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CRITICAL ACCOUNTING RESEARCH: A VIEW FROM ENGLAND

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This paper seeks to provide a review of the state of critical accounting in England. The paper first seeks to define the role and nature of critical accounting, demonstrating the breadth of the area of concern yet arguing for the importance of theory. The interested nature of accounting is demonstrated. Following this, an argument is made as to why accounting is important. This argues that accounting information can be used as a steering device to impose and control the interests of particular groups. It suggests accounting is both a tool and a creator of modernity. Accounting information is argued to be malleable. The paper differentiates the programmatic use of accounting and its technologies, providing some examples of their usage in the public services, particularly the Private Finance Initiative in the UK. Finally, the paper reviews the state of critical accounting in England, arguing for the need to ensure that a new generation of critical accounting researchers is supported. The need for research into the impacts of funding and regulative regimes in the higher education sector is highlighted.

> . . . I have come to see sociology's ultimate task, not as that of reporting neutrally the facts about an objective social world, but as that of engaging actively in the world in order to create the possibility of alternative forms of social life (Mulkay, 1991, p. xix).

This paper seeks to provide a review of the state of accounting in England, exploring the work of those who have taken a more critical approach to the understanding of accounting data and its effects on society. In reviewing what has been labelled "critical accounting[1], we should recognize that "critical" accounting is not separate from accounting practice in general. Instead, it is simply a means of reflecting or interacting with accounting information in order to challenge the understandings that are conventionally generated. Nevertheless there is a commonplace recognition of a body of work that is loosely coupled under this title and hence it is reasonable to accept and work with this label. The paper provides a personal view and the review is therefore partial. Although it seeks to be inclusive of a range of work that has developed in England it uses as its main foundation the area of accounting in the public services[2]. The bounding of the geographical area itself is rather difficult to operationalize and I have sought to look at work generated

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in England. This is somewhat arbitrary and will also mean that some relevant work is perhaps not discussed; for this I apologize.

In developing this review, the paper seeks to make an argument as to why critical accounting must be regarded as important. In the first section I seek to clarify what *I* mean by "critical accounting", accepting that this may not be everyone's view, but also seeing this as a means by which to ground the argument. Next the paper will consider why accounting matters, because if accounting is insignificant then the idea of critical accounting is also trivial. The paper closes with an argument for critical accounting and some discussion of its state in England from the perspective developed.

What is Critical Accounting? Definitions and Roles

The notion of seeking to provide a definition of critical accounting is problematic and hence in this section the focus moves more towards locating its role. Gray *et al.* (1996, p. 21, 22) argue that

> [A]ccounting is an activity which conventionally involves identifying, collecting, describing, recording, processing and communicating information in financial terms about the economic events of an entity, to groups and individuals who have a need or right to the information. This is usually assumed to be for decision-making purposes and is also assumed to contribute to the social welfare of the nation.

The definition alerts us to the technical activities of accounting—recording, classifying and communicating information; it must be remembered however that this activity is not objective and value free. Hence, the broad role of critical accounting might be seen as one that makes transparent the assumptions and taken-for-granted values that lie behind accounting. Integral to this is the idea of social welfare. This is well expressed by Gray *et al.* (1987) who in their definition of social accounting note their "assumption that companies do have wider responsibilities that simply to make money for their shareholders" (p. ix). Taking a position that is sympathetic to the above views also assumes the general orientation of conventional accounting and accountants is geared towards the centrality of capital and the assumption that the wider good is served by the success of capitalism. In essence the latter view is characterized by the assumption that the needs of all elements of society are congruent and not conflictual. This is clearly contestable.

There are many discussions of what the project of critical accounting might be. Examples are provided by Cooper and Hopper 1987; Laughlin, 1999; Sikka and Wilmott, 1997; Tinker, 1985, all of whose work has contributed and helped to provide the context for the ongoing development of critical accounting in the UK. All, in different ways, highlight the issues of praxis, change, context and interdisciplinarity. They bound the area of consideration beyond the organization, and also contemplate the interactions between individuals, the organization and society. Embedded in this is an evaluatory thrust that I shall seek to privilege. This, in turn, provides an impetus for the provision of context because evaluation can best be undertaken in knowledge of a context. This means that contextual descriptions are necessary but not sufficient for critical accounting. Evaluation must move beyond description of context.