative relationships" that lie beneath the surface of their craft and inform the

values they assign. In presenting the case of Medway ports, we bring to light one such relationship by showing how the value of the port as a commercial venture rested upon the restructuring of labour relations in the dock yards and the redistribution of wealth between social classes. The Medway case is not unique in this respect. Indeed, the port's privatisation had all the characteristics of a "model" privatisation. It took place in the United Kingdom, a nation which had considerable experience with privatisation and where Thatcherism had generated some degree of popular support for privatisation. More importantly, the sale of Medway was accomplished through a management-employee buyout, a mechanism that promised substantial rewards to labour as members of a "new shareholding class". As such, the case demonstrates how privatisation reproduced class divisions in society despite the rhetoric of popular capitalism and shareholder democracy.

The "enabling environment" for privatisation

Ernst and Young's (1994, p. 7) guide to privatisation includes a section describing the "Enabling Environment" for privatisation. Their guide informs us that there are two prerequisites for the making of a "successful privatisation". These are a certain "policy environment" and a particular "legal environment". The "policy environment" includes the liberalization of domestic and foreign trade, the relaxation of price controls, and the balancing of government's finances in order to reduce the public sector's demands for available financial resources. The "legal environment" should furnish the legal framework necessary to reassure private investors and to guarantee the orderly functioning of the market economy.

These passages illustrate how closely the privatisation industry is linked to the interests of international capital and a neo-liberal economic agenda that has urged, and in many cases coerced, nations to restructure their political and legal systems, and domestic economies to favor the interests of private investors over all others. While restructuring has been imposed on many countries by IMF and World Bank structural adjustment programmes, in other cases, adjustments have been achieved as part of hegemonic process that involves aspects of consensus, as well as

coercion. Such was the case in Thatcher's England.

Theorists (Cooper, 1995, 1997; Desai, 1994; Hall, 1982, 1988) have used Gramsci's (1971) concept of *hegemony*, which is concerned with explaining how the position of the ruling class is sustained despite the existence of much larger groups with different economic and political interests, to explain Thatcherism's popular appeal. Hall (1988) describes how New Right ideology emanating from think tanks such as the Adams Smith Institute and Center for Policy Studies in the UK took root in civil society, displacing the "social welfare ethos" and making the politically "unthinkable" (namely, the destruction of postwar social democratic gains and labour rights) "thinkable". But, the "enabling environment" for privatisation was not built upon ideology alone. Hegemony (Gramsci, 1971) involves coercive action in the political and economic sphere, as well as ideological dominance. In the UK case, the "enabling environment" for privatisation was achieved by anti-labour legislation and the defeat of organised labour whose power constituted a threat to investors' desire for an "orderly functioning market economy", particularly within essential infrastructure industries such as telecommunications, energy and transport. Thus, the defeat of the powerful miner's union and closing of state owned coal mines was a prerequisite for the privatisation of the British energy industry. In the dock transport industry, the "enabling environment" for the privatisation was also forged by political and economic actions, specifically the abolition of the National Dock Labour Scheme (DLS) and defeat of a national dock strike in 1989.

Labour historians (Turnbell *et al.*, 1992, p. 214) have described the abolition of the Dock Labour Scheme and events surrounding it, as representing an "historic defeat" for labour that can best be understood as a "process of class restructuring in which the relations between labour and capital are transformed". For neo-liberal ideologues the dock labour scheme constituted a "rigidity" that interfered with the orderly functioning of the market. For dock workers, represented by the Transport and General Workers Union (T&GWU), however, the Scheme offered basic employment security and protection from the capriciousness of casual "dock gate" hiring practices that prevailed in the industry prior to World War II. The Scheme

had its origins in the war years when, in response to demand for additional port labour, several registration schemes were introduced. After the war, a registration scheme was formalised by legislation that created two categories of ports: the "scheme" ports governed by the Dock Labour Scheme (DLS) and "non-scheme" ports. Within the scheme ports, only Registered Dock Worker's could handle cargo and the DLS governed labour practices. A National Dock Labour Board (NDLB) was established to administer the overall scheme, and local boards were established to administer specific ports. Trade unions and port employers were both represented on the local boards with equal control over recruitment, discipline, dismissal, welfare, and training of registered dock workers. The local boards controlled the supply of labour and provided support payments to registered dockers in case of unemployment. After 1967, dock work was further "de-causalised" and registered dock workers become direct employees of registered employers. In sum, during the postwar years, strong trade unionism and the DLS restructured labour relations on the docks to provide basic job security and employment protections for dock workers.

The protections and social gains won by labour in the postwar period came under attack in the docking industry in the 1970s and 1980s just as they did in other sectors of the British economy. Several factors contributed to the weakening of labour's influence in the ports. On the technological front, containerisation and mechanisation of cargo handling created successive redundancies reducing the number of registered dock workers from a peak of 80,000 in 1947 to fewer than 10,000 in 1988. On the economic front, capital became increasingly concentrated in the dock transport industry as employers integrated during the 1980s. Scheme port employers become vocal in opposition to the DLS, using a rhetoric of "restrictive practices" and claiming that dockers had "jobs for life" and prevented employers from making a reasonable profit. Employers also complained about the onerous costs of compulsory provision of training programmes, welfare, and social benefits. Although Turnbull *et al.* (1992) show that productivity levels, measured by tonnes handled per docker, were as high in the scheme ports as the non-scheme ports, neo-

liberal ideology contributed to the belief that scheme ports were less efficient. Finally, on the political and legal front, the Thatcher Government embraced neo-liberal dogma as policy and enacted broad anti-union legislation (Ewing, 1989) that prevented the T&GWU from mounting an effective opposition when the Conservative Government proposed the abolition of the DLS (Turnbull *et al.*, 1992).

The National Dock Labour Scheme was abolished by an act of Parliament in 1989. After the abolition and the defeat of a subsequent national dock strike, many former registered dock workers were laid off only to be re-employed on a casual basis. Two years after the abolition of the DLS, more than two thirds (6,574 out of a total of 9,319 in 1989) of the registered dock workers had been made redundant. Turnbull *et al.* (1992, p. 210) describe the "sweeping" transformation in work practices within the ports following the abolition of the Scheme:

(F)lexibility is ubiquitous; new shift patterns are common; compulsory overtime has been introduced; management is taking a tougher line on discipline and on staffing levels; casual labour has reappeared, as the T&GWU (Transport and General Workers Union) predicted; and, there have been widespread cuts in hourly rates of pay.

The post-war social settlement was undone and the "enabling environment" for privatisation of the ports secured.

Sale of the Port

Following quickly on the heels of the abolition of DLS, Thatcher's Government as part of its ideological commitment to privatisation decided to offer several⁶ previous "Trust status" ports for sale. "Trust ports" have a rather unusual status under UK law. They were set up as public trusts, usually by Statute, but nobody was deemed to own them. Authority to oversee the sale of was given to the Department of Transport (DoT) who appointed the accounting firm of Price Waterhouse to serve as lead advisor on the ports' privatisation (*Financial Times*, July 24, 1991). The DoT reportedly paid its consultants, Price Waterhouse and the

investment banking firm of S. G. Warburg, a combined fee of £1 million for advice related to the sale of the Trust Ports. (*Daily Telegraph*, August 13, 1993, p. 23).

The first port offered for sale was Tees and Hartlepool. Both the highest bidder for this port and a bid from a management-employee team were turned down by the government causing considerable political controversy. The debate surrounding the Tees and Hartlepool privatisation was still raging during the bidding process for Medway. The government seemed anxious for the sale of three more trust ports to go through before the upcoming general election might intervene to prevent the sale. This worked in favour of the Management and Employee Buyout Consortium (Mebo) offer for Medway, since, given its pledge to promote employee ownership, the government would face further embarrassment over the port privatisation program if it rejected another "employee" bid. There were 28 expressions of interest in the sale of Medway Ports, seven for detailed information and two indicative bids. One of these bidders subsequently dropped out, leaving the Mebo team's final bid the sole offer for Medway Ports.

In assessing bids, the government procedure was to obtain an upper and a lower benchmark valuation. Based on recommendations from advisors, the DoT set the benchmark valuations for Medway Ports between £38 million and £56 million. Medway Port's fixed assets included Sheerness, a deep water port and the former Royal Naval dockyard at Chatham, which includes 140 acres of land with considerable development potential within fairly close proximity to the Channel road tunnel.⁷ When they established the benchmark valuations for Medway, the value of Chatham Docks was assessed on an *existing use* basis and the potential *alternative use* value of surplus land was discounted by 50-70%. This resulted in the benchmarks being set at amounts substantially lower than the price the property might actually command if it was sold for development (Committee on Public Accounts, 1994, p. 16). Because of the development potential of this land, a "claw-back" provision was inserted into the sale agreement. The government could claw-back (i.e. recoup) a portion of gains realised from the disposal of land and buildings.⁸ The clawback, however, applied only to the sales of land and buildings, not to the

sale of the Ports as an entity; a fact that was to prove significant in light of the subsequent resale of the port.

On 10 March, 1992, the government announced that Medway port had been sold to the Management and Employee Buy Out consortium for £29.7 m.; a little over three-quarters of the *lower* benchmark. Furthermore, the Ports Act of 1991 stipulated that half of the proceeds from the sale of Medway would go to the Treasury after the deduction of allowable expenses; the rest would be returned to the company. In the end, the Treasury received £13.1 million on the sale of Medway Ports (Committee on Public Accounts, 1994, p. vii). Although precise details of the ownership structure of the newly privatised ports was not made public, evidence suggests that the management and employees held only 51% of the shares, while the remaining 49% of shares were held by Charterhouse Development, an affiliate of Charterhouse Bank, who acted as financial backer and adviser to the buyout team.⁹ All full-time employees were given the chance to buy a number of shares at £1 each. This varied according to their position, salary and length of service, but the maximum for non-management employees was 10,000 shares (*The Guardian*, 25 September 1993). The shares were issued as a recognised Employee Share Ownership Plan (ESOP) which included a provision requiring any employees leaving the company to sell their shares back to the company.

"Shareholding democracy"

Several aspects of the Medway privatisation reflect a pattern observable in other privatisations of state owned enterprises, namely, the employment of private sector accounting firms and investment bankers as advisors, the low selling price, and the use of the notion of "popular capitalism" and widespread share ownership to build what Ernst and Young (1993, p. 16) call a "constituency for privatisation". As Martin (p. 96) observes the Thatcher government led the world in the "creation the cut-price share flotation" as a stratagem for eliciting popular support for privatisation:

Britain privatised 15 major industries, including telecommunications, gas, electricity and water, by offering them to the public at share prices which people soon realised were way below their market value.

While discounted share flotations were the more common arrangement, management-employee buy outs accomplished the same end of securing ideological and economic hegemony. The consensus for privatisation was built not only by ideological appeals to "shareholder democracy", but also on the material basis of economic enticements offered to potential opponents of privatisation in the electorate and in the workplace.

The use of economic inducements and ideological appeals to popular capitalism to build consensus for privatisation is not unique to Britain. As Ernst and Young's (1994, p. 11) investors' guide to privatisation notes other governments have set "worker and/or popular participation in the ownership of national assets" as an objective of privatisation:

A number of governments in Eastern Europe and the former Soviet Union have implemented or are discussing "mass privatization" programs, in which every citizen receives coupons, either free or at a nominal charge, that can be redeemed for shares in state-owned enterprises. Present and, in some cases, former employees of the SOE (state owned enterprise) may be allowed to buy shares at a discount -- a privilege that is also extended to former political prisoners in some countries.

Although less frequent than voucher or mass privatisations, management-employee buyouts have been common in Russia as well as the UK. Stock flotations and direct sales of state-owned enterprises, however, remain the more prevalent methods of privatisation. Yet, even in these cases "employee stock purchase plans have helped

to win employees and their unions over to privatisation" (Ernst & Young, 1994, p. 15).

In practice, "popular capitalism" has yielded few economic benefits to workers and electorates beyond initial payouts to individuals. As Ernst and Young (1994, p. 23) note, national governments have "dealt" in various ways with the apparent contradiction between widespread public and worker ownership and "private investor's interest in securing sufficient control over the SOE to implement a restructuring program." In the Czech Republic, for example, only 50 percent of shares in SOE were issued via the voucher program with the balance held back for potential future sale to a "strategic" (possibly foreign) investor. In other cases, sales of state owned enterprises through stock flotations paradoxically contributed to increased concentration of ownership, rather than widespread ownership, as members of the "new shareholding public" cashed in stock for short term profits, or sold out to larger conglomerates in mergers and acquisitions (Martin, 1993). Even in the case of management-employee buyouts, effective control often rests with financial backers who supply as much as 49% of the funds to finance the buy outs leaving labour with little leverage to fight restructurings that typically follow privatisation.

The case of Medway ports stands as a classic example of the myth of "shareholding democracy". Despite the popular rhetoric of "employee ownership" and "popular capitalism", workers' ownership interest in the newly privatised port did not protect them from the post-privatisation's restructuring. Although the Mebo team indicated that they were going to maintain existing terms and conditions of employment (Committee of Public Accounts (1994, p. xi), Medway's management moved quickly to change the working conditions of employees following privatisation. In late 1992, only months after the privatisation, management proposed a new contract of employment which included new working conditions and salary reductions of up to 10% for many workers. The management argued that the new contracts were designed to preserve jobs by making pay cuts rather than redundancies. In Sheerness, the 200 former registered dock workers would have lost

up to £2,500 per year on salaries of £20,000 per year. The *Financial Times* (2 December 1992) reported that the new contracts replaced "a two-shift system, which carried extra shift payments on basic pay; with a more flexible roster". Although dockworkers were only obliged to work 39 hours a week under the new schedule, they had to be available for work between *6am and 10pm for five days a week*. In other words, they were to *be available for work for 80 hours each week, but only paid for 39 hours*. The important struggle over the limits of the working day is one which has raged throughout the history of capitalism (see Marx, 1990)¹⁰.

On 2 December 1992, more than half of the 600 workers voted to strike over the new contract. The management, in anticipation of the strike, had already hired contract labour to break the strike. Days later, the dock workers opted to accept severance rather than concede to the terms of the proposed contract (*Financial Times*, 5 December 1992). The dock workers took the position that they had been "constructively dismissed". Constructive dismissal occurs when an employer so changes the conditions of employment that employees can legitimately consider that they have been dismissed. An Employment Appeal's Tribunal subsequently upheld the dock workers' contention that they had been dismissed. The constructively dismissed workers were later awarded compensation by the Employment Appeals Tribunal. According to Medway's 1992 Annual Report, the provision for severance was £1.13m. This averaged £3,340 per employee. This seems a miserable amount for the loss of job and pension. But the workers would also receive money from the sale of their shares, since, upon their dismissal, *workers were required by the articles of association to sell their shares back to the company. Their £1 shares were valued at £2.50 under an independent valuation by KPMG Peat Marwick*. By September 1993, the Medway work force was reduced from 688 to 260 in spite of an earlier promise by the Mebo team that they would maintain the terms and conditions of the employees at existing levels (Committee on Public Accounts, 1994).

The resale of Medway Ports and the Question of Value

Perhaps, another privatised industry making huge amounts of redundancies

would have engendered little comment, however, the next turn in this story brought about massive upheavals in the local community surrounding the ports and led to intense local press coverage and comment. In August of 1993, the management of Medway Ports announced that it was preparing for a stock market floatation. During the 10 months following its privatisation (i.e. March to December 1992), Medway made pre-tax profits of £3.5m on a turnover of £25.2m. Between January and June 1993, pre-tax profits jumped to £4.5m. When considering the floatation and the considerable rise in profits, the *Financial Times* (2 August 1993) reported that:

Mr Peter Vincent, chief executive, attributes this to "a traumatic process of coming into a new world. We have had to change our cost base from fixed to variable." This involved sharply reducing the company's workforce who are employed on a permanent basis from about 600 at the time of the buy-out to the current level of 270.

Catering and security were quickly contracted out, but Mr Vincent said that the company still employed just as many people on some days - the difference was that the men were hired from local contractors as and when needed. He said: "We have moved from two-shift to three-shift work, giving round-the clock coverage. We also have complete flexibility - an employee can be driving a fork-lift truck one day and painting a buoy out in the harbour the next".

While attributing Medway's profitability to labour cuts and changes in work practices, Medway's managing director, Peter Vincent, nonetheless rationalised the company's anti-labour practices by insisting that all existing workers would be granted options so that they would have a stake in the flotation. At the same time, Medway's management said that it would not rule out the possibility of a buyout by a larger group. The *Financial Times* (2 August 1993) quoted Vincent as saying: "If it were a safe pair of hands, we'd have to look at it very seriously. I see Medway as part of (a) bigger group in the long-term, whether we build it up ourselves by acquisition or find a partner."

On 20th August, 1993, the Mersey Docks and Harbour Company announced that it was "in the early stages of exclusive discussions" with Medway Ports

regarding a possible take-over (*Financial Times*, 21 August 1993.) At the same time, Medway announced that it had suspended flotation plans and instead would "explore the possibility of becoming part of a larger quoted group". The *Times* (21 August 1993) reported that "if the talks come to fruition, Mersey will acquire Medway's entire capital, probably issuing shares of its own for cash to provide an exit for Medway's institutional backers." Upon news of the proposed take-over of Medway ports, debates began in parliament and the press about the price the government had sold the ports for when they were privatised. The Labour party accused the government of privatising Medway for a knock down price. Joan Whalley, the labour shadow transport minister said she would call on Sir John Bourn, the comptroller and auditor general, to hold an investigation into the sale. She was also reported as saying that this "bizarre development shows that the government's ideological addiction to privatisation is spinning out of control" (*Times*, 21 August, 1993). Nonetheless, although the government was the largest shareholder in Mersey Docks and Harbour Company¹¹ the state gave no indication that it would intervene in the controversial buyout proposal.

In September 1993, Mersey acquired Medway for £103.7 million. Eighteen months earlier, in March 1992, the Mebo team had acquired Medway for £29.7 million, of which the government received proceeds of only £13.1 million. (Committee on Public Accounts, 1994, p vii). The agreed offer valued Medway's ordinary shares at £32.82 each, and shareholders also received a dividend of £4.43, a total of £37.25 per share. Mersey also bought out £15m of preference shares and acquired Medway's debt of £22.9m. The sale of Medway immediately drew sharp criticism from the Labour Party. As Joan Whalley (*The Guardian*, 23 September 1993) summarised the events:

The Government has sold for a knockdown price a port that it didn't own in the first place, to a consortium which is now selling it on, at over three times the price,¹² to a company which has already been baled out once by the Government -- and in which, up to two weeks

ago, the Government was the biggest shareholder.

The resale of Medway raises several issues concerning the theory of value and the role of accountancy firms in valuing state owned enterprises targeted for privatisation. As Lipietz (1983, p. 139) notes there is a "curious paradox" in the history value theory in that even as labour theory of value has lost its following even among some Marxist economists, it is almost universally taken for granted in the practical domain of business:

(F) rom listening to politicians of all parties, or from reading the economic press, it would appear that the theory, in its most vulgar form, had become universally accepted. It is taken for granted that prices and competitiveness are determine by the labour time necessary to produce the commodities, their 'labour value' (or its mathematical converse, productivity); that the way out of the crisis lies in the reduction of this labour-time; and the distribution of added value (and more especially the rate of profit) depends upon the length and intensity of labour, the purchasing power of wages, and in short, the 'rate of exploitation'.

In the Medway case, the media, port management, and government investigators were similarly unabashed in attributing the increase in Medway's profits to the changes in labour practices and the reduction of the workforce following privatisation. Quite clearly, the way in which Medway's management sought to drive up profits and share values was through the valorisation of labour.

The most common business valuation methods used in privatisations are discounted cash flow analysis and price/earnings ratios (United Nations, 1993). These techniques indirectly capture the effects of the "rate of exploitation" since they are driven by earnings projections which in turn depend upon assumptions as to labour costs and productivity. Accountancy firms (Ernst & Young, p. 6) also readily

acknowledge that "most investors undertake further restructuring" to reduce cost or improve quality during the "post-privatisation phase". But, accounting valuations do not question the social underpinnings of the value metrics they employ nor the wealth transfers adjudicated by their models (Tinker, 1980, 1982, 1984). They do not consult with affected communities, or measure the social costs of unemployment, crime, suicide, or the breakdown of families and communities resulting from privatisation. It is not unimaginable that a process of valuation could be a democratic one that considers labour rights, social priorities, and the economic sustainability of families and communities. But, it is naive to think that this could occur in a commercial milieu. Accountancy firms are paid by promoters of privatisation to perform narrowly technical valuations, not to engage in broader intellectual pursuits or social analysis. Valuations, privatisations, reorganisations, and restructurings have become commodities, goods that are bought and sold in a highly commercialised marketplace. The "commodification of intellectual labour" (Dominelli & Hoogvelt, 1996, p. 199) and employment of professional valuers effectively precludes any substantive inquiry into the social dimension of value or the process through which labour value is transformed into the exchange value of a privatised company.

Redistributions of Wealth

On a global scale, privatisation has produced massive transfers of public wealth into private hands. As experience with privatisations deepens, analysts are beginning to measure and assess the wealth transfers that flow from privatisation. In the accounting literature, Shaoul's (1997) important study of the privatised water industry uses financial accounting reports to analyse the economic consequences of privatisation. Her analysis of the financial accounts of the post-privatised water industry show that water privatisation yielded no efficiency gains, while workers lost jobs, consumer prices rose, and infrastructure deteriorated. Shaoul (1997, pp. 500-501) concludes that "while the governments case (for privatisation) rested upon efficiency and benefits for all, the real effects of privatisation was the redistribution

of wealth to the new owners."

In the case of Medway ports, a similar redistribution of wealth is evident in pattern of the cash flows generated by the privatisation and subsequent resale of the port. Although a precise analysis of cash flows is precluded by the lack of publicly attainable information, available data indicate the pattern of wealth transfers. The UK government received only £13.1 million in cash proceeds for a port that was resold 18 months later for £103.7 million. The managing directors of the management buy out team and banking interests that financed the buy-out were the major beneficiaries of the privatisation. It was widely reported (e.g. *Financial Times* and *Sunday Times*, 23 September, 1993; *Guardian*, 25 September 1993) that Mr Peter Vincent, Medway's chief executive, personally made £12 million on the resale of Medway Ports, nearly as much as the £13.1 million the Treasury collected from the privatisation. The press reported that four other directors were made anywhere from £1.5 million to £8 million each.

Although the profits reaped by Medway directors received the most public attention, the financial and banking interests that backed the original management-employee buyout also derived huge profits from the privatisation. Minutes of evidence taken by the Committee on Public Accounts (1994, p. 8) suggest that Charterhouse Development, the financial backers of the mebo team, "owned something like £15 million equity preference shares and £1 million ordinary shares". Prior to a reorganisation in October 1993, Charterhouse Development Capital, Charterhouse Tillney (who advised Mersey Docks and Harbour Company on the acquisition of Medway), and Charterhouse Bank were all subsidiaries of Charterhouse plc. Charterhouse plc. was wholly owned by the Royal Bank of Scotland¹³. Questioning by Alan Williams, MP suggests that Charterhouse Development may have acquired the shares that sacked workers were forced to surrender at £2.50; the same shares that were sold for fifteen times that amount just months later. The DoT, however, testified that they did not know whether the surrendered shares had been reissued. In any case, Charterhouse Development reportedly made £30m on the take-over by Mersey (Committee on Public Accounts,

1994, p. 8).

Individual members of the shareholding workforce also benefited financially from the privatisation, but on a much smaller scale than the directors and financial backers. As Peter Vincent, who made millions on the resale, said in an interview with the *Financial Times* (23 September 1993):

Even our Mrs. Mops are going to get at least £25,000 each. I think everyone will be drinking champagne for some time to come.

The following excerpts from interviews with Medway employees as reported in the *Financial Times* (23 September 1993) reflect both the individual "worker/shareholder" success stories, and the disillusionment of redundant workers who had lost livelihoods, income security, and control over work practices; losses that formed the basis for the increase in Medway's share price.

Steve Craig, a docker who is 20 and single, was elated. He was granted 850 shares. He said: 'How do I feel? How do you think I feel? I might go out and buy a pub tonight. No, seriously, it is a one-off, something that happens only once in your life. I live in a flat. I intend to buy a property and invest the rest of the money. I want to get more stable'.

Ashley Crichton is 23 and is also single. He said: 'I feel as if I had won the pools. It is a once in a lifetime opportunity to do something with my life'.

The mood at 52 Second Avenue, the modest semi-detached home of Mr Les Harris, was rather more sombre. He was holding a meeting with a few of his friends who were among the workers made redundant by the company at the end of 1992, and who were

required to sell back their shares for £2.50. Mr Harris had owned 1,000 shares. Asked whether he was angry, he said: "Of course I am - angry and bitter".

In a later interview with the *Sunday Times* (26 September 1993), Harris, who led the union opposition to management's attack on labour following privatisation which resulted in the workers' constructive dismissal, said:

With me, it's not the share issue. Peter Vincent could have walked away with whatever he wanted as long as he left us with job security, our pension benefits and the rest of it.

He also spoke of the bitterness in the community towards those who had taken over the jobs vacated by the dockers: "We were told there would never be a return to casual labour and that the buyout would safeguard our future. In five short months the whole lot had gone."

Postscript

It was not only the former dockers who felt cheated by the discrepancy between the £2.50 they received for their shares and £37 take-over price. Des Crampton, a former Medway director, estimated that he lost that £4m after being forced to sell back his shares. After seeking professional advice from another group of leading City accountants, Crampton and another former director, Keith Middleton, filed suit against KPMG Peak Marwick for alleged negligence in their £2.50 share valuation (*Lloyds List*, 23 December 1993). Their writ, issued in December 1993, charged that "(t)he defendants [KPMG] adopted unreasonably pessimistic figures for the likely level of future earnings and profits for the company and/or adopted a price-earnings ratio which was far too low." (*The Guardian*, 23 December 1993).

In June of 1994, a Committee on Public Accounts issued a report on its investigation into the Department of Transport's sales of the trust ports. The report

expressed concern over the low price at which DoT sold Medway and attributed the fact that Medway was resold 18 months later at a lucrative profit, in large part, to "the reduction of the workforce following privatisation" (Committee on Public Accounts, p v) . The dock workers, who had lost their jobs, brought an action for unfair dismissal before an Industrial Tribunal. In March 1994, 250 former employees won their claim (*Sunday Times*, 3 March 1994) and received compensation of £10,000 each.¹⁴ The *Financial Times* (14 April 1994) reported that the dock workers were also seeking legal advice as to whether they could obtain restitution of shares in the company under section 459 of the 1985 Companies Act which relates to unfair treatment of minority shareholders, and/or file suit against KPMG. Subsequently, 150 dockers joined the legal action started by former directors against KPMG Peat Marwick for alleged negligence in their valuation of the ports shares. In July 1996, KPMG Peat Marwick settled the case out of court by agreeing to pay £3 million (£1.6m plus interest and legal costs) to former Medway directors and dockers (*The Times*, 5 July 1996).

The specific outcomes of the Medway case are less significant than the more general pattern represented by the case. Even as Medway's dockers pursued their appeals through the UK legal system, *exactly* the same scenario was being played out again at Tilbury docks (Collins, 1998). Tilbury was privatised through a management-employee in 1992 and resold to Forth Ports in September 1995 for £81.01, a transaction that made millions for the company's directors. Former Tilbury workers, who were made redundant after privatisation and forced to sell back their shares, considered legal action against Tilbury's accountants, Grant Thornton (*Lloyds List*, 5 October 1995, p. 14; 15 September 1995, p. 5).

Meanwhile industrial conflict continues in both UK and international dockyards. In September 1995, *Mersey Docks and Harbour Company*, the company that purchased Medway Ports, dismissed 320 dock workers at the Port of Liverpool, which it also owns, for refusing to cross a picket line set up by sacked cargo workers. Mersey's action sparked mass pickets and an international boycott of the Liverpool ports. In April 1998, international trade unions threatened to boycott goods from one

of Australia's dock-handling companies after it sacked all of its 1,400 dockers. The Australian action resulted in victory for the dock workers. The protagonists in the Medway Ports case continue to profit from privatisation. The *UK government*, for its part, turned its attention from the dockyards to the railways. In what the *Financial Times* (10 November 1995, p. 15) called "an important step forward" in the privatisation of Britain's rail system, the government sold the British Rail's rolling stock (locomotives and carriages) in November 1995 to three leasing companies. One of these companies, Porterbrook, was acquired in a management buyout with the financial backing of *Charterhouse Development*. As for the accountants, the Secretary of State for Transport reported to the House of Commons (Hansard¹⁵, 17 July 1995, Col. 882) that in fiscal year 1994/1995, his agency alone paid nearly £2 million to four of the largest *accountancy firms*; almost 75% of that amount, a total of £1,467,082 was paid for services related to privatisation .

Conclusion

The history of the privatisation of Medway Ports is one of raw exploitation from its roots in the dismantling of the labour protections and employment security institutionalised by the dock labour scheme, to the imposition of harsh, "flexible" labour practices following privatisation, to the betrayal of the promise of "shareholder democracy". The accountants' role in the privatisation might appear peripheral and unrelated to these social struggles were it not for the fact that accountancy institutions are so closely linked with the neo-liberal alliance that has promoted and implemented privatisations on a global scale. Supported by the IMF, World Bank and Western capitalist states, the consultancy divisions of major accountancy firms and investment banks have provided the technical infrastructure and organisational capacity to execute the neo-liberal privatisation agenda. The Medway case brings to light the social struggles and redistribution of wealth that underlying the seemingly technical role accounting "professionals" have played in privatisation. The case is not unique in this respect. The abolition of the dock labour

scheme and undoing of the post-war social settlement is characteristics of the economic restructurings and social upheavals consultants dispassionately refer to as the "enabling environment" for privatisation. The massive redundancies and introduction of draconian labour practices following privatisation are typical features of "post-privatisation restructurings". And, the illusory promises of "popular capitalism" and "shareholding democracy" have been employed across the globe as an expedient method of overcoming political opposition and "building a constituency for privatisation".

In analysing the question of how accounting institutions came to play a central role in the neo-liberal restructuring of economies around the world, we have emphasised the concrete political and economic conditions that generated the burgeoning business of privatisation consulting. With the transition from Fordism to a flexible regime of accumulation, accountancy was transformed from a semi-autonomous "profession" to a highly commercialised service industry increasingly distanced from its traditional public service function as auditors, and more dependent upon selling consulting services. At the same, time the convergence of New Right ideologies and powerful economic interests made privatisation a centerpiece of the neo-liberal economic agenda, and provided the financial support needed to turn privatisation consulting into a profitable industry. Political expedience and the circulation of elites between think tanks, consulting firms, and government policy positions further solidified the neo-liberal alliance between capital, the state, and the professional service class creating a vast market for privatisation services. The institutionalisation of a market for privatisation expertise, however, was not without effect. The practice of buying and selling expertise, transforms intellectual labour into a commodity, and necessarily alters the content and character of expert knowledge. When expertise becomes a commodity, only those knowledges for which there is a market will be produced. A commercialised accountancy industry will not questions the ends of privatisation. Instead, it will produce predictable products (valuations, privatisations, restructuring plans) and boilerplate advise on the need to liberalise economies, restructure state-owned enterprises, and "reform" public

sectors. In this manner, the market for privatisation services is produced and reproduced, and with it the redistributions of wealth, class conflicts, political lessons and social injustice that have accompanied privatisation at Medway Ports and in countless other cases around the world.

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Endnotes

- ¹ Excluding the former East Germany.
- ² Pre-privatization financial restructurings in which taxpayers assume the debts of privatisation targets is a common form of state subsidy granted to make privatisation targets "marketable" (Ernst & Young, 1994).
- ³ See *Privatisation International*, No. 103, April 1, 1997; *Canada News Wire*, April 18, 1997; *Financial Times*, April 10, 1997, p. 30.
- ⁴ Ernst and Young did not respond to the survey.
- ⁵ For details on these assignments see *Latin Finance* (November, 1993, p. 98), *Privatisation International* (January 1, 1998; February 1, 1998; September 1, 1997; and, October 1, 1997), and the *Institutional Investor* (May 1998, p. 12).
- ⁶ There were five Ports involved: Tees and Hartlepool, Tilbury, Medway, Clyde and Forth.
- ⁷ The Chatham Port lies adjacent to a £1 billion development by English Estates. Medway was granted an option by the Ministry of Defence to acquire 120 acres of Chatham Docks land at 1984 prices (*Financial Times*, 23 September 1993).
- ⁸ The amount of the claw-back was initially set at 25 per cent of gains arising for the first five years from the date of the sale of the port. These percentages reduce by stages over ten years after which no clawback provisions apply.
- ⁹ The *Financial Times* (23 September 1993) reported that the privatization gave employees and management a 51% share of the company. In the minutes of evidence taken before the Committee of Public Accounts (1994, p. 5), James Couchman, MP asked Patrick Brown, Secretary of the DoT whether "out of £2 million of equity only £1 million was actually to the management/employee team." Brown replied that he did not know, but Alan Williams, MP (p. 8) stated that it was his understanding that Charterhouse Development owned £1 million of ordinary equity shares.
- ¹⁰ Marx's writings on the struggle for a ten hour day end the myth that workers are "free" to sell their labour in the same way that capitalists are free to buy it. Indeed, in the case of Medway, Marx's writings seem incredibly up to date.

In the market, as owner of the commodity "labour-power", he stood

face to face with other owners of commodities, one owner against another owner. The contract by which he sold his labour-power to the capitalist proved in black and white so to speak, that he was free to dispose of himself. But when the transaction was concluded, it was discovered that he was no "free agent", *that the period of time for which he is free to sell his labour-power is the period of time for which he is forced to sell it*, that in fact the vampire will not let go "while there remains a single muscle, sinew or drop of blood to be exploited". For "protection" against the serpent of their agonies, the workers have to put their heads together as a class, to compel the passing of a law, an all-powerful social barrier by which they can be prevented from selling themselves and their families into slavery and death by voluntary contracts with capital.

Marx, 1990, pp 415 - 416 (*emphasis added*)

¹¹. The government had acquired a 20.67% ownership interest as a result of a publicly funded bail out of the Mersey Docks and Harbour Board in 1971 (*The Sunday Times*, 21 August 1993). There is also some anecdotal evidence that Peter Vincent, the Managing Director of Medway, had made several trips to Liverpool (where the Head Office of Mersey Docks and Harbour Board was located) prior to the privatisation. One of his fellow directors did not think that Vincent had any family or friends in the Liverpool area.

¹². In fact, since the Mebo team was only required to pay half of the agreed price, they sold the company which had cost them 13.1 million for 103.7 million, almost *eight times* the price.

¹³. It was reported at the time that the Royal Bank of Scotland was the bank of the indebted Conservative Party.

¹⁴. This amounts to a maximum bill to the company of £2.5 million. Since it was the loss of these workers which caused the huge rise in value of the company, it seems like an excellent deal for the company; one which is hardly likely to discourage other companies from doing the same.

¹⁵. Hansard is the official record of all written and oral exchanges in the British House of Commons.

No Escaping the Financial: The Economic Referent in South Africa

This paper was published with L Catchpowle

No Escaping the Financial: The Economic Referent in South Africa

The nationalisation of the mines, banks and monopoly industries is the policy of the ANC and a change or modification of our views in this regard is inconceivable.

Nelson Mandela February 1990

we would welcome a debate among the business community on the issue of nationalisation..... I also expect compromises on both sides.

Nelson Mandela, 1992

The NP¹ elite is getting into bed with the ANC to preserve its silken sheets and the leadership elite in the ANC is getting into bed with the NP to enjoy this new-found luxury.

Winnie Mandela, January 1993

You don't need to be a trade unionist to wonder, when the South African government promotes privatisation as a vehicle for black economic empowerment, just which blacks they have in mind.

Weekly Mail and Guardian, December 1995

African National Congress members of parliament have threatened a parliamentary inquiry into the party's appointment of consultants if Deloitte and Touche win a R1-million contract for the transformation of the Correctional Services Department. This contract, should it go to Deloitte and Touche, may be the last straw on the camel's back for many MPs who are dissatisfied that high-flying consultants have moved into ministries, eclipsing the party's traditional advisers;

Weekly Mail and Guardian, October, 1996

This paper considers the ideological, linguistic and material changes in South Africa, from a class based perspective, immediately before, during and since the unbanning of the African National Congress (ANC). In particular the paper is concerned with the *shaping* role of the accounting profession in these changes. The historic transition of South Africa (SA) provides a unique opportunity for considering the political usefulness of a materialist/ideological Marxist theoretical analysis. This is because the rate of change in SA is extremely rapid thus

presenting the occasion to chart seemingly huge ideological changes within a very short period of time. The paper pays particular attention to the economic situation since South Africa's enormous future potential is inseparable from its economic structure. Essentially, South Africa is faced with the immediate problem of how to transform a crisis ridden economy primarily designed to provide an high standard of living to 5 million whites into a more stable economy which will at very least provide an acceptable standard of living for 37 million South Africans. It will be argued in the paper that an important factor contributing to the collapse of apartheid was the economic situation facing the de Klerk government. Basically, South Africa could no longer afford the apartheid system. The paper singles out privatization and the role of the accounting profession in the privatisation process for special analysis since it is in the active discourse surrounding privatization that one can readily perceive the dialectical relationship between ideological and material changes in South Africa and the accounting profession's role in relation to these changes. Moreover, the paper's semiotic analysis of the privatisation debate points to possible arenas of productive struggle. The notion of productive struggle is taken directly from Bakhtin (Volosinov, 1973)². In a Bakhtinian sense areas of "active discourse" (like privatisation) reveal arena's of potentially fertile political action. In other words it can be taken to mean indications of where the labour movement might wish to direct their energies. Privatisation has proved to be one of these arenas.

Our concern with or conscious privileging of the economic has become at best, unfashionable in the accounting literature. The accusation of *economic determinism* is enough to discredit almost any accounting research. But accounting cannot be independent of its social conditions. Under capitalism, the moving force of accounting lies in political economy - in class contradictions. Accounting is made, in part, by adjustment to the economic needs of the ruling class³ (Tinker, Merino and Neimark, 1982; Cooper and Sherer, 1984). We do not wish to undermine the importance of many semiological, cultural or indeed

ideological aspects highlighted in much of the critical accounting literature, but rather wish to emphasise the importance of the dialectical relationship between the economic base (capitalism) and the superstructure (culture, language, ideology and so on), and how the interrelationship between the two can to some extent be elucidated through language. Because of this dialectical relationship, the capitalist driven class basis of language is theorised.

This paper is not unique in its consideration of accounting's involvement in struggles between various classes and groups. Cooper and Hopper (1985) wrote about the 1980s coal dispute. They found that several so-called "loss making" pits were earmarked for closure. Some of the underlying accounting assumptions used in calculating the profitability of these pits were absurdly conservative. It was shown that by altering accounting information to reflect more "realistic" accounting assumptions, the pits involved could, easily be considered to be "profitable". However, the National Union of Mineworkers (NUM) was unwilling to take on board such arguments during the 1980s strike preferring to argue on more "social" grounds that pit closures would devastate whole communities, or that coal production is of national importance and so on. One way of understanding this would be to say that accepting neo-classical economic discourse to define which pits should be closed would mean that other social implications of pit closure would be hidden. Or, that accounting language and practice is partisan in the sense that it furthers the interest of capital. The academic accounting literature has highlighted the "closure" problems raised by giving an "economic definition" of the situation (see for example Arrington and Francis, 1989; Shearer and Arrington, 1993). Put simply, the nub of this problem is that an "economic definition of a situation" will prevent other important ways of understanding the world from being presented (Cooper and Hopper, 1988, Cooper, 1995).

This paper tries to advance the understanding of the closure problems created by

the use of accounting language by arguing that this issue is more complex. The use of accounting language cannot be seen as a "binary opposition" system where its use creates closures and its non-use opens up new possibilities. Choosing the terms of the debate is a question of political strategy. The NUM may have deemed *the financial* as being a misbegotten reason for closing pits, but the financial still had class based meaning for the NUM. Indeed the NUM had to be concerned about its own finances during the coal dispute. The contribution to the understanding of accounting language advanced in this paper is that accounting language has *class based meaning*. Different classes have different understandings of the same signs. For example, a possible ruling class understanding of coal pit accounting losses would be that the government was providing subsidies to maintain a rather troublesome section of workers. To the mineworkers, accounting losses would take on a very different meaning, for example the devastation of their community. Thus we are not arguing that the economic system doesn't have real effects on people, nor that we are caught in a language system which is so powerful that to name something means that we have immediately bought into the "conceptual closures of our masters"; but rather that how a situation is theorised depends, in part at least, on where you are standing, especially if you would rather be standing somewhere else (Eagleton, 1996a). When language takes on this differential class aspect it highlights sights of potentially productive political action.

In many senses the British Government and NUM's semiological/ideological/material battle is being played out in South Africa over the issue of privatisation and other economic "reforms". The newly elected ANC government is confronted with severe structural economic problems and, encouraged by the accounting profession, worldbank, and other "international beneficiaries", is promoting privatisation partly as a means to bring foreign capital to South Africa. The South African unions see privatisation as meaning that they will loose jobs and that working conditions and social services will deteriorate.

Given that the ANC has spent many years convincing South Africans to make their country ungovernable until the demands of "the people" are met, Mandela and the government of National Unity are walking a tightrope. The way in which the situation in South Africa is defined is both ideological and material; it is ideological in the sense that different classes and groups are struggling to assert their own definition of the situation and material because classes are confined within the material base of South Africa.

The point about the material base is crucial to the arguments in the paper. As will be explained in the next section, there is no doubt that within a neo-classical economic framework, South Africa is faced with immense economic difficulties. Making an in-depth study of the economic situation in SA does not necessarily mean "buying into" that system (Eagleton, 1996b). But, unproblematically *accepting* neo-classical economic theory will perhaps lead to very particular conclusions. It might for example, lead to the conclusion that the government simply cannot afford to spend whatever proportion of GNP is required to alleviate the desperate social deprivations of so many in South Africa or that State assets need to be "privatised" to gain cash in order to reduce the country's debt burden and encourage foreign investment. The word *unproblematically* is the key here. If we accept things at their face value then ideological closure will come about more easily.

The relationship between ideology and the economic/material is fundamental. In this paper we will argue that it is the *Capitalist system* as the economic/material base in South Africa which dialectically relates to Mandela's ideological changes since his release from prison. In the long run, South Africa's social and economic policies will be influenced by the economic base. *But*, there are many different *forms* which these policies can take. For example, the existence of capitalism does not necessarily mean that South Africa *has* to follow the world wide privatisation trend. Yet with respect to the privatization issue the ANC have

travelled a vast distance in only six years with Mandela calling for nationalisation on his release from Robbin Island, to him claiming, in 1996, that privatisation is the policy of the ANC. It will be argued in this paper that the forms that capitalism is taking in South Africa are strongly influenced by consultants who take the form of accountants, private sector economists and would-be international beneficiaries. This political economy argument marks a difference between this paper and other critical work in accounting which places accounting or the accounting profession at the centre of its analysis. We are *not* arguing that accounting or the accounting profession are *central* to the ANC government's policy or ideological changes regarding privatisation. We are simply pointing out the accounting profession's role in these changes.

In late 1996, many ANC MPs became increasingly concerned about the use of consultants in shaping South Africa and have held a Parliamentary Public Accounts Committee to consider the issue of consultants. Accounting consultants have made significant amounts of money selling right wing ideology to the Government of National Unity. But there is no sign of an end to the use of consultants.

The paper is structured as follows. In the first section we consider the economic situation in South Africa before and after the unbanning of the ANC⁴. In our analysis we use "economic terminology". This does not mean that we are buying into the so-called remedies of international consultants. We then consider the changing ideological position of the ANC, especially in relation to privatization. The next section describes Volosinov's (1973) *Marxism and the Philosophy of Language* in order to present a theoretical framework through which to consider the ANC's ideological changes. The paper then considers three main groups who are involved in the active debate over privatisation - trade unions, the accounting profession, and a broad anti-privatisation group. The purpose of including these groups is to show the multi-accented nature of the sign privatisation. The section

on the accounting profession also highlights the profession's role in shaping other areas of government policy.

Economic Situation of South Africa.

In 1990 the World Bank classified South Africa as an upper-middle income country with a per capita income of \$2,530, making it comparable to Mexico, Uruguay, and Venezuela. But as is well understood, these aggregate income figures hide extreme inequalities; 53% of Africans live below the poverty line compared to 2% of all whites. However, what is less commonly known is that since the mid-1970s the South African economy has been performing poorly. Between 1946 and 1974, the South African economy grew at a real rate of 4.9% annually only to drop to 1.9% per year over the next decade, until finally in the 1980s the economy was expanding at a rate of only 1.5%⁵. This was further exacerbated by the staggering levels of unemployment, estimated by the South African Reserve Bank to be around 46% (Kibazo, 1994). Even in the mining industry, once the economic backbone of South Africa, and still responsible for 28% of the country's foreign exchange earnings, the numbers employed have fallen by 23% since 1988 to 355,000.

The rapid industrialisation of the 1960s created significant weaknesses in the economy by the 1970s. The disintegration of the Bantustans policy, traditionally a source of cheap labour in the rural areas, escalated the flow of black "illegals" into White urban South Africa⁶, further worsening competition for scarce resources and sharpening political conflicts. Nevertheless, it was the 1980s which were to produce the greatest crisis, owing to a contradiction between the capitalists' need to accumulate and produce profits and the restrictions imposed by the policies of apartheid (Ajulu, 1993). Long before sanctions bit in the mid-

80s, the apartheid government was forging industrial self-sufficiency behind high tariff walls and foreign-exchange controls. The National Party (NP) needed the State to control economic development in order to accommodate the apartheid system (Murray 1994, Lipton & Simkins, 1993). However, the economic costs of preserving apartheid seemed to rise over time and although there were several attempts to reform the system it was evident by the 1980s that the inefficient use of resources had produced sluggish productivity growth (Moll, 1993). Therefore, it could be argued that the slow growth of the 1980s could be attributed to factors like the lack of a systematic exporting policy, costly state investment in "strategic" industry, inadequate provision of education and skills, and poorly functioning labour markets. These problems were sharpened by sustained political resistance (Murray,1994; Moll,1993). Consequently, what the National Party (NP) managed to construct - with the help of a falling gold price and the cost of shoring up apartheid - was stagnation.

Apartheid became discredited as a result of the system's inability to facilitate capitalists' need to accumulate and produce profits. In addition, the response of the West to South Africa's unsteady business climate, namely capital flight and the cessation of international loans, put further pressure on political elites to arrive at a possible alternative basis for political legitimacy (Lipton & Simkins,1993). With the increasing globalisation of capital, South African business "lost out" on international inward investment "opportunities". So with the prospect of losing power, the NP's intelligentsia began to consider an alternative ideology, namely the "free market" and "rolling back of the state". The essential point here is that this ideological change reflected both the material (economic) and the ideological changes within the rest of the capitalist world.

Therefore the NP was forced to impose constraints on the state in order to create more opportunities for market forces. It began to retreat from the socio-economic aspects of apartheid⁷, and to present this process as part of the shift to a "free

market" economy. This was evident in its promotion of privatisation in the state sector industries, reduced levels of state expenditure, and a movement away from direct government intervention in the economy. In particular, the South African Reserve Bank, the driving force behind the National Party's economic recovery strategy, adopted a strict monetarist policy aimed at cutting inflation and tightening the money supply. The South African Reserve Bank also advocated deregulation and liberalization (Murray,1994)⁸.

In the 1990s the ANC government inherited an economy which despite being the most vibrant on the continent with a Gross Domestic Product equal to 75% of that of the rest of sub-Saharan Africa, had a catalogue of problems that would test even the most experienced of economists. A recession in the first three years of this decade further weakened an economy already ravaged by the sanctions campaign, high inflation and inefficient public administration⁹. In the post apartheid era of democratic government there were at first expectations of a return of much needed foreign investment. Instead, the economy produced capital outflows from mid 1994 until the end of 1995. Only eight investment funds specifically committed to South Africa as part of their portfolio. In any case, portfolio investment is considered to be less beneficial than foreign direct investment (FDI) in bricks and mortar which creates and extends production and thus capital formation and employment. It is estimated that South Africa attracts *less than 1%* of the total of FDI. Early in 1997, the Financial Mail (10/1/97) reported that SA's currency had depreciated steadily throughout 1996; that SA's foreign exchange reserves were the lowest in the world and the real prime interest rate was 10 - 11%, one of the highest in the world. SA faced a huge money market shortage. Even today there are fears that SA is continuing to lose capital. One dilemma facing the government was whether or not to increase interest rates in order to halt capital outflows but this would probably create a decline in consumer spending and increase the burden of corporate debt. The solution proposed by the Financial Mail (10/1/97) to the capital outflow problem is

an affirmation of government's commitment to major reforms such as privatisation and exchange control relaxation. And confirmation in the shape of early delivery. The market is counting on a policy package to be announced early in the year. Nothing is more likely to push up interest rates than the failure to deliver.

In June 1997, Gencor, one of SA's leading mining companies announced that it would transfer the greater part of its assets, some R25 billion on a total market capitalization of R31 billion, to its offshore subsidiary, Biliton. This has meant that the second largest mining house has ceased to be a South African company. The Weekly Mail and Guardian speculated that in the long term it is likely to become a British Company (WM&G, 27/6/97).

Most foreign firms setting up in South Africa are simply establishing branch offices in anticipation of the government's privatisation programme rather than making definite long-term investment commitments. For example, all of the multinational Telecom companies have offices in SA. Central to this paper, *the bulk of foreign interest is in the financial sector*. Part of the reason for the interest of the international financial sector in South Africa is connected to lucrative government consultancy, at first encouraged by newly appointed ANC government ministers as a response to the inefficient government structures bequeathed by the apartheid era. Connectedly, the financial sector is gearing up in anticipation of the lucrative privatisation bonanza about to begin in South Africa. The *form* that this bonanza will take is highly contested. However it is clear that despite ANC pronouncements about *nationalisation* in 1990, the privatisation programme in SA has already begun. But the SA government will be mindful of its concern to keep business happy and to try to continue with its programme of black empowerment.

The question of the macroeconomic balance and the satisfying of the legitimate aspirations of the majority who have suffered under apartheid goes to the very

core of the dilemma facing the new government of South Africa. Failure to address this problem will result in an unstable economy which will almost certainly affect the political stability of the country. However, the contentious issue is how to forge a process of accelerated development that would raise the country to a higher status of development and relieve the socioeconomic backlogs and imbalances acquired from the past regime (Coetzee, 1993). The solutions which the ANC are likely to come up with will depend upon the way in which they frame the problem. The *dominant* view at present appears to be that aid and donations may be useful for social upliftment but cannot support long-term economic growth - *only* long-term fixed investment can do this; and South Africa needs foreign investors for this. One way of attracting foreign investment *could be* through *privatisation*.¹⁰

Business is concerned that the SA government is moving too slowly on the privatisation front. This "slow progress" is in part caused by the ANC's tri-partite alliance with Cosatu (the SA trade union movement) and the Communist Party (SACP). The rank and file membership of Cosatu and the SACP are generally opposed to privatisation and so the ANC government is struggling with to maintain its close links with Trade Unions¹¹ and the South African Communist Party. These close links really only became apparent to the outside world when the ANC was unbanned; at that point it became clear that many of the leading members in the SACP, ANC and Cosatu were the very same people. Therefore, the historical circumstances of the unbanning of the ANC means that it is not exclusively a political party; it has pledged itself to a coalition with the SACP and Cosatu to such an extent that the prevailing paradigm shift in socio-economic discourse and policy discussions has major ramifications. The Congress movement was and is a national liberation movement containing various political tendencies. The ANC and SACP have long been old allies and have shared a number of political convictions. But the ANC government is also having to cope with opposite pressures imposed by the World Bank and International Monetary

Fund; snowballing advice from consulting accountants, stock-brokers and banks. In short, the ANC is part and parcel of the South African state which upholds the interests of Capitalism. The ANC's desire to encourage foreign investment and its inability to find trading partners outside of the capitalist system, has forced Mandela to frame the problem and the solutions within a neo-classical economic theoretical framework. At the time of their election the ANC's ideological position was vastly different from today. For example, issues like privatisation were not on the ANC's agenda, yet by 1995 privatisation had become part of ANC policy¹². The changing ideological position of the ANC is the subject of the next section.

The ANC

Until its election the ANC had sought support for its battle against apartheid from widely differing groups¹³.

Congress counts as its constituency Xhosa and Zulu, the unemployed "comrades" in the Transvaal squatter camps as well as Indian sugar planters in Natal, young and old, Afrikaans attempting to farm maize in Kwa Ndebele, black yuppies with their BMWs in Johannesburg and miners working at the coalface.

Herbst, 1994, p 148

Whilst the ANC could be characterised as being broadly progressive in its general politics, the commitment to socialism amongst ANC members was in no sense uniform. The organisation was often perceived as anti-capitalist but the vagueness of its rhetoric almost certainly allowed the ANC leadership freedom to hold together a coalition of varying interest groups that included workers, the unemployed, communists, liberals and even the aspiring black business community, with the sole purpose of smashing the apartheid rule. Hence, even

after its unbanning the ANC was still not clear about the Post-Apartheid economic order. They had yet to clearly articulate the precise method of achieving the desired redistribution of socio-economic resources, all they could point to at this stage was a batch of propositions contained within the 1955 Freedom Charter (Murray, 1994).

However, in its early economic policy statements it is possible to identify the ANC's approach to the economy and it almost certainly refers to a fundamental societal change. The ANC's pre-unbanning 1980s economic policy statement included changes in power relations, a restructuring of industrial relations to improve worker participation; a restructure of demand in favour of the poor through policies to satisfy basic needs; labour-intensive production; affirmative action and *nationalization* of key industries. A recurrent ANC argument was that apartheid, inequality and capitalism were integrally related and so strong state intervention was needed to create a more equitable and acceptable economic system. The most controversial statements were those implying that nationalization was a means of obtaining capital for redistribution. This was expressed by Mandela in 1991 (Johnson, 1991) when he declared "Nationalization is a demand which is reasonable from our point of view. Where do we get the capital and resources to tackle the national issues facing us?" (Nattrass, 1994). This policy saw the eradication of poverty and unemployment as being important objectives of development and as a result placed less emphasis on economic growth. It was a strategy that was in direct contradiction to policies imposed on many African countries by the World Bank/IMF. At the pre-election stage at least, the ANC's reconstruction policies were more concerned with changing power relations, redistribution (through or for growth) and justice for all - politically, economically and socially (Coetzee, 1993). Very basically, at this time and throughout the initial stages after the election, the ANC government was promoting a "trickle" up view of the economy where increased finances for the poor would mean increased consumer demand which would feed upwards to a

growth in business, creating more jobs and so on. This was at the heart of the ANC's Reconstruction and Development Programme (RDP).

The most important early pronouncement on the ANC's economic thinking, which epitomised the ideological/rhetorical changes the ANC were to increasingly undergo, was to be found in the 1990 **Discussion Document on Economic Policy**. Although this document retained a commitment to state intervention, it also contained a definite move away from a pledge for a state controlled economy. Although, the Macroeconomic Research Group, the largest group of ANC-aligned economists, still maintained that economic and political options could not be separated, and the state should still wield direct taxation and other fiscal inducements as a means of compelling large-scale industry and mining to make financial contributions to the redistributive process; it nevertheless, failed to promote the drastic restructuring that depicted earlier economic planning (Murray, 1994).

It was obvious, that following its unbanning the ANC would attempt to transform itself from an exiled South African liberation movement into a government. However, although the ANC had abandoned its commitment to a state controlled economy, many economic analysts were still unhappy, expressing doubts about the financial viability of some of its programmes which were seen as fuelling inflation. In addition, the ANC was perceived by many, as having a left-wing pedigree run by activists more used to planning how to bring down power cables than holding down inflation. More specifically, the business world fear was that like so many other African governments it would attempt to run the economy by promoting public-sector jobs whilst destroying private-sector ones with protection and labour regulation. Therefore the merest hint of nationalisation during the ANC's election campaign sent business into a frenzy (Ajulu, 1993). For example, in 1990, De Beers announced that it was relocating a substantial portion of its diamond operations to Switzerland immediately after Mandela announced that he

was still in favour of nationalisation of the mines. This caused a radical rethink by the ANC, as Hebst (1994, p 159) put it,

The ANC leader then beat a hasty retreat and the Congress began a difficult rethinking of policy which resulted in the subsequent rejection of nationalisation as a viable policy option.

Consequently, when the ANC produced their draft resolution in 1991, the tone was somewhat milder. A business audience was clearly in mind, economic policy was portrayed as flexible and pragmatic. By the time the 1992 draft policy guidelines (DPG) appeared, ANC economic policy had become noticeably more business friendly. It made no references to restructuring or regulating the financial sector and even proposed that the role of the public sector might be reduced through privatization! Although the policy to privatize the public sector was later revised to "reducing the public sector in certain areas in ways that will enhance efficiency, advance affirmative action and empower the historically disadvantaged while ensuring the protection of both consumers and the rights and employment of workers". Overall the tone was highly supportive of market forces (Nattrass, 1994)¹⁴.

More recently the ANC government has moved away from its "trickle upwards" economic approach contained in the RDP, to a "trickle downwards policy" of helping to promote the interests of big business in the hope that wealth will eventually flow downwards towards the workers and unemployed. This policy change is encapsulated in the ANC government's new growth, employment and redistribution policy (Gear). The Weekly Mail and Guardian (19/9/97) reported that Mandela

twice tried to get Cosatu to give Gear a chance, but was openly snubbed by angry delegates who saw the strategy as an ideological shift by the ANC from its left-wing orientations to the right.

At their 6th Annual Conference in September 1997, Cosatu president Gomomo is reported as having said the following about the policy (WM&G, 19/7/97),

"(l)eft unchallenged, it can only mean more poverty and the increase of the gap between the rich and the poor. More importantly, it will mean that the government is curtailed from addressing the legacy left by apartheid."

One explanation of the change in ideology could be attributed to the ANC's failure to construct a socio-economic restructuring programme independent of the existing worldwide capitalist system. This meant that the ANC government was forced to comply with the conventions of the market-driven doctrine. By 1993, their style had become far more adaptable, making mention of a "mixed economy" within the existing establishment. Both at home and abroad Mandela began to make a series of significant movements toward big business that showed the ANC leadership welcoming the market-governed ideals of the free-enterprise system. On the 24th September (1993) Mandela made a speech to the United Nations which clearly expressed pro-business views. Two weeks later, he confirmed to the Confederation of British Industry (CBI) that the ANC was committed to a generally free-market economy. In an address to South African businessmen the following month, he declared that in order to avoid losing overseas investment the ANC would be abandoning its ideological commitment to "nationalization" of the mines and banks (Murray, 1994). As a consequence, the twin objectives of restoring business confidence and attracting foreign investment seemed now to dominate¹⁵.

Since its election the South African government has been moving at an increasing pace towards the implementation of a large scale privatisation programme despite efforts by Cosatu to hold up the process. Up until mid 1995, partly because of powerful trade union pressure, the government managed to avoid using the "p" word, instead using the term "restructuring of state assets"¹⁶. In early May 1996, the rand suffered a severe crisis; this was followed by increased pressure from

industry for the government to provide "firm direction on policy issues such as privatisation, exchange control, fiscal and monetary policy"¹⁷. At this time Stella Sigcau (Minister of Public Enterprises) announced that she was to appoint advisers on revamping and privatising state assets in early June, 1996. Sigcau was given a budget of R10 million to pay for advisers. But it took until August 1996 before advisers were actually appointed. Part of the reason for the delay was a political struggle over who would control restructuring and privatisation (Weekly Mail and Guardian, 16/8/96); another reason was Cosatu's opposition to privatisation. In June 1996 the Financial Mail reported that

Sam Shilowa's recent lashing out against big business in general and the idea of privatisation in particular obscures the real target and purpose of his attacks. The Cosatu chief's combed, high-profile pronouncements are, paradoxically, aimed not so much at business, the union's traditional enemies, as they are at the top echelons of the ANC....

(Financial Mail, 7/6/96)

Shilowa had rammed home his opposition to privatisation in his address to the World Economic Forum conference in Cape Town, by insisting, "(W)e view privatisation as one of the major threats to the vision of a better life for all...", (Financial Mail, 7/6/96). At the same time Mandela was unequivocal in his declamation that privatisation is the "fundamental policy of the ANC", (Financial Mail, 7/6/96). The government privatisation advisers appointed were Simpson McKie James Capel (a tie-up between stock-brokers and the international banking group HSBC). Over 100 candidates bid for the role, among them were accountants Ernst and Young. An accountant was also involved in the selection of these advisors. In late August, Trade and Industry Minister Alec Erwin said that "the government did not plan to produce timetables on what state enterprises it planned to privatise. Each institution was being dealt with on a case by case basis and finalisation depended on negotiations with the unions" (WM&G, 23/8/96).

What has made the ANC leadership change within such a short space of time? It is clearly impossible to know the exact influences on the ANC leadership, but, it is possible that the collapse of the former Eastern Block economies (and especially of the collapse of the former Soviet Union) meant a significant removal of ideological support from the ANC and the South African Communist Party (SACP). The SACP is now financed by Cosatu, whereas previously it was funded by the former Soviet Union. Furthermore, the changes in Eastern Europe significantly reduced the choice of potential trading partners. It is argued here that, in part, the accounting profession has played a shaping role in the *forms* of changes in the SA government. For example there is no necessary reason why a capitalist system *must* privatise. It is possible for the SA government to consider other ways of raising capital. But the ANC has responded to pleas from so called teams of experts (including many professional accountants) to abandon its proposed inward industrialization programme in favour of a more "realistic, investment-led, export-oriented growth strategy" (Murray,1994). Indeed privatisation has been advanced as an essential "cure-all" for SA.

Much of the right-wing SA press believe that the only problem with privatisation is that it should have begun much earlier. The Weekly Mail and Guardian produced a spoof "report card" on how each government minister fared in 1997. Stella Sigcau was given an "F". The paper stated that the "minister in charge of fast-tracking the privatisation programme has failed miserably... The only advantage of her job is that it has its own built in obsolescence", (WM&G 27/12/97). A Financial Mail editorial (5/1/96) stated that "Privatisation or the realignment of state assets would have enabled a substantial proportion of government debt to be repaid. The public sector would not have crowded out private operators from the bond markets and real interest rates would have fallen in line with inflation. And the public would have been more efficiently served". Public Enterprises minister Stella Sigcau's adviser Jeff van Rooyen (Deloitte Touche partner) coordinated a privatisation discussion document in September

1995 (still called restructuring of state assets). The document was approved by Cabinet and set out objectives "in line with international practice" - to promote economic growth, create wider share ownership in the economy, mobilise private-sector capital, reduce debt, enhance the competitiveness of State enterprises, promote fair competition, finance growth, meet the requirements for competitiveness and fund the RDP¹⁸. The ANC government acted as if it agreed absolutely with Price Waterhouse, Meyernel Corporate Finance, CE, Pieter van Huyssteen who stressed that governments should listen to the dictates of the market (Financial Mail, 8/9/95). The view of privatisation presented in the ANC government discussion document is highly contested in SA. The next section drawing from Bakhtin/Volosinov's (1973) *Marxism and the Philosophy of Language* presents a theoretical perspective of how to probe the ANC's ideological changes through the contested nature of language.

The Philosophy of Language and the Relationship Between the Base and Superstructure

It could be argued that the ANC had to change its ideology to work within a global capitalist system and accordingly *had* to go along with privatisation. This simple common sense explanation of the events in SA is in some ways appealing. It is consistent with a vulgar base/superstructure model of society in which the economic system base wholly determines the superstructural components of language and ideology. Or in other words, the shift in ANC ideology is *mechanically caused* by changes in the economic base. But aside from any theoretical problems with this straightforward explanation, there is the political problem that if the economic base determines everything, there is no possibility of resistance. In short, the SA trade union movement, along with those who

disagree with privatisation, might as well accept the inevitable. As a way out of this problem we draw on *Marxism and the Philosophy of Language (MPL)*, a book published in the former Soviet Union in 1929¹⁹. As the philosophy of historical materialism, Marxism stresses the socio-historical ground of all action. *MPL* emphasises the social and historical particularity of all actions particularly linguistic and literary utterances and makes the explicitly Marxist turn in that it is grounded in the historical materialist reality of social class. *MPL* provides a theory of the dialectical relationship between base and superstructure that is not deterministic and highlights the political junctures where active political struggle is potentially productive. In *MPL*, the problem of the interrelationship of the basis and superstructures is a complex problem requiring enormous amounts of preliminary data for its *productive treatment*. This means that rather than describing ANC activities as being determined by the economic base, that there are possibilities for *productive* interventions into ANC actions. In other words, although the ANC government is operating in a capitalist system (the economic base), and is therefore being "pushed" towards privatisation, this is not the end of the story. Bakhtin's work highlights the arenas of potentially productive resistance. Privatisation is one of these arenas. *MPL* makes strong connections between ideology and language, both of which can be considered to be part of the superstructure.

In order to set *MPL* in context we will take a quick detour through Saussure's structuralism one of the two trends in the study of language which this work specifically addresses²⁰. Saussure's "model of language" is composed of three parts - the signifier (the actual word), the signified (the concept) and the referent (the actual object). The signifier and signified together form the Saussurean sign. Saussure wrote that the relationship between a sign and a referent is totally arbitrary. For example there is no inherent reason why the sign "debit" should mean the lefthand side of a ledger²¹. Saussure's detachment of the referent from the sign allowed semioticians to concentrate on sign structures independently of

"real objects". For the purpose of this paper Saussure's theory of language has three important implications. Firstly, in Saussure's model of language, language is considered to be a closed set of rules and so, it is only possible to study a word like privatisation as being detached from the referent (whatever that may be). Secondly, Saussure's model would suggest that language is a synchronic or complete system rather than diachronic or historically emerging. Lastly, being concerned with general principles or rules Saussure was not concerned with what people actually said at all. As Eagleton (1996b, p98) puts it "at the same moment as structuralism bracketed off the real object, it bracketed off the human subject. Indeed it is this double moment which defines the structuralist project." In a way language was placed outside of the individual. This placing of language outside of the human subject could be deemed to be a liberal turn which gestures towards theories of the constitution of human subjectivity through language. This *externalising* of language ended the belief that words are produced in people's heads. Although it could be considered to be progressive to place language outside of the individual, from a class perspective, it is fruitless to do so unless we also place humans within their "conditions of everyday life". The sign privatisation in Saussure's model could be semiologically interrogated without ever considering that different people might have different material (referential) experiences of privatisation.

MPL also provides an antidote to so-called poststructuralist nihilism. The supplement to structuralism made by some poststructuralists was to break the sign apart and detach the signified from the signifier, so that the meaning (signified) of any word (signifier) can only be expressed as other signifiers. This means that when you try to discover the meaning of anything you can become caught on a nihilistic word merry-go-round on which signifiers conjure up more signifiers, so that nothing is real, and a word like privatisation can be dismissed as a sliding signifier or a metaphysical concept. In a way this theorisation leaves language at the superstructural level, at best detached from the base, or at worse with no

base at all since the base is simply another sliding signifier. One way of getting off the merry-go-round is to provide a firm ground on which to stand. *MPL* does exactly this by giving language a material grounding. Indeed our reading of *MPL* suggests that all signs are material since there can be no human consciousness without them. At the very least, signs are material in people's heads. But *MPL* makes language material in another politically productive way in the sense that it gives an economic class relationship to language. In other words, language is material in the heads of people from different social classes, genders and races.

In order to explain the material class linkages to language *MPL* pays attention to the actual speech of individuals in particular social contexts rather than the structure of language distinct from its users. The sign, because of its social ubiquity, its implication in each and every act or contact between people, registers the countless ideological threads running through all areas of social intercourse. To *MPL*,

"the word is the most sensitive index of social changes, and what is more, of changes still in the process of growth.....The word is the medium in which occur the slow quantitative accretions of those changes which have not yet achieved the status of a new ideological quality, not yet produced a new fully-fledged ideological form. The word has the capacity to register all the transitory, delicate, momentary phases of social change" (Volosinov, 1973, page 19).

Furthermore social exchanges operate in extremely close connection with the conditions of the social situation in which they occur and exhibit an extraordinary sensitivity to all fluctuations to social atmosphere. *MPL* further recognised that signs develop historically within and between conflicting social groups, classes, and individuals in their discourses during which they seek to appropriate signs and imbue them with their own meanings.

MPL argues that since every sign is a construct between socially organised persons in the process of their interaction, the forms of signs are conditioned

above all by the social organisation of the participants involved and also by the immediate conditions of their interaction. When these forms change so does the sign. It should be one of the tasks of the studies of ideologies to trace this social life of the verbal sign. This is what we attempt here in our consideration of the social life of the sign - privatisation. Certainly the social organisation and the conditions of the ANC, SACP and Cosatu have changed dramatically since 1990. This is one of the reasons why SA is a poignant case to consider.

In order for any item, from whatever domain of reality it may come, to enter the social purview of the group and elicit ideological semiotic reaction, it must be associated with the vital socio-economic prerequisites of the particular group's existence; it must somehow, even if obliquely, make contact with the basis of the group's material life.

Volosinov 1973, p 22

This oblique contact with the basis of the group's material life means that different signs can have different meanings to different classes. Clearly at the time when *MPL* was written there were stark differences between classes and the conditions of lived experience between classes was enormous; in SA today these differences are also painfully evident. *MPL* did not simply suggest that language could be reduced to a mere reflex of social interests, rather that "there was no language which was not caught up in social relationships, and that these social relationships were in turn part of a broader political, ideological and economic system" (Eagleton, 1996b, p 102).

Social existence therefore, is reflected in signs, but it is also refracted. This refraction takes place when differently oriented social interests intersect within the same sign community. Various different classes will use one and the same language. But to different classes the same word could mean different things. As a result, differently oriented accents intersect in every ideological sign. For example the words *flexible-workforce* contain different accents for different

classes. For capitalists, the accents connoted by flexible-workforce might be, a less risky business in the sense of a lower ratio of fixed to variable wages, or lower operating leverage. It would also mean *really* direct labour in the sense that labour costs would vary directly with output. For the flexible-workers themselves it might mean job-insecurity, no pension rights, and so on. So ideological/semiotic signs are an arena of the class struggle. Through this intersecting of accents a sign maintains its vitality and dynamism and the capacity for further development. But the ruling class strives to impart a supra-class, eternal character to the ideological sign, to distinguish or cover-up the struggle between social value judgements which occurs in it, to make the sign *uniaccentual*.

"In the ordinary conditions of life, the contradiction embedded in every ideological sign cannot emerge fully because the ideological sign in an established, dominant ideology is always somewhat reactionary and tries, as it were, to stabilize the preceding factor in the dialectical flux of the social generative process, so accentuating yesterday's truth as to make it appear today's".

(Volosinov, 1973, pp 23 - 24)

Accounting technology serves to make a sign like *flexible-workforce* uniaccentual, obviously "a good thing" for society (ie capitalism) and so on. The moving force of accounting behind the term flexible-workforce is the ruling class. Accounting technology (its classifications, allocation techniques and ratios) meets the economic needs of the ruling class.

In South Africa, *privatisation* is a multiaccented, active sign which is an arena of the class struggle. Privatisation is about to take off in South Africa, but there are still many active debates about the *type* of privatisation which should take place, and even *whether* privatisation should take place. The special relationship between the ANC, Cosatu and SACP has prevented the South African government from implementing a privatisation programme at the pace demanded

by the interests of capital. The key "players" with respect to the privatisation debate and the multiaccented nature of privatisation considered in this paper are Cosatu - bureaucrats and shop-stewards, the accounting profession, and a "left" group broadly opposed to privatisation. These are not the only key players and clearly within each of these groups different class interests will be represented. For now at least the SACP, to the extent that it can be distinguished from the ANC leadership, is unlikely to directly challenge the ANC's policy change, supposedly because it needs the ANC much more than the other way round (Financial Mail, 22 April 1994). However, it could also be argued that the ANC still need the SACP to help them legitimise ANC actions among the workers. The issue is a little more problematic for Cosatu which has more direct power than SACP in the sense that the Trade Union movement in SA is fairly strong²². But certainly the leading trade union bureaucrats have an interest in maintaining their close links with government and so would absolutely want to avoid an all out confrontation. In this sense, the Trade Union leadership need the ANC in the same way as SACP. The Weekly Mail and Guardian (20/9/96) reported that "Cosatu fears the initiative is slipping away from them. They have had to change their attitude to privatisation if they plan to have a say in the restructuring of the economy". But the rank-and-file shopstewards' concern with the pay, conditions of work and job security of their members means that they have a totally different conditions of interaction. The next sections consider three key groups involved in the debate surrounding privatisation.

Cosatu, shopstewards and Privatisation

The advent of a black workers' movement based on Cosatu has been one of the most important attainments of the anti-apartheid conflict. The leading trade union strategy of workplace control and increased participation in centralized collective bargaining at the sectoral level has achieved substantial gains for the organised

workers and strengthened the self-confidence of the labour movement (Murray, 1994). Unlike most of the world gradual growth in trade union membership was experienced from the beginning of the mid 1970s and only levelled off in the early 1990s. Membership in registered trade unions alone accounted for over 40% of the labour force, thereby making South Africa one of the most heavily unionized countries in the world (Callinicos, 1992). By 1994 trade union membership including the estimated 450,000 workers in independent unions, approximated 3.2 million wage earners or about 23% of the economically active (Murray, 1994)²³.

As a matter of policy Cosatu supports some accommodation between organized labour, the State and Capital. John Gommono, vice-president of Cosatu expressed the position of the trade unions in 1991 thus "We are moving from resistance to reconstruction. We need to move away from sloganising. We must make concrete proposals on workers' rights and reconstructing the economy". As Munck (1994) explains, this position implies the need for reconstruction pact or accord between unions, capital and the new post-apartheid state. For many on the left this was cause for concern, for example, Callinicos (1990) states that "when I first heard talk of social contracts my blood ran cold" and Bashier Vally (1992) argues that a social contract can only mean that labour will have to compromise too much. From this perspective, class collaboration means the development of a union bureaucracy which undermines democracy and accountability. Even Jeremy Baskin in his sympathetic history of Cosatu highlighted the tendency towards the emergence of a trade union bureaucracy within Cosatu and the concentration of power in the hands of the full-time officials. Several leading Cosatu/SACP members are beginning to support the ANC government's privatisation plans; but, it may turn out to be much more difficult to convince shop stewards and rank and file union members.

Even in 1995, Cosatu leaders were beginning to edge towards accepting limited

privatisation. In a 1995 interview between Cosatu general secretary Sam Shilowa and his old Cosatu comrade, now minister without portfolio, Jay Naidoo, the issue of privatisation arose. Naidoo said that

We must demystify privatisation because the government has decided that there needs to be a restructuring of the public sector..... government owns certain things that are of no use to government. We should not be the biggest landowner because we should be using government land to meet the land reform programme. In consultation with Cosatu, through Nedlac, the private sector and communities, we need to decide on the areas government should be involved in.

(Reported in *The Shopsteward*, Vol 4, No 3, 1995)

In the same edition of *The Shopsteward*, three former Cosatu leaders who had been chosen as ANC MPs (Godfrey Oliphant, Chris Dlamini, and Susan Shabangu) were also asked about privatisation because it "is one potential conflict area between the government and Cosatu"

Dlamini says the government has not yet taken a decision on the matter.

"I don't believe privatisation is the way to raise finances by the government." says Dlamini. "I am not opposed to it in toto, but some strategic enterprises - like Eskom, Telekom, the hospitals and Water Boards - are the backbone of the economy, and should not be privatised." It was questionable whether the government would find buyers for less profitable state enterprises, he said.

Oliphant says he is not opposed to the privatisation of certain state institutions, like government buildings, but he also opposes the privatisation of important public institutions as this was "not in the public interest".

Shabangu assures the trade union movement that, before there is privatisation, "all stakeholders will be consulted", and if it is going to compromise labour, "this will create problems".

With respect to the SACP and Cosatu, the ANC would rather work with hegemonic consent rather than coercion (Lehman and Tinker, 1987). There is still strong resistance to privatization amongst Cosatu members. Most of the ANC, including ministers, remain strongly opposed to any restructuring which smacks of the approach adopted by the British Conservative governments of the past 15 years. ANC official Jeremy Cronin told a Cosatu conference "We must fight at all costs the selling of resources that are essential to meeting social needs"²⁴. As stated previously there is a difference between the position of the trade union bureaucracy and shopstewards. The following section is based on a series of interviews carried out with all shop stewards of the South African Municipal Workers Union (SAMWU) a Cosatu affiliate, in Cape Town during 1993, who had been directly affected by the local authority privatisation²⁵ carried out during the 1980s by the De Klerk government. Many of these interviews took place in the Townships, some, under extremely difficult and dangerous conditions. They represent a unique view of rank and file opinion with respect to privatisation and demonstrate a clear class based understanding of the term.

While many union bureaucrats seem to be changing their position over the issue of privatisation (the main union "holding out" against privatisation seems to be the public service workers' union), it seems likely that if there is to be any effective resistance to privatisation in South Africa, especially if it will also involve job losses, it will come from the Trade Union movement. It seems that one of the major concerns of unionists (reflecting the experience of privatizations in other countries) is that privatisations will cause job losses. For example one interviewee stated that

I've seen information regarding the privatisation of the Water (in the UK), the cuts in staff, the Chomeal Place disaster in Cornwall, the way the services have deteriorated. But tell me why when you have unions of a million members you weren't able to stop it?

One official for SAMWU, responsible for collective bargaining in the region put the matter this way-

In the short-term it is in the form of reconstruction and development, in the long-term it means resuscitating capitalists, getting capitalism out of the crisis. Unions should learn that privatisation decimated the unions in Britain.

The concern of South African trade unionists with events in the UK may be in part coloured by the fact that the interviewer was from the UK; however, the experiences of UK privatisations are a concern of trade unionists worldwide. Absolutely consistent with capitalism's drive to maximise profits, former state owned enterprises have become profit making by making large sections of their workforces redundant and introducing "flexible working". In a country with 50% unemployment, this is a serious concern. The interviewees also felt more general social concerns relating to making profits from essential services. For example

The general feeling among members is that privatisation is not on. For two reasons, one it's a question of job security and so there is a general opposition to the private sector and what they see happening. Secondly it's a question of provision of services, the concept of services for profit in fact is not acceptable.

Full-time SAMWU official

The feelings in the workplace are strongly against privatisation, especially when it affects their job security and the council can't give long-term guarantees that their jobs will be secure.

Organiser at SAMWU

Workers do fear privatisation..... Amongst the rank and file there's concern but they're just waiting, there's both an element of fear and anger.

Education Officer - Works for Water works

In 1993 at least, there appeared to be a strong belief that unions could prevent privatisation.

We threatened them with industrial action and so they backed down from complete privatisation. The Abattoir have been the only area, they are now faced with 6 options, which are being put to the workers.

Organiser at SAMWU

A full-time SAMWU official said

but in my opinion there will be no wholesale privatisation of local authorities.

One of the reasons for this is that some of the experiments of privatisation have been unsuccessful, for example the privatisation of the supply of cleansing vehicles in the Muzienburg area hasn't really worked and the council is anxious to get out of this contract now. So I don't believe there will be privatisation of major services such as cleansing, water supply, education etc. Partly for this reason.

The other reason is the strength of the union movement has managed to stop privatisation or at best managed to change the initial intention to privatise. But long-term strength of the union to stop privatisation is still uncertain at the moment. Obviously with the changing conditions as a result of a new government there is a possibility of a greater union influence, but with that influence comes the question of union ties. Nevertheless, I don't see wholesale privatisation, at least not in the short-term.

The same union official explained his union's form of opposition to privatization as follows

We've campaigned in terms of resolutions which give a clear position opposing privatisation, meetings with communities and getting fully involved in building up civic structures, creating an awareness via propaganda, either collectively via Cosatu or via the public sector forum. We've tried to broaden the struggle by trying to link up with the privatisation in the S.A Railways, postal services, although we do see the Municipal sector as slightly different.

But, whilst opposed to privatization, some union members still considered the

opposition to apartheid to dominate

see there's just too few hands. Obviously, Apartheid put tremendous strains on the union organisation, which we're in the process of trying to overcome. At the moment we see many more serious issues (than privatisation) such as the socio-economic problems of the country.

Because Apartheid still divides it's difficult to take up the issues.

Treasury shop steward

Despite the resistance to privatisation amongst the SAMWU members interviewed, these members were aware of and to some extent have taken on board financial rhetoric.

Within the City Council itself there are new developments. They are restructuring the Departments along more business levels. The structure has been reorganised, it's more like a pyramid with the top flattened which means there will be more top management, mostly white managers. They are arguing there is not *value for money* inefficiency of administration and processing of work...

SAMWU shop steward and Executive member

Take the question of electricity privatisation, ESKOM. We agree that the reorganisation may help economies of scale but the major question is one of control, what kind of structure is important to ESKOM, who is going to control the vast monopoly, who will benefit from the large amounts of money that's generated. But in Cosatu some of the other unions are going full steam ahead to accept ESKOM privatisation, see it in terms of a narrow union perspective, see themselves gaining thousands of members as workers transferred over, for example, NUMSA stands to gain many members. However, we see it in terms of the effect it will have on public sector, on the control of services.

Full-time official for SAMWU,
responsible for collective bargaining in the region

The main type of privatisation is the privatisation of the land, the selling off of council land to private contractors. However, the council has used private labour for many years. Why even

upstairs in the Housing Development you find people who have been working for 20/30 years but still have no tenure. Often though the council has been forced to use external labour because they don't have their own expertise. You see I'm not necessary against privatisation, especially if it is used as an efficiency model. Sometimes the selling of assets makes sense because the private sector can deliver more effectively (although not necessarily more efficiently). However, privatisation is not a universal panacea.

Town Planner, Town planning Dept. SAMWU member

Last year they wanted to sell off the Abattoir, they guaranteed the unions no retrenchments and redeployment for anyone. But the union SAMWU still said no! There's a compelling economic reason to sell off the Abattoir, it needs R60m spent on it in order to upgrade.....unless the Abattoir is upgraded the council will not be able to operate the factory because of Health reasons and they will lose their jobs.

Well its important to look at the existing local authorities and the new Metropolitan council which are to be introduced. There will be growing pressure from the Community plus local businesses to become more efficient and to keep rates down and yet still deliver the services which are required. So the new Metropolitan councils won't be able to resist that drive. Oh things won't change on the first day, they'll take a really hard look at the situation first. But for sure "the chickens will come home to roost". There'll have to be greater accountability and responsibility and they will have to make decisions in line with the realities of life. Initially, the workforce may even expand, people will have huge expectations from the government. They expect better housing, electricity in the Townships, but things will change. Look they've even already replaced the meter reader by a card system in the townships and there's been very little mention of it.

SAMWU member

For a short while the dispute over privatisation shifted from municipal services to large multinational companies. But in 1996 several large multinational corporations took on contracted out municipal services. A French based multinational - Lyonnaise des Eaux, which has already secured a handful of water delivery contracts in Kwazulu-Natal, the eastern and Western Cape, pushed for

lengthy contracts (25 years) and deregulated management of water delivery and sanitation systems (Weekly Mail and Guardian, 23/8/96). The secretary general of Samwu said that it was opposed to the ideology underpinning the plan since it removed accountability and democratic control of services. He went on to say that "boasts" made by private companies that they would bring with them finance for investment and better conditions for workers was untrue and quoted one - a water purification firm - as an example

This firm delivers water and the condition of workers has deteriorated under them, nor have they followed up promises of training and promotion. Workers are earning between R600 and R1,500 gross a month, whereas the minimum wage for municipalities in Cape Town, for example is R1,600.

(quoted in Weekly Mail and Guardian, 23/8/96)

A mechanical explanation of the relationship between base and superstructure would obscure the important productive treatment of signs like privatisation and the battle surrounding them. The next section presents the role of the accounting profession in the struggle over privatisation. This section also considers the accounting profession's role more generally in giving "traditional" advice on financial reporting and on giving "less traditional" advice on wide ranging issues from the Olympic games to labour-flexibility to the armed forces.

The Accounting Profession

Very similar to the UK, the South African accounting profession dates back to the 1850s. Ernst and Young South Africa claim that they can trace their roots back

to 1850 when a predecessor firm commenced practice in Cape Town²⁶. Akin to organisations throughout the rest of the world, accounting firms in SA are continually searching for new profitable market niches. Therefore in a manner similar to overseas accountants the accounting profession in South Africa has taken on board the opportunity to earn income from activities outside of its traditional arena of expertise whilst maintaining its more traditional role as financial accounting standard setters, producers of management and financial accounting information²⁷ and taxation advisors (Martin, 1993)²⁸. Clearly the major "market" for extra curricular work for accounting firms will be governments, large corporations and so on. So part of the accounting profession's conditions of interaction is that its main paymasters are the state and business. However big accounting firms occasionally take on work from others, for example, groups of ex-employees (see Arnold and Cooper, 1995), but their advice is based on the belief that what is good for Capital is good for everyone. The profession upholds the neo-classical economic position that the market is a more benign, efficient allocator of resources than the state. This has the function of *driving inward* the multiaccented nature of their signs. This means that the profession's powerful ideological assertions are made to seem as if they are normal, natural and commonsensical, emanating as it were from inside of us, from our own intellect, rather than being *externally* socially constructed signs designed to forward the interests of the dominant social class. The accounting profession unproblematically links its role of provider of "true" financial information to shareholder's (global capital's) interests

Cooking the books may prove less than lucrative in the future if auditing groups have their way... Corporate South Africa's often cavalier attitude to financial reporting can mislead investors and deter foreign interest, according to the firms which check companies' accounts.. The leading auditing groups, including Deloitte and Touche, KPMG, and Ernst and Young, have recently established an "informal" committee to present a united front in dealing with.."creative accounting".

Weekly Mail and Guardian, 1/11/96

The consulting arm of a large accounting firm, Deloitte and Touche Consulting Group places the maximisation of value to shareholders at the centre

Deloitte and Touche Consulting Group assesses a client's market position relative to customers, competitors and suppliers, and develops recommendations to *improve long term position and shareholder value.*

When selling advice to government in the form of consultancy, the profession upholds the interests of global capital, at the very least, because it takes on the "accent" of the dominant class meaning of words. For example, in the Coopers and Lybrand, Guide to Business in South Africa (July, 1997), there is an apparently benign section on the Reconstruction and Development Programme. This section states that

This is an ambitious programme compiled by the African National Congress, the predominant political party in government, to narrow the large development gap between the black majority and white minority in South Africa.

However, it then goes on to assert that

The targets of the RDP will only be achieved if the rate of economic growth can be sustained to generate the required fiscal revenue, and provided that government spending is reduced in other spheres of the economy. *The growth rate required will not be achievable without substantial foreign investment.* (Italics added)

The way to obtain this foreign investment? Privatisation. Whilst it is clear that the accounting profession's involvement in the privatisation process is lucrative, other than mysterious references to "advice to government" in their promotional literature, they do not advertise themselves as privatisation experts. Dominelli and Hoogvelt, (p 192, 1996) write that "(k)ey players to the transition to "Government by the Market", or "Contract Government", we submit are

accounting firms and the accounting profession." One explanation for their underplaying of the privatisation issue might be that privatisation is a controversial issue. In terms of *MPL's* theory above, the accounting profession serves to make the sign privatisation uniaccental. Moreover, the profession firmly denies that what they say is *in any sense* ideological.

In September 1995 a SA government consultation document on privatisation was prepared for the Cabinet. It was coordinated by Deloitte Touche partner and government advisor Jeff van Rooyen. A report in the Financial Mail (8/9/95) discusses the technical issues surrounding privatisation brought out in the report

Though privatisation experts agree that ideological issues should not form part of the debate on what has become the sophisticated, technical matter of privatisation...(r)estructuring of State assets requires careful pre-sale preparation that calls for flexibility. Van Huyssteen (Price Waterhouse, Meyernel corporate finance CE) stresses the need for sound direction of the process. On this score Morrison (Rand Merchant Bank) and Van Huyssteen stress that governments should listen to the dictates of the market and supply potential investors with as much information as possible.

In an earlier article (25/8/95) the Financial Mail suggested that the new government needed to be "pragmatic" and forget about "ideology".

to restructure a modern economy..from primarily satisfying the needs of the rich minority to meeting the legitimate aspirations of the previously disadvantaged is like reversing the course of a fully laden bulk tanker.... both transitions require much patience and an acceptance of what is feasible in the real world, *as distinct from what is ideologically correct....*

The divide (between Ministers), broadly, is between those who've come to realise that without economic growth general upliftment is impossible -- they don't care what colour the cat is as long as it catches the mice -- and those who have not shaken off the baggage of the liberation era.

It is interesting that the signifier ideology is used in a very specific manner. It is

used to mean something that isn't the truth, but could be, at its most benign, something utopian. This means that the accounting profession's economic position is put forward as being non-ideological. It is *robbed of its history and described as being natural* (Cooper, 1995). It is *uniaccented*. The dictates of the market are presented as *natural* and should accordingly be encouraged and accepted. To the profession, there is simply no question that (for example) the dictates of free market economists should be discussed only insofar as one needs to ensure the best technical way of implementing them.

The accounting profession also gives "neutral" advice to government in many different arenas. For example, many newly privatised companies dramatically alter their labour relations strategies; the accounting profession is happy to sell advice in this area. Aziz Dieye (of Coopers and Lybrand in Dakar) postulated that conditions for private investment are

"difficult to achieve in countries that have been limited to supplying raw materials and whose economies have consisted essentially of government monopolies. However, certain steps can be taken to improve the climate for investment..... Reforming relations with labour unions is a pressing need since they are characterised by reflexes and political attitudes dating from the struggle for independence. Their demands are often beyond the reach of faltering economies" (Financial Mail, October 6 1995).

The Cape Town bid for the 2004 Olympics involved the appointment of five accounting firms as financial controllers of its bid²⁹. A South African Firm, Kenneth Mqgamqo & Associates joined forces with Deloitte and Touche to recommend ways of providing support services for Parliament. Their joint fee was R430,000 plus direct disbursements. But the consortium was racked by internal tensions partly because Deloitte was considered to be too inflexible; treating parliament like a business. However, part of the tension was also reported as being racial. The South African representatives of Deloitte and Touche were white, male and Africaners; the people of colour on the team were all from Kenneth Mqgampo (WM&Guardian, 15/9/95).

Ernst and Young acted as consultants to advise SA on its gaming industry (Weekly Mail and Guardian, 19/7/96). Price Waterhouse advised on Aventura, the government's loss making holiday resort chain (WM&G, 16/8/96). Accountants have also been involved in transforming the South African National Defence Force (SANDF). The WM&G (23/8/96) reported that

A controversial army general and former spy chief³⁰ is at the centre of a row over a R50-million management consultant contract to transform the South African National defence Force.. Rival consultants have complained about the award of the transformation tender to leading consultancy Deloitte Touche... Rival contractors have complained about General Oelschig's close relationship with Deloittes... There have also been questions about the coincidence between the Deloittes tender and the sum set aside by the SANDF for the contract. The military had secretly earmarked R50-million for the project. Deloittes pitched its tender at R49.59-million.....

The public sector director of Deloitte and Touche, Pierre Tredoux denied rumours that Oelschig would soon take up a consultancy post at Deloitte Touche. Deloitte Touche also made R74,000 for writing a pilot study investigation into the brain-drain from the public sector. Whilst the press reported the lucrative nature of consulting work, the *ideological* nature of the accounting profession's role took longer to surface.

A top Johannesburg accountant has hit the public jackpot, earning what appears to be the highest salary in the government sector -- as much as R88,000 a month, considerably more than Nelson Mandela takes home.

(Weekly Mail and Guardian, 16/8/96)

The accountant in question, Charles Stride, had been appointed by former Finance Minister Chris Liebenberg, but his role has been expanded considerably since his appointment. Stride plays a key role in the attempted privatisation of Moss gas. He was also involved in the government's appointment of privatisation advisers

Simpson McKie James Capel. Following this a commission was set up to determine what salaries and benefits public representatives should receive. The commission is paying KPMG Global Edge R992,000 to act as consultants. The Cape Times of June 11 reported that the Department of Correctional Services employed two advisors, each earning R24,000 per month, one with a master's degree in social work and the other with a BComm (accounting) degree.

In other countries the accounting profession has made huge profits from giving "advice" on privatisation (Martin, 1993). South Africa is no exception. The accounting profession gives advice to government and to Capital. Sometimes the same players participate in both camps. For example Alwyn Martin is both a Telkom board director, Vodacom chairman and a senior partner of Ernst and Young in Cape Town. Ernst and Young were also in the running to give privatisation advice to government.

The snow-balling use of consultants did not go unnoticed. By late 1996, government ministers had begun to question the large fees paid to consultants. But much more importantly ANC ministers began to become increasingly concerned that SA was being run by consultants. Some ANC ministers felt that consultants were driving a wedge between MPs and their party in the sense that MPs have "lost touch with the masses" (Weekly Mail and Guardian 4/10/96). The WM&G reported that

African National Congress members of parliament have threatened a parliamentary inquiry into the party's appointment of consultants if Deloitte and Touche win a R1-million contract for the transformation of the Correctional Services Department. This contract should it go to Deloitte and Touche, may be the last straw on the camel's back for many MPs who are dissatisfied that high-flying consultants have moved into ministries, eclipsing the party's traditional advisers: non-government organisations (NGOs), academics and the Shell House policy unit.

The Parliamentary Public Accounts Committee held a public hearing into "government by consultants" on October 9th. The hearings arose over the cost of consultants brought out in an auditor general's report that indicated that government had no mechanism to monitor, gauge the use, cost or output of consultants. The WM&G commented that while

some ill feeling in the ANC might arise from jealousy of consultants' salaries and their slice of the budget, much resentment stems from concern about their influence on government policy. The accusation made in parliament's corridors is that the executive, supported by consultants, is ignoring party resources.... There are objections too, that expertise from the Development Bank and from the South African office of the World Bank are being leaned on more and more, to the exclusion of home-grown policy makers.

In many ways the outcome of the Parliamentary Public Accounts Committee was disappointing in the sense that it mainly dealt with consultants' fees, rather than the wider issue concerning the shaping role of consultants. Indeed it seems very much as if the government has no intention of reconsidering its use of consultants. In November 1996 the government eased up on its immigration rules to allow foreign investors and foreign government-sponsored consultants into the country.

The final position on privatisation in this paper considers some of the arguments which are being used by those opposed to privatisation. These arguments either directly disagree with some of the general claims made for privatisation; for example that privatisation will promote economic growth, create wider share ownership in the economy, mobilise private-sector capital, reduce debt, enhance the competitiveness of State enterprises, promote fair competition, and finance growth (all claims from a government document coordinated by Jeff van Rooyen, Deloitte Touche partner), or are lessons that should be taken into consideration from other countries' privatisation experiences. The purpose of this section is to *drive outward* the seemingly commonsensical arguments that SA has no choice but to go down the privatisation route.

The "Left" anti-privatisation arguments

One of the major reasons put forward for the need to privatise the majority of state assets very quickly is that the government "needs to reduce its debt". On this central issue Ravi Naidoo - head of the National Labour and Economic Development Institute (Naledi), is reported to have said that although the business community claims that privatisation proceeds can be used to pay off debt, that privatisation, even of most state assets will not dent the national debt, nor the R30-billion annual interest payment (Weekly Mail and Guardian, 5th July 1996). In fact, assets of most of the largest parastatals (including Transnet and Eskom), once you have subtracted their debts, are not much more than one year's interest payments. Moreover, most of the larger parastatals are showing positive net incomes. In sum, privatising to cut the debt is a poor idea.

With regard to recent privatisations in SA there is evidence to back this up. For example, the government got nothing out of the sale of Aventura, the government's holiday resort chain. Business Map (July, 1996) disclosed that management at the government's loss-making chain had come up with a detailed privatisation plan with consultant Price Waterhouse. The proposed sale price was R70 million to R80 million for all 15 resorts --- R50 million for settling its debt and sprucing up the resorts and R20 million for the workers' trust. *The scheme means that the government gets no money from the sale.* Business Map argued a number of objectives of the sale were murky -- in particular there was no attempt to cash in on Aventura's potential as a vehicle for black empowerment³¹.

Martin (1995) thinks that it is unlikely, given the experience of other countries that privatisation will be a means to "black economic empowerment". He looks at the international changes in Telecom ownership, stating the deregulation and

privatisation worldwide has certainly swung the balance of forces, and the economies of scale, from the state to private business in telecoms, producing a handful of transnational giants with the financial muscle, technology and know-how to tackle a challenge on South Africa's scale. The problem is that those companies have no shortage of similar investment opportunities in Asia, Latin America and Eastern Europe. If they are to invest in South Africa instead it had better pay. SA is often compared with Brazil, but Martin (1996) believes that when it comes to privatisation perhaps Mexico has the more significant lessons. A World Bank Report on telecommunications privatisation in Mexico -- while rating it a great success -- is graphic in its identification of winners and losers. When Telmex was privatised, foreign buyers made gains of \$12-billion in share values, in the first year, says the report, largely because tariffs went up so much that "the big losers are consumers, worse off by \$33-billion". Built into the deal was an obligation on Telmex to meet a number of performance targets, such as increasing the number of lines by 12 percent a year for the first three years.

That looks exacting but, think about it. At the start, Mexico had six lines per 100 population. Twelve percent a year on top of that might be progress, but mass economic empowerment it ain't. A similar rate of increase among black South Africans would see the number connected double to two in every hundred by the year 2000.

Martin, 1995

For SA this could not be described as the black economic empowerment desired by the ANC government. Foreigners have not been the only winners from Mexican privatisation. The 37 businessmen who already owned between them a quarter of the country's gross national product were (being the ones with the money) the main buyers in almost every case, resulting in "a worsening of the already skewed and concentrated pattern of ownership distribution", according to the World Bank report. In SA the distribution of wealth is already badly skewed. The concentration of wealth in SA can be seen in the large family businesses and

insurance companies, who as a result of being blocked from investing abroad, gobbled up local equities to make a complex tangle of cross-holdings with only four groups accounting for 75% of the capitalization of the Johannesburg stock exchange (Economist, May, 1994).

In Britain, although the new owners did very well from privatisations, the biggest winners have been not the new owners but the old management³², a fact well worth bearing in mind when a South African utility boss claims that only privatisation will solve his company's problems!

Another lesson to be learned from British privatisations is that newly privatised companies totally changed their ethos once privatised. For example Scottish Power, in a paper for an international conference on the future of the industry, explained its change in ethos as follows

Firstly we focus on operating profit, seeking ways to build cash inflows by maximising revenues and reducing costs. Secondly, we focus on capital employed to optimise cash outflows, looking very carefully at the timing and extent of investment and taking a rigorous view on disposals. Finally, we focus on understanding the cost of capital and the implementation of balanced financing... This focus is in marked contrast to the priorities that the company had prior to privatisation (when) our primary role was the maintenance and security of supply to our customer base. Our approach to investment was to invest whatever was considered necessary on technical grounds to deliver an electricity supply to our customers".

(quoted in Martin, 1995)

As Martin (1995) puts it "heaven forbid that an electricity company should see its "primary role", and the point of investment, as the provision of electricity". But at least Scottish Power is concerned with investment, and isn't this what SA needs? Here another lesson might be learned from the UK. The whole rationale behind water privatisation in England was that there was (and is) an urgent need

for investment to regenerate the service's decrepit infrastructure, installed a century ago and little repaired since. However, five years into privatisation, with prices rising exponentially and directors' pay and share options even faster, there is still as much water leaking from cracked pipes as makes it to the taps in a county like Yorkshire, where in 1996 long-suffering consumers were threatened with a loss of supply on alternate days because of what the company (not being familiar with the real SA thing) called a "drought" (Martin, 1995). The SA government, if it is to learn any lessons at all from this should carefully consider the calls for deregulation of water in SA from multinationals like Lyonnaise des Eaux.

Martin (1995) summarises his views on privatisation as follows

In short, privatisation guarantees very little except that a few people get very rich, or "economically empowered", if you prefer. South Africans should count themselves as fortunate to have trade unions determined that empowerment begins at home, with proper consultation and negotiation, so that the restructuring which all agree is necessary can bring sustainable and equitably shared results.

It isn't clear that everyone does agree that restructuring is necessary but apart from this, Martin's summary does gesture toward a productive treatment of privatisation. Many trade unionists are very aware of the social value judgements embedded in the sign *privatisation*. Many MPs are beginning to question the snow-balling use of consultants who have eclipsed their traditional advisers. Yet, for the present at least it seems as if there is a real danger that privatisation in SA is going down a very slippery slope, out of the hands of government into those of multinational capital.

Conclusion

This paper has set out the lucrative shaping role of the accounting profession in the economic transformations in SA. The accounting profession is operating with the SA capitalist system in a formative manner. It serves to transform active, multiaccented ideological signs like privatisation into uniaccented ones thereby driving inward the struggle between social value judgements. It also has served to shape the economic system by, for example, promoting privatisation as necessary for SA's future. The moving force of accounting lies in economics - in class contradictions.

The issues involved here are extremely serious. The threat to democratic transition in SA cannot be overemphasised. According to neo-classical economic views of the world the SA economy is simply not in the position to address the rising expectations of the majority. No matter what their good intentions, their motives or their political consciousness, the ANC government is making so many changes that it will (or perhaps already has) made a *qualitative* change so that it will be seen by its former supporters as an oppressive regime rather than a liberation one. But we would like to emphasise that we do not see the unfolding events in SA as being the result of "wicked accountants", and especially not of personal betrayals or backsliding by ANC ministers. Callinicos (1996, p 40) makes this point in relation to the ANC as follows

There can be few groups or individuals in the world with finer personal records of personal courage and sacrifice than Mandela and his ANC ministers. Rather the failure of the ANC in office to pursue any real attempt to transform society is a consequence of the strategy it has pursued. Like reformists at other places and times, the Revolutionary Alliance has made its genuine desire to achieve the "social upliftment" of the black majority conditional on the fortunes of capitalism in its country. But it has done so at a time when capitalism on a global scale is experiencing profound turbulence and instability.

Individual accountants may well believe that they are giving advice to "help SA".

But there are many different opposing interests in SA, and the accounting profession, while they are taking their huge profits from the people of SA, should be aware that they *do not* represent the interests of the majority of people within SA, at least, according to the majority within SA.

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1. National Party

2. Volosinov would describe privatisation as an "active word" which means that while most English speakers would agree that privatisation would mean something like selling state assets to management or shareholders; the actual word means different things to different classes. This makes privatisation one of the hubs of the class struggle. You can imagine a New Right ideologue's eyes lighting up at the word, and a worker's eyes filling with fear at the thought of redundancy.

3. This insight comes directly from Trotsky (1991) who makes this point in relation to the development of law.

4. The ANC was unbanned on 2nd February 1990; Nelson Mandela was released from prison on 11th February 1990.

5. By the mid 1980s political errors and economic inefficiency had produced a profound crisis (Lipton & Simkins, 1993).

6. Given their poor education, (only 38% of black pupils passed their school matriculation in 1993 compared with 90% whites) many have had little choice but to opt for the informal sector, becoming hawkers, which their organisation (ACHIB) claims has become part of the fabric of city life in South Africa (Kibazo, 1994).

7. The State began to withdraw from some of its 'racial ordering' activities, for example reducing the controls over the mobility of labour and capital. However, there was still no commitment to a common South African citizenship and the NP still sought to retain control of the State which was the source of many jobs and privileges of the white elite (Lipton, 1993)

8. During the apartheid reign, the state sector absorbed the steel, oil-from-coal production, transport, telecommunications, and the defence industries. At its peak in the 1970s, the state administration employed one-third of all economically active white wage earners. Even after the privatisation of the giant Iron and Steel Corporation (ISCOR), the State sector still owned more than 50% of the country's fixed assets (Murray, 1994)

9. To this must be added the unrelenting violence which has discouraged investment by both South Africans and foreign businesses in certain areas of the country (Kibazo June 1994); even before the ANC drew up its first spending plan, the budget deficit was heading for 7% of GDP.

10. However, this view is contested. For example it has been argued that the returns required by Capital for investing in SA are very high. The high profits required by capital will mean high prices and worsening services for consumers and job losses and worsening conditions for labour.

11. Cosatu membership climbed from 450,000 at the time of its formation to more than 1.3 million in 1994 with over 1000 full-time officials and more than 25,000 shop stewards.

12. Mandela began telling overseas audiences in mid-1993 that the ANC would be "slow to deliver the goods", but he didn't take that message immediately to Soweto, Khayelitsha or Cradock. Should he have?

13. Callinicos (1992) explained that negotiations as opposed to Guerilla warfare were conceded by the ANC leadership to be the most productive method of accomplishing this "national democratic revolution". By 1990 the ANC admitted that they did not have the ability "to intensify the armed struggle in any meaningful way" (ANC Secretary-General Alfred Nzo). No doubt the 1984-6 rising induced many ANC activists to visualize the defeat of the regime by mass insurrection; and the ANC call to the masses to render South Africa "ungovernable" did not seem unreasonable. However, it transpires that the ANC were never serious about that possibility and subsequent meetings with white establishment figures as early as 1985 showed they envisaged negotiations as an alternative to the armed struggle. Callinicos (1990) argues that the most feasible explication of the ANC's leadership's real strategy was that it had a long-term orientation towards a negotiated settlement and that various methods-armed struggle, strikes, township risings, peaceful protests, and economic sanctions were all forms of pressure meant to coerce the regime into talking to the ANC and securing the most favourable terms.

14. The ANC's main preoccupation has been on calming nerves about its' 5 year reconstruction and development programme, a document that represents the ANC's de facto manifesto and has the support of the trade union federation, Cosatu and the South African Communist Party. The ANC claims to have no plans to raise taxes to finance the programme, arguing it will be paid for by a simple refocussing of current priorities and greater efficiency in the use of resources. Consequently, it came as no surprise that Nelson Mandela's first budget was a model of moderation. Presented by Derek Keys, his then finance minister, on June 22 1994, it promised a special pot of 2.5 billion rand for post-apartheid reconstruction, exactly what Mandela vowed in his election campaign. Keys pledged that the reconstruction fund would grow over the next 4 years to 12.5 billion rand in 1998-99. However, the dismantling of the old state and the creation of a new one had run up a hefty bill, a total of 4 billion rand that year; the election alone cost nearly 1 billion rand. Therefore, personal income-tax payers earning over 50,000 rand - which excludes almost all blacks and most whites - and companies were to face a new 5% "transitional levy" for one year to help pay

these costs. However, the corporate tax rate was set to shrink from 40% to 35%. In addition, some of the loss was to be made up by a rise in dividends tax from 15% to 25%. Nonetheless, absent was any mention of the 'wealth taxes' - on swimming pools, second homes and capital gains-so favoured by ANC radicals and dreaded by the rich. The Johannesburg stock exchange barely moved. Perhaps the black townships were less easily contented (Economist 25 June, 1994).

15. Most significantly, the ANC seemed to accept that the sums in the reconstruction and development programme would not add up; at least not without a substantial injection of money from outside institutions like the IMF/World Bank.

16. Some British trade unionists still prefer to use the term "denationalization" rather than privatisation.

17. Dave Mohr, chief economist at the Old Mutual.

18. Reconstruction and Development Programme. Please see endnote 11 for more details on the RDP.

19. This book was published under the name of V N Volosinov. Volosinov died of TB in the 1930s. But there is serious debate surrounding the true authorship of this work. Much of the debate is extremely perplexing, for example Eagleton and Milne (1996) deal with the work as if it was written by Volosinov, but Eagleton (1996, p 101) writes that, "Mikhail Bakhtin, who under the name of his colleague V. N. Volosinov published in 1929 a pioneering study called *Marxism and the Philosophy of Language*". In this paper we follow the view of writers who have attributed the work to Mikhail Bakhtin (Clark and Holquist, 1984; Eagleton, 1996b; Dentith, 1995). The only biography of Bakhtin (Clark and Holquist, 1984) says that Bakhtin claimed this work as his own. Other writers (Dentith, 1995) claim that Bakhtin himself was pretty cagey about the authorship of the work. It is clear that Volosinov, Bakhtin and a third man, P N Medvedev, formed a group of semiological/philosophical scholars who debated among themselves and with other young Marxists in the towns of Nevel and Vitebsk. Bakhtin died in 1975. Much of Bakhtin's work was destroyed (some of it by Bakhtin himself who used pages from his work as cigarette paper), and from 1929 until the 1960s Bakhtin was to see no more of his writing published except for an article on book-keeping in collective farms. It is a real pity that there is no published work by Bakhtin on the ideological and contested nature of book-keeping. There is much debate surrounding whether or not Bakhtin was *really* a Marxist, or whether Volosinov and Medvedev two of Bakhtin's "circle" were the *real* Marxists. The arguments are complex and it appears as if different writers put each of the three into the Marxist or anti-Marxist camps to suit their own political positions. The heated debates on the left about "what constitutes Marxism" are *extremely* important; but claims to "Marxist orthodoxy" should not waylay serious political action. We put *MPL* in the Marxist camp. Moreover,

Bakhtin shares a profound sentiment of anti-capitalism with Marxism. Dentith (1995, p 15) notes that "Bakhtin's explicit hostility to the isolating and alienating nature of capitalist social relations is cognate with one version of Marxism."

20. Bakhtin called these two trends, *individualistic subjectivism* and *abstract objectivism*. To some extent, the first of these, the notion that the source of language is the individual psyche has been pretty much discredited. But, the second form, *abstract objectivism*, which sees the linguistic system as a system of the phonetic, grammatical and lexical forms of language constitutes the basis of much of the contemporary linguistic theory. The "founder" of this field was Ferdinand de Saussure; while Bakhtin is highly critical of Saussure he also called Saussure's *Course in General Linguistics* the most influential book in linguistics (Mtejka and Titunik, 1973)

21. To Saussure it is a sign's position within a structure which gives it meaning. As a very basic example, the word "debit" in itself has no meaning but it gains meaning in a structure through its difference from other signs. Debit is not credit and nor is it rabbit.

22. As a rule trade union leaders have expressed a commitment to a socialist future. Cosatu has consistently called for a democratically planned economy with "workers control", and equality for all based on the collective ownership of the economy. For some trade union militants (and ANC radicals) the current direction of the ANC economic thinking, its relinquishing of policy statements on using the state to redress long-standing structural inequities seems inconceivable, and appears only to be making remarkable concessions to the neo-liberal monetarists (Callinicos, 1992).

23. It was only after 1990 that it became possible to observe the trade union movement beginning to function effectively at national level and influencing macro-economic policy. Although it sat on statutory bodies such as the National Training Board, National Housing Forum, National Electricity Forum and the National Economic Forum (NEF), its most significant periods were those when it organised countrywide stoppages. The Cosatu-led anti-VAT coalition accomplished the highly successful November 1991 general strike and the Boipatong massacre precipitated repercussions which mobilised for the 3-4 August 1992 general strike involving 4 million workers. Nonetheless, whilst operating at a national level, the leading trade unions began to modify their tactics; no longer did they adopt 'militant abstentionism' from decisions affecting productivity and profitability but instead actively immersed themselves in key economic considerations, involving pragmatic alliances with management. 'The flexible accommodation', or strategic unionism' involved gradual structure reforms and was thought capable of undermining the capitalist system by freeing an impetus that would launch the labour movement on the road to socialism. In other words it was felt possible to link the bread-and-butter issues with the long-term goals of socialist transformation (Murray, 1994).

24. Quoted in Business week, 21 November, 1994, p 50.
25. Local authority privatization took the form of "contracting out".
26. Ernst and Young web page, <http://ey.co.za/who.html>, 28/7/97
27. With respect to more traditional accounting concerns, South African accounting is fast falling into line with international accounting standards. The Financial Mail (9/8/96) reported that "(H)ere for a meeting of the Australian, New Zealand, SA, UK and International Accounting Standards Committee (IASC) Accounting Standard Setters, Tweedie says new standards on the treatment of goodwill and intangibles, derivatives, provisions for future expenditure and wasting assets will arrive in SA very soon."
28. Indeed many accounting firms were actually reported as being consulting firms. For example, the Weekly Mail and Guardian (29/11/96) reported that "South African business have the highest expectation of fraud in the world, according to a new survey by the *international consultancy KPMG*" (italics added). Early in 1996, Deloitte Touche began operating under the name Deloitte Touche Consulting Group (Weekly Mail and Guardian 2/2/96).
29. Ernst and Young will be the bid committee financial controller; Deloitte and Touche will audit the bid; Mustaq and Brey will undertake the accounting of the bid; KPMG will make an economic assessment of it; and Coopers and Lybrand will assist in the budget preparation for the games.
30. At the centre of the argument was Major General Marius Oelschig, formerly logistics supplier to the Angolan rebel movement, Unita, and commander of Ciskei's army at the time of the 1993 Bisho massacre.
31. (WM&G 16/8/96)
32. In the month that British Gas announced plans to cut the pay of 2,600 of its lowest paid workers by 16%, the company's chairman took a 75% salary increase to £475,000 a year; at the same time he awarded himself £600,000 in share options. The same happened in British electricity companies. Directors, who only a year before were public servants, were made millionaires for halving their workforces.

From Taylorism to Ms Taylor: The transformation of the accounting craft

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From Taylorism to Ms Taylor: The transformation of the accounting craft

The history of professionally qualified accountants and their regulatory processes command considerable attention in the academic accounting literature. This is the case even in the *critical* accounting literature. In contrast, "non-qualified", clerical employees have been virtually excluded from serious accounting research. Despite both the concerns of Hopwood (1987) and Loft (1992) that this is an under researched area, and Crompton and Sanderson's (1990) and Kirkham and Loft's (1993) valuable contributions, there is still no thoroughgoing analysis of this majority employee experience. This paper aims to overcome this serious deficiency in the academic literature. It is centrally concerned with the changing work practices of non-professionally-qualified workers in accounting clerical roles.

Adopting a long term perspective, the paper charts the changing work practices of accounting clerks from the mid 19th century until the publication of Braverman's *Labour and Monopoly Capital* (1974). It continues where Braverman left off in 1974 by studying the skills required by employers of accounting clerks from 1974 until 1996 through a longitudinal analysis of job advertisements and other contemporary changes within the accounting industry.

The framework used in the paper to analyse the work practices of accounting clerks draws strongly on the theoretical foundations of Marx and subsequent

development by Braverman. Although Braverman's work is widely acknowledged in the critical accounting literature, the narrow focus of accounting research, which typically equates "accounting labour" with "the accounting profession", means that Braverman's work has not been exploited to the full.¹ Braverman contended that in the monopoly capitalist era, Scientific Management is used both to deskill workers and to progressively relieve them of autonomy in their working lives. There are two main reasons for choosing a Marxist/Braverman Labour Process theoretical framework. Firstly, it is necessary to debunk the myth that we are living in an age which requires greater skills of its workforce than for any previous generation and that, consequently, people cannot find jobs because they "do not have the necessary skills". Our analysis, using Braverman's work, will present a contrasting picture. We will show that the majority work experience in the accounting industry is one of deskilling according to Tayloristic "Scientific Management" principles. This has meant that the "skill premium" paid to bookkeepers has all but disappeared resulting in the driving downwards of bookkeepers' wages. The fact that Braverman's work is as much about the loss of autonomy as the loss of skill has several serious implications for the clerical workers in accounting in the sense that their working conditions are continually dehumanised. The second reason for using Braverman is more unorthodox. We will argue that the degrading of clerical accounting work to a factory like production line process could potentially have important

¹ For example, Hanlon (1994), dismisses Braverman when he writes that he, "will argue that the deskilling thesis is an inappropriate theoretical framework for examining accountancy, and most likely the professions in general."

implications for the *quality* of accounting information.

The paper is structured as follows. The first section assesses the progress of the debates since the publication of Braverman's *Labour and Monopoly Capital*. This is followed by an outline of the principles of Taylor's version of Scientific Management and how the deskilling of work has been organised in practice. Following a history of bookkeeping we develop an analysis of more than 1,000 accounting clerical and bookkeeping job advertisements which appeared in the (Glasgow) Herald newspaper for the period 1974 - 1996. Our conclusion gestures towards possible futures for the accounting industry.

Braverman and the Labour Process

When Braverman's *Labour and Monopoly Capital* (Braverman, 1974) first appeared a quarter of a century ago no one could have imagined the breadth and intensity of debate which this pathbreaking account of the capitalist labour process would stimulate. A recent summary (Noon and Blyton, 1997, p 105-120) of the current state of the debate divides Braverman's critics into "sympathizers" and "agnostics", those, on the one hand, who accept his general approach with qualification, and those, on the other, who consider it inadequate as an explanation of the capitalist labour process. The litany of criticism is now commonplace; that Braverman ignored workers' resistance (Edwards, 1979) or

alternatively, workers' accommodation and consent (Burawoy, 1979), that he "privileges" the extraction of surplus value at the expense of the realisation of that surplus (Kelly, 1985), that he overestimated the universality of management "control" strategies, neglecting, for example, the possibility of "responsible autonomy" strategies (Friedman, 1977; 1990).

Space prohibits a full assessment of these criticisms but one line of argument "in defence of" Braverman appears to the authors to have even more validity now than when written in the late 1980's. Peter Armstrong (1988), in urging a re-reading of *Labour and Monopoly Capital*, resurrected the rich and subtle, non-deterministic Braverman who is not guilty of many of the charges laid against him, not least of which the accusation that he erected an invariant law of deskilling consequent on capitalist development. Armstrong effectively demonstrates that Braverman does allow for a range of skill outcomes following technological innovation. Notwithstanding the importance of much of the post-Braverman critique (Thompson, 1989) we agree with Armstrong that the enduring strengths of Braverman can be viewed most clearly through a long lens.

The explanatory power of Braverman's analysis lies in the appreciation of the *long-term* consequences of the separation of conception and execution in the labour process and the accretion of management control. Deskilling tendencies are, therefore, best understood as a "system-wide dynamic or 'law of motion' in capitalist economies which could, temporarily and locally, be interrupted or

reversed by a variety of factors..." (Armstrong, 1988, p 157). If one comprehends the "deskilling" thesis as an overall tendency and if one disregards its application as a "universal law" applying in all cases at all points in time, and finally, if one adopts a broad temporal perspective then Braverman's essential validity comes into view. Over a period of, not years, but decades, one would expect to find, if Braverman is correct, that work in the majority of occupations has become progressively deskilled, subdivided into routine and fragmented tasks, subject to increasing amounts of managerial control.

In his consideration of clerical workers, Braverman argues for the necessity of a "long time span" (Braverman, 1974, p 293) when assessing the evolution of occupations. In our analysis of the transformation of occupations of "non professionally qualified accountancy workers" we will similarly apply a broad temporal method.

A broad historical perspective also informs the most effective theoretical analysis of class structure. In following both Marx and Erik Olin Wright (1978) we would agree with the position advanced by Callinicos (Callinicos and Harman, 1987) when he argues that, given the central importance of a person's place in the relations of production, three groups of white collar workers must be distinguished. At one extreme there exists, "a small minority who are salaried members of the capitalist class, participating in the decisions on which the process of capitalist production depends" (Callinicos and Harman, 1987, p 7). Secondly,

and occupying managerial and supervisory positions between labour and capital, which might be termed "contradictory class locations", there is the "new middle class" of well-paid salaried employees. Thirdly, there are the majority of white-collar workers, the mass of unproductive wage-earners, whose numbers have grown massively this century. This latter group includes the mass of clerical workers and those in the "lower professions" (Callinicos and Harman, 1987, p 17).

In arguing for a broad definition of the working class which included both productive and unproductive workers, Callinicos quotes Wright,

"both... are exploited; both have unpaid labour extorted from them. The only difference is that in the case of productive labour, unpaid labour time is appropriated as surplus value: whereas in the case of unproductive labour, unpaid labour merely reduces the costs to the capitalist of appropriating part of the surplus value produced elsewhere." (Wright, 1979, p 49-50)

We would argue that the mass of accountancy workers must be regarded unequivocally as part of the working class. These workers who constitute the clerical ranks are distinguished, firstly and obviously, from senior accountants who may be part of, or close to, the capitalist class. They are distinguished also from qualified professional accountants, who as a "contradictory" layer

performing managerial and supervisory functions, stand above the mass of clerical accounting labour.

Accountancy workers, as distinct from accountants, neither own the means of production nor can exist without selling their labour power. They will be subject to control by senior management or, more likely by managers and supervisors who directly execute policies on behalf of owners and senior management. If Braverman is correct then we would expect to find the mass of accountancy workers to have been effectively divested from control over their labour process. We would further expect a progressive, if not wholly linear, tendency for deskilling to have occurred over a long time span. Our belief in the centrality of the deskilling aspects of Scientific Management to the contemporary work practices of accounting clerks and bookkeepers requires that we spend some time explaining its concepts and principles. This more in depth consideration of Taylorism is the subject of the next section.

The Introduction of Taylorism and Scientific Management

Frederick Winslow Taylor was the key figure in the Scientific Management movement which began in the last decades of the 19th century (Kanigel, 1997). Basically Scientific Management's task was, and is, to find ways of controlling labour in rapidly growing capitalist organisations. Capitalism is central to

Scientific Management because the antagonistic social relations created by capitalism are taken by Scientific Management as *natural* and inexorable. Braverman wrote that Scientific Management was central to the full development of capitalism since it consummated the transformation of the formal subordination of labour (where the capitalist purchases the right to direct labour or labour power) into the real subordination of labour (where the capitalist takes control of the actual process of production). Scientific Management which enters the workplace "as the representative of management masquerading in the trappings of science" (Braverman, 1974, p 86), was driven by three major changes which took place in the second half of the nineteenth century. These were the enormous growth in the size of enterprises, the beginnings of monopolistic organisation of industry, and the purposive and systematic application of "science" to production. Although, as we will see later, the introduction of new technology (especially computerisation) adds synergy for the capitalist to a Tayloristic work process, Taylorism belongs to the chain of development of management methods and the organisation of labour. Scientific Management took the level of technology as given.

This paper takes the view that Scientific Management played and *continues to play a central role* in shaping the capitalist work process. We do not believe that Taylorism or Scientific Management have been superseded by newer "management schools" or by Human Resource Management. While the successors to Taylor are found today in engineering and work design (especially

in developments such as "total quality management", ISO 9000 corporations and Business Process Re-engineering) the widespread diffusion of Tayloristic principles can be seen to have continued to prevail in manufacturing (Danford, 1998) and to have extended to much of the contemporary service sector. Ritzer's celebrated critique of McDonald's (Ritzer, 1993) and several more detailed studies have charted the emergence of new forms of Taylorism in service and white-collar work (for example, Baldry, Bain and Taylor, 1998; Taylor and Bain, 1998).

Notwithstanding the resilience and pervasiveness of Tayloristic principles and Scientific Management in the world of work they are considered highly unfashionable in mainstream management thinking. Statements such as 'The sheer silliness from a modern perspective of many of his [Taylor's] ideas, and barbarities they led to when applied to industry, encourage ridicule and denunciation' (Rose, 1978, p 31) are indicative of a desire to portray Scientific Management as a historical phenomenon, inapplicable to the contemporary workplace. A contradiction exists, therefore, between the rhetoric of management practice and the reality of work organisation and design. Peter Drucker understood this when he insisted that,

Personnel Administration and Human Relations are the things talked about and written about whenever the management of worker and work is being discussed. They are things the

Personnel Department concerns itself with. But they are not the concepts that underlie the actual management of worker and work in American industry. This concept is Scientific Management. Scientific Management focuses on the work. Its core is the organised study of work, the analysis of work into its simplest elements and the systematic improvements of the workers' performance of each of these elements...

Indeed, Scientific Management is all but a systematic philosophy of worker and work. Altogether it may well be the most powerful as well as the most lasting contribution America has made to Western thought since the Federalist Papers.

(Drucker, 1954, p 280)

Scientific Management is very much more than a straightforward study of work to produce efficiency gains. The self-use of experimental methods in the study of work by the craftsman is, and probably always has been, part of the practice of the craft worker. But the study of work by *managers* developed with the growth of the capitalist system and is wholly concerned with wresting control over work practices from labour. Capitalist managers, from the outset were interested in controlling workers. Burrell (1987) describes how workers were physically removed to factories where they could be more readily surveyed and controlled. But Taylorism took capitalist control to an entirely new level by asserting that an

absolute necessity for adequate management is the dictation to the worker of *the precise manner in which work is to be performed*. Taylor insisted that management could only be a limited and frustrated undertaking so long as workers were left with any discretion in the implementation of their work. To totally alleviate management's frustration, Taylor created a revolutionary division of labour.

Taylor's basic concern was that workers should produce "a fair day's work", meaning all the work which workers could do without injury to their health, at a pace that could be sustained through their working lifetime. A close reading of Taylor's case stories would lead you to believe that in practice his definition of a "fair day's work" meant working at a crippling level of activity at an extreme limit, dictating a pace that only a few could maintain, and then, only under strain. To Taylor there were two basic factors which prevented workers from producing a fair day's work. The first was pure laziness (or *natural soldiering*) and the second was more conscious, deliberate, collective and universal (*systematic soldiering*). Taylor was less concerned with laziness than with systematic soldiering which was created by workers' relationships with each other. Systematic soldiering was carried out with the deliberate object of keeping management ignorant of how fast work can be performed. Taylor recognised that since wage rates were determined chiefly by market, social and historical factors, that there was no incentive for workers to work harder. Pre-Taylorist management had introduced piecework systems in an attempt to improve the work

rates. But Taylor found that it was under piecework systems that workers produced the most advanced types of systematic soldiering.

Taylor's thinking evolved when working as a foreman in Midvale. He "fully realised that, although he was the foreman of the shop, the combined knowledge and skill of the workmen who were under him was certainly ten times as great as his own" (Taylor, 1911, p 53). The source of the control problem lay "in the ignorance of the management as to what really constituted a proper day's work for a workman" (Taylor, 1911, p 49).

The historical antecedents of skilled workers or craftspeople being repositories of knowledge spanned from earliest times to the Industrial Revolution. In each craft the worker was presumed to be the master of a body of traditional knowledge, and methods and procedures were left to his or her discretion. The apprenticeships of traditional crafts ranged from three to seven years. Taylor recognised that it would not be easy to take control of these skilled workers' knowledges but this was the task he set himself. Taylor set out three principles which underpin his system and which are seldom publicly acknowledged.

First Principle

The managers assume...the burden of gathering together all of the traditional knowledge which in the past has been possessed by the

workmen and then of classifying, tabulating, and reducing this knowledge to rules laws and formulae....

(Taylor, 1911: 36)

Braverman described this first principle as the *dissociation of the labour process from the skills of the workers*. Taylor demonstrated this principle with both simple and complex tasks and found that it was possible in either case for management to collect at least as much information as is known by the worker who performs it regularly. The manner of obtaining this information brought into being new methods such as can be devised only through the means of systematic study. Arnold (1988) describes a contemporary study of the way in which knowledge is obtained from labour.

Second Principle

All possible brainwork should be removed from the shop and centred in the planning or laying-out department...

(Taylor, 1903, p 98 - 99)

This removal of brainwork, the separation of conception from execution, is perhaps the cornerstone of Taylor's work. In short, management must take total control of the workers actions. Braverman puts it like this,

This dehumanization of the labour process, in which workers are reduced almost to the level of labor in its animal form, while purposeless and unthinkable in the case of the self-organised and self-motivated social labour of a community of producers, becomes crucial for the management of purchased labour.

(Braverman, 1974, p 113)

Clearly if a worker's execution is guided by his or her conception then management will be unable to impose its own efficiency norms. Thus work always had to be studied by management and never by workers themselves. There was never a question of having *scientific workmanship* rather than *Scientific Management*.

In his testimony before the Special Committee of the House of Representatives (1912) Taylor made the point that the systematic study of work would be paid for by management since workers did not have the resources to fund their own studies of work. Since management paid for these studies then management should own that knowledge in the same way as they owned other assets like land and buildings. Braverman makes the telling point that not only has capital become the property of the capitalist but *labour itself thus becomes part of capital*. The advent of the Industrial Revolution ensured that workers lost control of the means of production, Taylor then compounded this by ensuring that they also lost control over their own labour and the manner of its performance. But even this wasn't

enough for Taylor who asserted that any knowledge possessed by workers' alone was not useful to management. This would be the case even if a worker devised a way of working more efficiently since this particular worker would keep the information to herself.

The drive to reduce pay costs is integral to management objectives. The purpose of Scientific Management is not to train workers in scientific knowledge; its purpose is to cheapen the workers by decreasing their training and enlarging their output. He was forthright about this stating that the potential of his system

will not have been realised until almost all of the machines in the shop are run by men who are of smaller calibre and attainments, and who are therefore cheaper than those required under the old system

(Taylor, 1903, p 105)

The separation of conception and execution serves two purposes. It cheapens labour and facilitates management control.

Third Principle

Perhaps the most prominent single element in modern Scientific Management is the task idea. The work of every workman is fully

planned out by the management at least one day in advance, and each man receives in most cases complete written instructions, describing in detail the task which he is to accomplish, as well as the means used in doing the work.... This task specifies not only what is to be done, but how it is to be done and the exact time allowed for doing it... Scientific Management consists very largely in preparing for and carrying out these tasks.

(Taylor, 1911, p 63,39)

Thus, the third principle involves using the knowledge taken from the worker to control each step of the worker's day. Thus Taylorism ensured that as crafts declined, workers would sink to the level of general and undifferentiated labour power, adaptable to a large range of simple tasks, while as science grew, it would be concentrated in the hands of management. Tayloristic principles are suited to a whole range of jobs. For example, many jobs in science concerned with gene technology development have been reduced to a factory like process. These same principles have been used in bookkeeping. This is the focus of the next section.

A brief history of the labour process of bookkeeping

Many different histories of accounting have been written using various theoretical frameworks. Among these are African-American oral histories (Hammond and Streeter, 1994, Foucauldian histories (Hopwood, 1987; Hoskins and Macve, 1986; Loft, 1983; Miller and O'Leary, 1987), "new" histories (Miller et al, 1991) feminist histories (Kirkham and Loft, 1993; Lehman, 1992), Marxist histories (Bryer, 1992; Tinker and Niemark, 1987; Crompton, 1987; Armstrong, 1985, 1987), histories concerned with sexuality (Burrell, 1987) and more traditional histories (Nobes, 1982; Parker, 1981; Stacey, 1954; Littleton and Yamey, 1956; Johnson, 1981; Mills, 1990). The history presented in this section considers the actual work practices of typically non-qualified, bookkeepers, or accounts clerks.

Perhaps the best place to start when assessing the position of contemporary bookkeepers or clerical workers is the mid 19th century. Anderson's (1976) study of Victorian clerks charts the genealogy of many of the issues confronting the white-collar worker of the late 20th century. He states that

In contemporary British society white-collar workers still suffer, albeit in a different form, from the kinds of frustration anxiety and resentment that first became apparent among Victorian and Edwardian clerks.

(Anderson, 1976, p 133)

Clerks of the mid 19th century were the predecessors of modern middle management rather than the army of clerks found in the modern workplace.

Indeed the sons of wealthy merchants during this period sometimes became clerical apprentices, in order to obtain a commercial grounding, before they became managers (Anderson, 1976). For others, in the prosperous decades of the nineteenth century the socioeconomic position of clerks was relatively secure. Clerks formed a small, homogeneous group differentiated from the mass of the urban working class at the bottom of the social ladder. These clerks were men. The 1851 census recorded that there were just 19 women clerks, and in 1861, the number had only risen to 279 (Kirkham and Loft, 1993). Kirkham and Loft (1993) note the practical and ideological struggle that women of this period faced if they wanted to become clerks. The masculine qualities required of clerks “contrasted markedly with the image of the weak, dependent, emotional “married” woman of mid-Victorian Britain” (Kirkham and Loft, 1993, p 516).

This is not to present a picture of a golden-age of bookkeepers. Many 19th-century clerks worked in appalling conditions. Anderson’s history of Victorian clerks describes the working conditions of many clerks in the following way.

For many clerks the workplace must have corresponded all too closely to the depressing conditions created by Dickens for Bob Cratchit and Newman Noggs. In Manchester one magazine, describing its city clerks in the 1860s, observed how “as they pass along, then disappear mysteriously down passages or into doorways that lead to narrow staircases, some doubtless to little tanks like that in which Bob Cratchit

toiled under Scrooge's uncharitable eye while others are absorbed into dingy warehouses that look as dreary as prisons".

(Anderson, 1976, p 9)

The incidence of phthisis among clerks was heavy. The Liverpool Clerk's Association found that phthisis was the most common cause of clerical deaths, accounting for six out of nine deaths from the disease in 1876 (Anderson, 1976). The newer offices which were built at the end of the century and during the Edwardian years were constructed as a symbol of the fortunes and reputations of the bankers and merchants. Their grand entrance halls and facia had little to do with the comfort and well being of employees.

But clerical work in its early stages had the characteristics of a craft (Shepard, p 1971). Master craftspeople like bookkeepers maintained control of their work which essentially consisted of keeping the current records of the financial and operating condition of the enterprise, as well as its relations with the external world. Moreover, clerks were *trusted*. To some extent fraud was considered to be not the fault of the individual employee but the fault of the paternalistic employer for "allowing conditions to persist in which clerks were reduced to embezzlement" (Anderson, 1976, p 37). Among the most prestigious and highly paid clerical workers of the mid 19th century were bank clerks. Those who achieved managerial positions in banks usually served between ten and twelve years first as apprentices and then as accountants, clerks and cashiers.

The antecedents of contemporary clerical labour arrived in the late 19th and early 20th century with the creation of a new class of clerical workers, which had little continuity with the mid 19th century small masculine, homogeneous and privileged clerical stratum. Despite this, Victorian and Edwardian clerical labour tended to carry an ideology of respectability aligning themselves with employers rather than other workers. The change from the mid 19th century clerk to the clerk of the turn of the century was emphasised by two fundamental changes: composition by sex, and relative pay. For the bookkeeper, the significant change from mid to late 19th century was the massive increase in the number of jobs. Anderson (1976) believes that part of the reason for the reduction in relative pay and change in the gender composition of clerks was increased education brought about by the Education Act of 1870. Better education meant a rapid increase in the number of female and young male clerks all equipped with the basic skills of clerking. The proportion of women clerks rose from 1.1% in 1871 to 18.2% in 1911 (Kirkham and Loft, 1993).

While the gender composition of the new clerical layer moved from men to women, bookkeeping clerks on the whole tended to be men, with men taking bookkeeping classes and women studying shorthand typing²(Anderson, 1976). Even with the huge influx of women into clerical positions during the First World War (from 500,000 to 930,000), many into skilled accounting roles, few women

² Of course some women did their best to change the position of women, for example in the late 1880s the Manchester Business Young Ladies' Association offered bookkeeping classes.

sat for their Institute of Bookkeepers' examinations (Kirkham and Loft, 1993). Women had long been barred from sitting the examinations of professional accounting bodies. From their formation these bodies had adopted practices which would serve to exclude 80% or 90% of the population (ie those without funds to pay for the training and membership premium and women) from their membership.

It was not at the top but at the bottom end of the clerical labour market that women made their impact. In the early 20th century for working class men, becoming a clerk was seen as an opportunity for upward social mobility. Their competitors for clerical posts were typically well educated middle class women. Since the "marriage bar" which required women to leave work upon marriage was in operation at this time, women employees were not given long and expensive training which would be lost to the employer upon their marriage. With the rapid feminisation and growing working class composition of clerks, their salaries and status were driven down. Notwithstanding the early 20th century clerk's ideological alignment with management, Victorian clerk's pay did not keep pace with their industrial counterparts,

I was vividly "class conscious" as a clerk, and the men in the shops, whose apprenticed sons were earning more than I, were regarded as my social inferiors. The atmosphere of the office reeked of smug respectability. I was on the side of the master and against the men, and

being masters' men, we clerks were naturally petted and cosseted, but our wages - beg pardon, salaries - were beneath contempt. What fools we were!

(The Clerk: April 1908)

By the 1950s US clerical workers pay was less than the pay of manual workers.

For example, Lockwood reported that

...the gross change in income relativities is unmistakable. The main result is that the average clerk is now very roughly on the same income level as the average manual worker, or perhaps even slightly below.

(Lockwood, 1958, p 22)

The change in the gender and class composition of clerks continued throughout the 20th century. For many years the outrageous price women had to pay for very small promotions and meagre financial independence was the renunciation of marriage and children. During the 1930s clever working class girls who had been given opportunities of schooling after the age of 14 provided a ready supply of recruits to lower level clerical jobs (Sanderson, 1986). Women have been increasingly channelled into the lower-level repetitive, or Taylorised work with few promotion prospects. It could be argued that feminised work in offices meant Taylorised work. For these repetitive jobs are social constructions. The next

section considers the growth in organisations necessary to implement Tayloristic principles in the office.

The growth of paper "controls"

With the advent of larger scale organisations and monopoly capitalism³ in the late 19th century, the accounting functions of control and appropriation, expanded enormously. An accounting function which could exactly "shadow" the *real* production process became increasingly important. This was partly due to the coordination and control of new productive processes through accounting and its paper trail (Armstrong, 1985, 1987; Miller and O'Leary, 1987; Hoskins and Macve, 1986) and partly due to the removal of "trust" as an expected clerical skill (Hopwood, 1987; Braverman, 1974). The dishonesty⁴ or laxity of employees made double entry bookkeeping particularly appropriate since

3 The use of the term "Monopoly Capitalism" by Braverman denotes a period in which perfect markets ceased to be an adequate model of capitalism. There have been various different terms used for this new stage of capitalism, notably *finance capitalism, imperialism, neocapitalism* and *late capitalism*. Braverman opts for the term Monopoly Capitalism following Lenin, who Braverman considered one of the pioneers in the treatment of the subject. In *Imperialism, the Highest Stage of Capitalism*, in *Selected Works*, vol.5, p114, Lenin states that "the economic quintessence of imperialism is monopoly capitalism."

4 In the 1890s Baring Brothers' Liverpool house was the scene of such an embezzlement. William Smith's embezzlement came to light in January 1897 when Baring's chartered accountants discovered that on 2 January 1896 an account had been opened in the name of Smith and debited to cash £800 and on 31 January 1896 it was closed by Transfer Account of £800. This amount duly appears to the debit of Transfer Account in the ledger but no entry has been made in the book called Transfers for a similar amount (Baring Brothers, box XLIV, 23 January 1897).

under this system, every transaction is recorded at birth in two places, and the entire movement of the values that pass through the enterprise is reflected in an interlocking set of accounts which check and verify each other. The falsification of only one single account will usually lead directly to the falsifier, and as a rule the work of falsifying many accounts so they continue in balance with each other is possible only through collaboration of a number of people.

(Braverman, 1974, p 303)

The increased importance of bookkeeping was also tied to the drive to maximise profits in accordance with an economic system which encompassed demand-led calculations of value. This meant that, in effect, the actual type of commodity being sold became obscured by the net gain appropriated from that commodity. The value form of commodities separates itself out from the physical form as a vast paper empire which under capitalism becomes as real as the physical world. Thus, a portion of the labour of society must therefore be devoted to the accounting of value. Indeed as capitalism becomes more complex and develops into a monopoly stage, the accounting of value becomes infinitely more complex.

The battle to realise values, to turn them into cash, calls for a special accounting of its own. ...in some industries the labor expended upon the mere transformation of the form of value (from

the commodity form into the form of money or credit)-including the policing, the cashiers, and collection work, the record keeping, the accounting etc.-begins to approach or surpass the labour used in producing the underlying commodity or service. *And finally, as we have already noted, entire "industries" come into existence whose activity is concerned with nothing but the transfer of values and the accounting entailed by this.*

(Braverman 1974, p 302, *emphasis added*)

Stacey (1954) links the expansion of bookkeeping directly with the rising costs of production caused by the introduction of the Factory Act 1862 which limited the exploitation of children and adults. He wrote that

The costs of production rose as soon as a brake was put on the indiscriminate employment of children and adults. The profit margins of power-driven factory production in its salad days could doubtless absorb the inroads made into them as a result of the increased wages bill, but at the same time *entrepreneurs* had to exercise stricter control over outgoings to effect all possible savings in the processes of manufacturing. This economy drive could not be put into practice without some rudimentary information culled from the accounts. The larger the undertaking, the greater were the opportunities for saving and the importance of keeping greater records of costs grew *pro tanto*.

With the rapid growth of companies and their paper trails, office work changed from something merely incidental to management into a labour process in its own right. The characteristic feature of this period was the ending of the reign of the bookkeeper and the rise of the office manager as the prime functionary and representative of higher management. Office management developed as a special branch of management in its own right. As a consequence of the operations side of business growing to employ hundreds of clerks and bookkeepers, rather than half a dozen or so, companies were compelled to investigate whether or not clerical employees were producing "a fair day's work" (Galloway, 1918). Given the historical context, this inevitably meant considering the application of Scientific Management methods to the office. The following is an extract from the foreword of William Henry Lefingwell's *Scientific Office Management*, which was published in 1917.

Time and motion study reveal just as startling results in the ordinary details of clerical work as they do in the factory. And after all, since every motion of the hand or body, every thought, no matter how simple, involves consumption of physical energy, why should not the study and analysis of these motions result in the mass of useless effort in clerical work just as it does in the factory.

(Lefingwell, 1917, foreword)

The first practitioners of Scientific Management applied Taylor's concepts to the office. This resulted in the dissolution of work arrangements which had allowed clerks to work according to "traditional methods, independent judgement, and light general supervision, usually on the part of the bookkeeper" (Braverman, 1974, p 307). New work practices were prescribed by office managers. Work methods and time durations were to be verified and controlled by management on the basis of its own studies of each job. The role of the office manager in terms of supervision was a key to the increased productivity of clerks brought about by the implementation of Taylorism. For example, Braverman (1974, p 309) observes that when Leffingwell says that

"the output of one clerk was doubled merely by the rearrangement of the work on the desk," we may understand this was an effect of close and frightening supervision rather than a miracle of efficiency; this was understood by the managers as well, although concealed beneath as "scientific" mystique.

It is worth noting that the implementation of Scientific Management in offices around the turn of the century worked (as did Taylor) with existing technology (which typically consisted of typewriters although the instruments for adding, dictating and ledger posting by mechanical means had already been devised). The mechanization of the office still lay far in the future.

The technical division of accounting labour

Management's solutions to the problem of how to control large offices were found firstly in the technical division of labour and secondly in mechanisation. In industrial terms, the work processes of most organisations could be described as "continuous flow processes". For example, an order would be received (by letter, telephone, in person); certain documentation would be prepared (customer name and address, billing address, credit standing, goods ordered, discounts payable, shipping costs and so on); the documentation would be sent to various departments (to shipping department, to purchasing department and so on). In its mid 19th century form the entire process would be the province of the bookkeeper. But with the advent of large scale activity and organisation, and the application of Scientific Management, the process was subdivided into minute operations, each becoming the task of a worker or group of workers. One necessary division was the introduction of various ledgers (sales, purchases, nominal). The essential feature of this parcelling out of individual processes was that the workers involved *lose comprehension of the process as a whole and the policies which underlie it.*

With sufficient customers, one worker (or a group of workers) would be left to post, for example, customer orders. This worker might see nothing of the credit worthiness of a customer or their sales history and therefore would be unable to assess whether there was anything unusual about a particular order. The indefinable element of judgement and intuition based upon skill, experience and

a comprehension of several stages in the process would have been removed. Moreover, clerical processes could now be controlled at various points by mathematical checks with, for example, the measurement of the number of invoices posted per day per worker or the quantification of mistakes made by an individual clerical worker, operating possibilities.

The application of scientific management was and is an *ongoing* process. It can take different forms in different organisations. In a medium sized company “ a sales ledger clerk” might have access to customer information, their overall importance in terms of the organisation, automatic discount levels and so on because there isn't a large enough throughput of sales invoices to employ different clerks for each process.

If the flow of work is great enough, the application of the principles of Scientific Management can be applied much more easily to an office than to a manufacturing process. This point is important in a bookkeeping context. Without sufficient flows of invoices it would be impossible for management to parcel out the bookkeeping tasks to clerical workers in a Tayloristic manner. We will see in the analysis of more contemporary bookkeeping jobs in the next section that some small organisations still have the old mid 19th century bookkeeping work in place. But the majority of bookkeeping work is under the ongoing dehumanising influence of Taylorism.

The progressive elimination of thought from the work of the office worker thus takes the form, at first, of reducing mental labour to a repetitious performance of the same small set of functions. The work is still performed in the brain, but the brain is used as the equivalent of the hand of the detail worker in production, grasping and releasing a single piece of "data" over and over again. The next step is the elimination of the thought process completely-or at least insofar as it is ever removed from human labour-and the increase of clerical categories in which nothing but manual labour is performed.

(Braverman, 1974, p 319)

In the late 1880's the office was virtually untouched by technology, the bookkeeping paper processes were carried out by the hands of predominantly male clerks. But the expansion of organisations in the late 19th century made this increasingly costly and interest turned to the possibility of some sort of mechanical writing machine (Baldry, 1997).

The advent of mechanisation and large scale computerisation

Office mechanisation has further accelerated the process of deskilling of accounting labour. In the main, in this has meant the deskilling of *feminised*

accounting labour. Baldry (1997, p 11) states that “organisational developments following this concentration of capital and restructuring at the turn of the century brought with them the linked forces of mechanisation and feminisation which have gone hand in hand in the office ever since”. Remington’s first typewriters of the 1870s were met with rather a cool reception. But by 1890 Remington were selling 65,000 typewriters annually. Selling around the concept of “The Remington Girl”, the new technology promised emancipation for women, entry into the male world of business with pay conditions and above all status well above those in factory of domestic work. In the UK, Olive P Raynor’s (1897), *Typewriter Girl*, a pioneer in what was to become a significant literary genre, popularised this image by telling the story of a woman who achieves financial independence in London through her commercial skills. Zimmeck (1986) suggests that before WWI, in order to differentiate women clerks from men clerks, that a line was roughly drawn between intellectual work (the province of men) and mechanical work (the province of women). Like computer systems several generations later, typewriters and other machines speeded up work processes and reduced labour costs by allowing the (more expensive) male correspondence clerks to pursue the more analytical side of clerical work (Baldry, 1997).

The computer’s early applications were for large scale repetitive and routine operations which, before the advent of computers, were typically performed mechanically, or almost mechanically by cumbersome machines. Such tasks would consist of payrolls; billing; debtors and creditors; mortgage accounting;

stock control, actuarial and dividend calculations and so on. But computers were also applied to other tasks, for example, management accounting, sales reports and so on up to the point where companies' books of record were put into computerised form. Once computerisation had been achieved, the pacing of data input became available to management as a weapon of control. The reduction of office information to standardised "bits" and their processing by computer systems and other office equipment provided management with an automatic accounting of the size of the workload and the amount done by each operator, section or division.

Clearly this increased output due to computerisation would have two implications for management. They would be able to get by with less labour. The labour which they needed could be less skilled (and therefore cheaper). Ida Russakoff Hoos' *Automation in the Office* (1961) reported that a woman worker explained,

With each reduction in force, the remaining workers are told to increase their output. Automation has reduced the staff in that office by more than one-third, and more mechanisation is in prospect. The union spokesman said that the categories of jobs which have disappeared are those which require skill and judgement. Those remaining are the tabulating and key punching operations, which become even simpler, less varied, and more routinised as work is geared to the computer.

(Hoos, 1961)

A recent account of the clerical labour process in diverse locations in both the public and private sector spells out the consequences of the introduction of IT to the office; an increase in intensification of effort and the speed, volume, and intensity of work, as subdivided tasks become subject to unprecedented levels of monitoring and target setting (Baldry et al, 1998).

But what about the myth that with the advent of computerisation companies would need better educated labour? This myth was quickly recognised as such by management. But, it is true that during the transition period from manual or machine based accounting to computerised accounting a degree of upskilling occurred. Bookkeepers with knowledge of both computerised and manual systems, could for a while, demand higher salaries. But once the new computerised systems had passed through their initial trial period the necessity for highly skilled bookkeepers diminished.

The most junior bookkeeping staff were most severely affected at first by the advent of large scale computerisation. Their jobs were degraded and frequently transformed into pure data-processing jobs with no promotion prospects. Enid Mumford and Olive Banks in a study of bank computerisation reported that personnel managers were "recruiting girls of too high intellectual calibre for the new simple machine jobs" (1967, p 190). Hoos reported the views of a data processing executive as follows

Due to the simplicity of operator training for single pocket proof encoders, the job, as related to our job evaluation scale, has been downgraded three grades, and reduced from an average base of \$68 to \$53 per week.⁵ The only gal who will stick with this work has to have a husband with two broken legs and five hungry kids. No one else could stand it.

(Hoos, 1961, p 57)

The position of more skilled bookkeepers was also weakened by the advent of computerisation. Braverman cites the example of an US multi-branch bank which reported that within eighteen months of installing electronic bookkeeping machines, the bookkeeping staff of 600 had been reduced to 150, and the data processing staff had grown to 122. This was in line with the experience of most banks which achieved labour reductions of between 40 - 50%. Many bookkeeping staff were replaced by machine operators, punch card operators and similar grades of workers (US Department of Labor Statistics, 1966, p 247)⁶.

The removal of the "conception" part of a clerk's work is one of the key elements to the implementation of Taylorism in an office. Braverman describes the transformation

⁵ 1963 wage rates.

⁶ US Department of Labor Statistics, Technological Trends in Major American Industries, Bulletin no. 1474 (Washington, 1966) p.247.

The greatest single obstacle to the proper functioning of such an office is the concentration of information and decision-making capacity in the minds of key clerical employees. Just as Frederick Taylor diagnosed the problem of the management of a machine shop as one of *removing craft information from the workers*, in the same way the office manager views with horror the possibility of dependence upon the historical knowledge of the office past, or the rapid flow of information in the present, on the part of some of his or her clerical workers. The recording of everything in mechanical form, and the movement of everything in a mechanical way, is thus the ideal of the office manager. But this conversion of the great mass of office workers into more or less helpless attendants of that process. As an inevitable concomitant of this, the ability of the office worker to cope with deviations from the routine, errors, special cases, etc., all of which require information and training, virtually disappears. The number of people who can operate the system, instead of being operated by it, decline precipitously.

(Braverman, 1974, p 347-348)

In the next section we will present empirical evidence concerning the transformation in work practices of non-professionally-qualified accounting workers. It is necessary to reiterate the observation that deskilling is an ongoing and dynamic process rather than a once and forever change. For while, Kirkam

and Loft (1993) may be correct in their assertion that the differentiation between bookkeepers and qualified accountants was complete by the 1930s, the deskilling and feminisation of bookkeeping was still in process in the 1970s, 1980s and 1990s. As has already been indicated, it is possible, even today, to find organisations in various stages of the deskilling process. Moreover, the rate of capitalist development is uneven. It is likely that many of the changes in the UK, for which we now present detailed evidence, would have occurred 15 years earlier in the USA.

Deskilling of accountancy workers: the Glasgow evidence

Methodology

In order to chart the changing skills of bookkeepers we have chosen job advertisements as the primary source. The analysis of job advertisements has been used in other studies; the examination of entry-level employment trends (North and Worth, 1996); the impact of automation on the skills required of catalogers and reference librarians (Xu, 1996); changing Information Systems' professionals' skills (Todd, McKeen and Gallupe, 1995); the emergent market for informational professionals (Cronin, Stiffler and Day, 1993); and differences between public and technical services jobs (Reser and Schuneman, 1992). Other studies have pointed to the importance of newspaper advertisements in terms of recruiting new staff.

England (1995) examined the processes by which employers recruit women workers and found that newspapers and agencies were particularly important. Marsden (1994) similarly found that newspaper advertisements were important for recruiting. Our study captures both employers who directly advertised positions in newspapers and employers who utilised recruitment agencies, who, in turn, placed advertisements in newspapers.

All job advertisements for accountancy workers from 1974 to 1996 were copied from the appointments' sections of the Glasgow Herald newspaper. Typically the jobs recorded were those for the more general categories of bookkeepers and accountancy assistants as well as for the more specifically designated ledger clerks and cashiers. A representative sample for each year was then selected giving a total of 1024 separate advertisements for the 23-year period. Care was taken to ensure that each annual sample reflected both the volume and type of job advertisements found in that year. Each advertisement was entered as a separate record on a data base with the characteristics of each job recorded in 26 fields (see Appendix 1). The database was ordered chronologically and then divided into four equal time intervals thus enabling comparisons to be made over broad periods. The dates of each of the four periods are given in Table 1. The results provide a unique temporal perspective on the transformation in the nature of accountancy workers jobs. As we shall see there is powerful evidence to support a 'deskilling thesis'.

Table 1: Job Advertisements Divided Into Four Periods

Period 1	Period 2	Period 3	Period 4
1 March 1974 to 30 November 1979 n=236	1 December 1979 to 31 July 1985 n=179	1 August 1985 to 28 February 1991 n=352	1 March 1991 to 31 December 1996 n=258

Gender Composition of Job Advertisements

For the first three years of our sample (1974, 1975 and 1976) *The Herald* had separate job columns for men and women. Almost 81% of the bookkeeping jobs appeared in the women's columns. The most common job titles in the women's columns were Bookkeeper or Clerkess (to trial balance). The men's job titles were more varied including Assistant Accountant (with experience), Bookkeeper, Accounts Clerk, and Accounting Assistant. There were salary differentials between the two. For example in 1974 the range of salaries for jobs advertised in the women's section was £1,500 - £1,700. The men's salaries ranged from £1,750 - £1,900. With the advent of the Sex Discrimination Act, these separate columns

disappeared.

In the periods after 1976 employers managed to “gender” their jobs and offered lower pay by various means. Clerkess was frequently replaced by clerk/ess. Clerk/ess appeared as late as 1996, the last year of our survey. Employers also placed advertisements for bookkeepers under the Secretarial Job Section rather than the Accountancy Section. Some employers were more blatant about their gender requirements. For example in 1993, a construction company placed the following advertisement under the Secretarial/Clerical Job Section

Purchase Ledger Supervisor

Due to retirement a vacancy has arisen for an able LADY 35+ to take charge of our computerised invoice processing and payment system. A knowledge of Multisoft would be an advantage.
This position is open to men and women.

In 1978, a timber company placed this advertisement

Bookkeeper Cashier

Experienced bookkeeper cashier who can prepare accounts to trial balance stage. Responsibility for cash transactions and general office procedures. Experience at supervisory level. SUIT MAN/SINGLE

Experienced older women bookkeepers had an important place in many medium sized companies alongside men in the early years of our survey as skilled bookkeepers. However, with the advent of computerisation and further deskilling of bookkeeping there was a marked reduction in advertisements for older women.

Computer Knowledge and Experience

There is clear evidence of the developing requirement for computer “knowledge” and experience over the 23-year period. As can be seen from Table 2 the proportion of job advertisements which explicitly require computer expertise successively rise across each of our four time periods. The greatest increases in requests for computer experience occurred between the first and second periods and between the second and third periods. What is most striking, however, is the massive change between the first and last period. Between March 1974 and November 1979, only 6.7% of job advertisements requested computer knowledge and experience, while between March 1991 and December 1996 almost two-thirds of job advertisements (66.3%) explicitly requested computer experience. In the first period, very few advertisements specifically stated that the accounting system was manual, but by the third period manual systems were specifically mentioned since these would have been the exception rather than the rule. The same is probably true of the last period where companies may have decided not to include the word “computerisation” in their advertisements since people would expect company accounts typically to be computerised.

Table 2 : Change in Computer, Manual or Machine Experience Required, 1974-96

REQUIREMENTS	Period 1 March 1974- November 1979 %	Period 2 December 1979- July-1985 %	Period 3 August 1985- February 1991 %	Period 4 March 1991- December 1996 %
Computer Only	6.7	20.7	55.3	66.3
Computer and Manual	0	5.6	2.8	0.8
Manual Only	2.5	2.8	2.6	1.9
Machine	1.7	2.2	0.3	0

The clear evidence from these figures hardly does justice to the qualitative impact of computerisation upon the labour process of accountancy workers. Firstly, the arrival of computers marks the virtual extinction of older machine technologies like the comptometer. Secondly, and more profoundly, they signify the progressive deskilling of a range of accountancy jobs. As computers arrive the range of specific skills requested in job advertisements declines.

As we shall now see, advertisements in the early years of our survey make specific mention of a range of skills and abilities. Typically, an advertisement for a 'bookkeeper' or an 'accountancy assistant' might explicitly require an applicant to be able to take books 'to the trial balance stage', to be experienced in the sales, nominal and purchase ledgers and, additionally, to demonstrate expertise in double entry bookkeeping. Let us now examine the extent of the decline in these skill requirements over the 23-year period (Table 3).

Table 3 : Change In Skill and Experience Requirements, 1974-96

SKILLS, ABILITIES AND EXPERIENCE REQUESTED	Period 1 March 1974- Nov 1979 %	Period 2 Dec 1979- July-1985 %	Period 3 Aug 1985- Feb 1991 %	Period 4 March 1991- Dec 1996 %
Ability to take to Trial Balance	46.2	37.4	30.1	23
Sales Ledger	22.9	19.6	11.4	14.7
Nominal Ledger	11.4	15.6	5.1	7.0
Purchase Ledger	21.6	19.0	15.1	15.9
Double Entry B/K Experience	11.4	18.4	3.4	4.7

Examination of the requirement 'ability to take books to trial balance stage' shows that the percentage of advertisements which make this ability explicit has fallen from slightly less than a half (46.2%) in the first period to slightly less than a quarter in the last period (23%). Many small and medium companies in the last two periods required knowledge of either Sage or Pegasus accounting software packages. The use of these types of packages along with the segmentation of the accounting process would mean that many organisations no longer required that its bookkeepers understand "accounts to trial balance".

The most significant decline occurred between the first and second periods. We should note that this statistical profile might conceal a deeper deskilling process. While almost a quarter of advertisements in Period 4 still request the 'ability to take books to trial balance' the skill composition of this ability may well have been

devalued by the introduction of software which permits this. Whilst the ability to take to trial balance is still a skill required by a sizeable, if progressively, shrinking proportion of employers, the broader abilities once associated with this process have been, in part, reduced to the manipulation of computer-based software packages.

Table 3 demonstrates that explicit requests for sales, nominal and purchase ledger skills have decreased significantly over the 23-year period. However, the rate of decline varies between the different ledgers. What we are witnessing here is the further deskilling of previously fragmented jobs. In fact the scale of change is probably more extensive than Table 3 indicates. In the first two periods, many companies required knowledge of *all three* ledgers. But gradually the number of organisations requiring a broad knowledge of accounting has declined.

Our survey of advertisements also seems to indicate a decline in the desire of employers to engage a layer of accountancy workers able to perform their tasks with levels of discretion and autonomy. A relatively frequent requirement of advertisements in the 1970s was for bookkeepers or accountants' assistants to be able 'to work on their own initiative'. In the first period 11% of advertisements requested that ability. The percentage actually increased to 17.3% in the second period. However, only 3.7% of advertisements requested this ability by the third period, with a slightly larger 3.9% in our last period. Employers are now much less likely than they were two decades ago to place importance on the 'ability to

work on one's own initiative'. We can perhaps advance this as further evidence that the level of discretion and autonomy held by key accountancy workers has diminished. If the labour process is more subdivided, regulated and computerised then the need to have key individuals who act as the repository of accumulated informal knowledge and expertise will decline as a consequence.

Without explicitly posing a direct causal relationship between the onset of computerisation and the decline in required skill requirements, it may be useful to display in graphical form the increase in requests for computer skills and experience against the reduction in requirements for general and specific skills.

INSERT CHART 1 HERE

Clearly a transformation has occurred in what is implied and understood by 'experience'. If we look at advertisements the requirement for experience shows a decline followed by a rise over the 23-year period. The percentages are as follows: Period 1 - 79.3%, Period 2 - 68.8%, Period 3 - 68.8%, Period 4 - 73.4%. These figures only tell us that employers have been fairly consistent over 23 years in requesting applicants to possess something called experience. What may constitute 'experience' both in terms of what is requested by the employer and what is understood by the applicant is not a fixed definition. In the early period we can posit that it is a broad conception, where experience involves some unity of conception and execution in the performance of a range of accountancy tasks, at

least for some of the posts advertised. These posts may well be 'of the own initiative' type and carry supervisory responsibilities. (The important caveat is that there was always a range of junior and segmented jobs.) We may define experience in this sense, then, as a generalised experience of the full range of bookkeeping tasks with perhaps an intimate knowledge and understanding of an organisation's workings.

Experience has come to mean, for very many posts, something quite specific by the end of the period under survey. The job advertisements reveal the change - 'two to three years computer experience in sales ledgers', for example. Experience is no longer broadly defined but is specific and in most cases has become associated with experience of computers.

We can suggest that this redefinition of experience is connected to the age requirements that the advertisements reveal. There is a decline in the demand for older workers in the advertisements over the four time periods. Table 4 shows the results. The proportion of advertisements seeking 'older' workers have fallen by more than a half between the earliest and the latest periods. Significantly, in the earlier periods a number of advertisements specifically request women who are 'mature' or are over 40 years old and possess a full range of bookkeeping skills. Frequently, these women should possess secretarial skills and may also have experience as office administrators. From these required characteristics and abilities we can construct a profile of a type of mature non-professionally qualified

woman with a wide range of bookkeeping skills who probably has deep and accumulated knowledge of a particular industry or trade. We suggest, also, it is the arrival of computerisation and the further subdivision of tasks which accompanies it, which erodes the 'craft' of this employee and which reduces the demand for this type of employee.

A new development with respect to experience started during a Period 4. A few bookkeeping advertisements required qualifications (mostly, AAT or HND/C). This may reflect a growing societal trend in which increasingly high qualifications are demanded for jobs involving repetitive jobs.

Table 4 : Age Requirements in Advertisements, 1974-96

AGE REQUIREMENTS	Period 1 March 1974- November 1979 %	Period 2 December 1979- July-1985 %	Period 3 August 1985- February 1991 %	Period 4 March 1991- December 1996 %
Over 25 years of age	19.1	13.4	23.9	9.7
Over 35 years of age	12.3	6.1	5.1	3.1

Table 5 below highlights other trends in our survey. It is possible to make some tentative comments about these results. Kalamazoo accounting systems have almost disappeared from use. Day Books' appear to have disappeared too, along with manual or machine based accounting systems. The requirement for non-qualified management accountants seems to have remained remarkably constant over the 23-year period. Perhaps one of the most telling changes in table 5 is the

decline in the inclusion of salaries in the advertisements.

Table 5 : Change In A Range of Skill and Experience Requirements, 1974-96

SKILLS, ABILITIES AND EXPERIENCE REQUESTED	Period 1 March 1974- November 1979 %	Period 2 December 1979- July-1985 %	Period 3 August 1985- February 1991 %	Period 4 March 1991- December 1996 %
Pay/wages	28.1	22.9	19.6	14.3
VAT	7.6	11.2	7.7	8.9
Typing	10.6	9.5	6.3	4.7
Financial accounts	8.9	12.8	3.7	5.4
Kalamazoo	6.4	4.5	0.6	0.8
Cash book	14.4	15.1	5.7	13.2
Day book	4.2	14.0	1.1	3.9
Management accounts	9.3	8.4	6.8	8.1
Supervisory	10.2	2.8	3.1	5.5

Pay

Many of the advertisements were silent about the level of pay although they might have included vague assurances that salaries would be “competitive” or “good” or “according to age and experience”. However, a significant proportion did include information about salaries. This allows us to make a more qualitative analysis of levels of pay offered.

In the early years of the study, a knowledge of computers would have increased salary levels by at least one third. For example, in 1975, typical salaries ranged from £1,600 - £1,800 pa. But, in the 9% of the advertisements which mentioned that knowledge of computing would be an advantage pay ranged from £2,300 -

£2,700. Again in 1976, typical bookkeeping salaries ranged from £1,600 - £1,800; whereas in the 10% of “computerised” jobs, salaries were significantly higher, in one case the salary mentioned was £4,000. As companies went through the process of computerising their accounts, they typically required “skilled bookkeepers with a knowledge of computing”. Indeed companies frequently ran manual (or accounting machine) systems, alongside new computerised ones. But it seems as if once companies had gone through the process of computerising, bookkeeping salaries remained fairly constant. Indeed, it appears that in real terms they have tended to fall.

The difference between skilled bookkeepers and professionally qualified accountants’ salaries in the late 1970s was surprisingly small. By 1979 skilled bookkeepers could earn between £3,500 and £4,000. Salaries for qualified accountants that year were in the order of £5,000. The skilled bookkeepers in the earlier period were likely to have been “repositories of organisational knowledge”, and an important source of information for both those within their organisation and those outside of it, for example auditors. Today, qualified accountants tend to earn *three times* as much as bookkeepers. In London, newly qualified accountants can expect a starting salary of £33,000. A London bookkeeper will earn around £10,000. We would argue that several factors account for this. Firstly, due to deskilling, bookkeepers in the late 1990s do not have the same prestige, skills and usefulness to employers as their 1970s counterparts, and this has driven down their salaries. In addition to this, the prestige and “professionalism” of qualified accountants (along with their images and so on)⁷ has probably increased professionally qualified accountant’s salaries in real terms.

Very few bookkeeping job advertisements mentioned management accounts but the ones that did tend to offer significantly higher salaries. This may be because

⁷ See Hopwood, 1993.

the jobs required bookkeepers who would also play a “lower” management role.

Mid 19th century vestiges

Some small companies, even in the later years’ of our survey, used manual accounting systems. These companies advertised for bookkeepers whose conception and execution functions remained intact. For example, a small haulage contractor placed the following advertisement in 1993

Full knowledge of manual double entry bookkeeping, wages preparation, PAYE, VAT returns essential. Minimum supervision.

In 1996, a heating and ventilation engineer required an

Expert bookkeeper to prepare manual accounts, VAT, PAYE, payroll, sales, purchase and general ledgers, and bank reconciliation.

This type of advertisement does not in any sense refute the deskilling thesis proposed in this paper, but, rather, shows that the uneven development of capitalism generates variable levels of skill requirements. The important factor here is the small scale of operations. It is fairly difficult, in the case of bookkeeping at least, to segment tasks to the extent required by Scientific Management if the organisation does not have a sufficiently large volume of orders.

Implications and Conclusions

In this paper we have presented a study of the transformation of the bookkeeping craft from the mid 19th century to 1996. The transformation is a dialectical process which seems to take on several (quantities) of changes before undergoing a fundamental qualitative transformation. The transformed “bookkeeper” of the

1990s is likely to be a young woman (hence the use of Ms Taylor in the title), working in a repetitive, deskilled job, with relatively low pay and little prospects of promotion.

What is the implication for accounting of the removal of the concentration of information and decision-making capacity from the minds of key bookkeeping personnel? Our work gestures towards some important conclusions which are concerned with the quality of accounting information and the future of professional and nonprofessional accounting labour. Neither of these can be considered in a vacuum and need to be set within the context of other contemporary changes confronting the accounting industry.

Quality of accounting information

Alongside the deskilling processes outlined in this paper during the 1970s, 1980s and 1990s, other changes were impacting on the practice of accounting. The period since the late 1970s has witnessed the streamlining of operations through the re-engineering of accounting and clerical processes (see for example, Mills, 1996; Harowitz, 1996; Vollmers, 1997). A recent and typical example of re-engineering occurred at Dun and Bradstreet, who eliminated many checks and controls in their creditors and purchasing departments.⁸ They eliminated the requirement for multiple signatures for a cheque request and ceased matching requests with purchase orders (Springsteel, 1997).

Further streamlining of the accounting industry occurred through the introduction of 'flexibilities' which saw the workforces divided into core and non-core

⁸ See Tinker and Koutsoumadi, 1998 for a more detailed analysis of re-engineering.

elements. In some organisations accounting in its entirety has become a non-core element having been outsourced in the manner of catering and cleaning services. One of the leading edge examples of accounting outsourcing is BP Exploration. In 1991 BP entered into an arrangement with Anderson Consulting under which the latter assumed responsibility for managing the day-to-day operations of BP's financial administration services. It has been reported that between 1991 and 1994, costs were reduced by 40% (Singleton-Green, 1996).

A more recent arrival in the accounting outsourcing market is The Accounting Services Company (Tasco). Tasco is a 50/50 Shell and Ernst and Young joint venture specifically designed to take on the accounting functions of Shell and *other* pan-European companies. In order to offer the necessary cost savings to attract new customers, Tasco is only interested in taking on large corporate clients. Tasco has been quoted as saying that the potential outsourced accounting market is worth \$1 billion (Accountancy Age, 15/1/98; 10/11/97). Following an inquiry by a company proposing to outsource its accounting function, Tasco will draw up a "flow process diagram" of all of the accounting information flows within their organisation. The principles of Scientific Management are then applied to this diagram as the entire process is divided into individual work segments. If Tasco wins the accounting outsourcing contract, these individual work segments are then allocated to dedicated teams, who then shadow the work carried out by the personnel of the client company in each of the segments⁹. Finally, when Tasco takes over their new client's accounting work, each team is monitored to ensure the completion of their work segment at the required rate. Although Tasco workers undergo training programme lasting several weeks, bookkeeping is not part of the programme. Tasco is at the forefront of developments which are delivering unprecedented levels of deskilling of the bookkeeping process.

⁹ If any team member during work shadowing develops a successful 'efficiency idea' they are financially rewarded.

It is necessary to consider some of the possible implications for accountants of these changes. Anyone who has ever worked as an auditor will know that when faced with a large unfamiliar organisation their task is made much easier if "an on-the-ground bookkeeper" can familiarise them with the internal processes. There are always *unusual* postings which demand attention. The removal of bookkeepers who play the role of repositories of organisational knowledge leaves the auditor with no-one to ask about such problems. Moreover, the removal of a knowledgeable bookkeeper in a re-engineered company may open accounts to serious fraud. The loss of the skilled bookkeeper may even have potentially serious implications for the organisation's order book. If the accounting outsourcing company treats all debtors in the same mechanical manner, perhaps by factoring debts to organisations which deal with their debtors in a heavy-handed manner, they may risk losing their most important clients. Although the deskilling of bookkeeping can present companies with large cost savings there may be related costs in terms of fraud, less reliable accounting information and even the loss of clients.

The Future of the Accounting Profession

The degrading of bookkeeping and accounting skills is bound to have a knock on effect on the accounting profession. In 1985, Armstrong wrote that

The involvement of accountancy in key decision-making positions within the global function of capital has, in Johnston's view (1977a, b; 1980), created a horizontal fission within the profession whereby the activities of the elite which create, install and supervise control systems have the effect of routinising, fragmenting and deskilling the work of their nominal professional colleagues.

(Armstrong, 1985, p 137)

In the 1990s we have seen several large accounting firms dropping the sign “accountant” from their company names and/or setting up lucrative consultancy wings. Here we may disagree with Hanlon (1994) that Braverman’s work cannot be used for research into the accounting profession. The non-elite professional accountant’s work may well become Scientific Management’s next sacrifice. With more revenue coming from “non-accounting” consulting activities, “Big Five” accounting firms already value entrepreneurial skills over and above technical accounting ones. Anecdotal evidence suggests that one Big Five firm is planning on exporting the majority of its tax work to Bombay. International tax codes and laws can be segmented into various “tasks” and allocated to local workers at a fraction of the cost of a UK qualified accountant. If there is a horizontal fissure within the profession we may in the future expect to see the emergence of a two-tier accounting profession.

Ms Taylor and Taylorism

The history of bookkeepers presented in this paper serves to highlight the continuing importance of Braverman’s theoretical position and his analysis of Taylorism in the 1990s. For the individual bookkeeper the future is grim. The next stage in computer technology is likely to be cheap voice data entry systems. Bookkeepers in outsourced accounting companies may well find themselves working in sick buildings, in totally surveyed teams, reading lists of incomprehensible numbers into computers with no promotion prospects and extremely low pay.

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Appendix 1 - Fields

	Fields
1	Date
2	Job title
3	Skill requirements
4	Salary
5	Promotion
6	Age
7	Gender reference
8	Company name
9	Industry
10	Type of system (computer/manual/etc)
11	Experience and/or qualification
12	Trial balance
13	Sales ledger
14	Nominal/general ledger
15	Purchase ledger
16	PAYE
17	VAT
18	Typing
19	Financial Accounts
20	Kalamazoo
21	Cash book
22	Day book
23	Double-entry
24	Management Accounts
25	Supervision
26	Own initiative

Chart 1 : Relationship between computerisation and accounting skills

