



Accounting and the birth of the notion of capitalism

Eve Chiapello*

*HEC School of Management, Member of the GREGHEC, CNRS FRE-2810,
Department of Accounting and Control, 78350 Jouy-en-Josas, France*

Received 1 June 2005; received in revised form 1 September 2005; accepted 1 November 2005

Abstract

The purpose of this paper is to cast a new light on the post-Sombartian debate. As we know, Sombart (Sombart W. *Der moderne Kapitalismus*. München, Leipzig: Duncker and Humboldt, 1916) thought that the invention of double-entry bookkeeping was essential to the birth of capitalism. Max Weber developed the same theme, but to a lesser extent. Accounting scholars have debated the idea quite extensively during the 20th century. All these previous works have in common the fact that they address the historical question by comparing accounting practices to business practices, some of which are interpreted as capitalist. In this paper, my aim is not so much to understand the birth of capitalism, but to contribute to some understanding of the birth of the concept of capitalism itself. The concept was forged during the 19th century. At that time, capitalism and a certain kind of double-entry bookkeeping practice that was able to highlight the circuit of capital were inextricably linked. It might be suggested that this historical situation greatly helped the scholars of the period to conceptualise what they called capitalism, and it is easy to show that the notion of capitalism itself is rooted in accounting notions. I will thus argue that the history of how the concept of capitalism was invented is an example of the influence of accounting ideas on economic and sociological thinking.

© 2006 Elsevier Ltd. All rights reserved.

Keywords: Capitalism; Accounting; Karl Marx; Werner Sombart; Double-entry bookkeeping

In his major work, *Der moderne Kapitalismus*,¹ Werner Sombart asserts that capitalism and double-entry bookkeeping (hereafter referred to as DEB) are indissociably intercon-

* Tel.: +33 1 39 67 94 41; fax: +33 1 39 67 70 86.

E-mail address: chiapello@hec.fr.

¹ The first edition dates from 1902. In 1916, Sombart published a second, completely revised version, in two volumes, and a third volume was added in 1928. The debate refers to the revised edition of 1916.

nected, and devotes more than 10 pages to the various relationships he sees between the two phenomena. These few pages have aroused the interest of accounting historians, who despite their differences have generally concluded that Sombart's assertion was not valid for the whole period prior to the second half of the 18th century. A review of a few major texts involved in the debate shows the differences in their treatment of Sombart's writing, which aspects are examined and which ignored, pointing to opportunities for further testing of Sombart's claims. Other authors, having noted the difficulties involved in proving congenital links between DEB and capitalism, have sought new interpretations. Bryer (2000a,b) renews the analysis by focusing on what he calls "accounting signatures". The true signature of capitalism is in Bryer's opinion not DEB alone, but the capacity to frequently calculate the "rate of return on capital". Carruthers and Espeland (1991) set out to study the relationship between accounting practices and capitalism not as a technical connection (in the sense that accounting makes it possible to reach more rational decisions), but as a rhetorical bond and a justification (even when badly kept and useless as a decision aid, accounting contributes to the legitimacy of practices originally considered illegitimate).

This article is a new attempt to understand the links between DEB and capitalism, bringing a new approach to the issue. All the previous works have in common the fact that they address the historical question by comparing accounting practices to business practices, some of which are interpreted as capitalist. This paper sets out not so much to understand the birth of capitalism, but to contribute to some understanding of the birth of the concept of capitalism itself. Rather than concentrating on the remote periods of the origins of capitalism, the focus here is on the much more recent period that saw the birth of the concept of capitalism, with an attempt to trace its genealogy. The aim is to show that this concept could not have come into being in the minds of social scientists without some knowledge of the DEB practices of their time. I will argue that the history of how the concept of capitalism was invented is an example of the influence of accounting ideas on economic and sociological thinking.

The plan of this article is as follows. The first part discusses Sombart's writings and analyses the subsequent controversy. The second part then looks into the matter of not the origins but the concept of capitalism itself. The aim is to show that the concept of capitalism is indissociable from a representation of economic life shaped by an accounting outlook. The conclusion opens out the issues, identifying directions for analysis of the influence of accounting representations in the representations produced by the emerging social sciences (particularly the field of economics, still called political economy at the time). The concept of capitalism is here considered to be just one of many examples of this as yet unexplored phenomenon.

1. The post-Sombartian debate

1.1. Sombart's writings

It was Werner Sombart (1863–1941) who declared that "capitalism and double entry bookkeeping are absolutely indissociable; their relationship to each other is that of form to content" (Sombart, 1992, p. 23). Sombart belongs to what has been called "the German historical school in economics", which put "the emphasis on the relativity of economic

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات