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# Framing financial responsibility: An analysis of the limitations of accounting

Charlotta Bay *

*Department of Business Studies, Uppsala University, Box 513, 751 20 Uppsala, Sweden*

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ABSTRACT

In organisations, accounting—understood broadly as calculative practices—is claimed to serve as a critical vehicle when introducing forms of individual financial responsibility. Whereas most prior accounting research has been preoccupied with asserting this claim, this paper opens an opportunity to examine the *limitations* of accounting as a technology of responsibilisation. It does so by moving the empirical focus beyond the borders of people's work settings and into the private sphere of everyday life, investigating governmental efforts to turn high school students into financially responsible citizens. The analysis, informed by framing theory, reveals that the efficiency of accounting is conditioned by people's calculative understanding. Hence, in situations where individuals are expected to lack this basic calculative competency, accounting is presumed to be inappropriate as a means of introducing financial responsibility. This has implications for re-considering how the relation between accounting and responsibility is constituted.



## 1. Introduction

How does one turn people into financially responsible citizens? This is a question that for the past decade has been of great international concern (OECD, 2005, 2006, 2008). In fact, higher levels of credit card debt, over-consumption and ignorant investment strategies have made governments all over the world seriously alarmed by their citizens' inability to properly care for their own private finances. However, the challenge of influencing people's habits and attitudes with regard to financial responsibility is complex because individuals do not walk into this role ready made. Instead—to draw on Hacking (1986)—the role of a financially responsible person quite literally needs to be "made up". In order to become someone who knows how to make sound, calculable decisions, and who appreciates the opportunity to be self-sufficient, people must be given the means, tools and motives for becoming just that. They must go through a transformation in which they are taught how to think, act and appreciate life according to financial terms. Hence, to make sense in people's everyday life, financial responsibility needs to be framed accordingly.

The activities used in order to make people financially responsible have been of major interest to accounting researchers. Or to be exact, the activities in people's workplaces, that is. Decades of intense investigation (e.g., Kurunmäki, 2004; Miller, 1994; Miller, 2001; Roberts and Scapens, 1985; Sinclair, 1995) proves that in order to encourage and support individual responsibility within people's professional practices, different kinds of accounting systems, audit procedures and performance measurements play a critical constitutive role. Since accounting practices are considered to spur certain human capabilities that promote rational decision-making and responsible economic actions in people (Miller and O'Leary, 1990),

* Tel.: +46 70 482 9495.
*E-mail address:* charlotta.bay@fek.uu.se

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they owe the potential to "transform all individuals, whether they be managers, workers, doctors, or teachers, into calculating selves" (Miller, 1994: 247). This indicates a close relationship between accounting and individual responsibilisation. The point made is that engaging people in calculation makes them responsible.

Nevertheless, to engage in accounting practices presupposes that people can read "accounting-scribbles" (Kirk and Mouritsen, 1996: 257). This is an ability that does not solely depend on the availability of technical devices, but that people indeed recognise accounting as a useful means to support financial decision-making. Presumably though, that is not something that people know by heart. Just as children need to discover the logic of letters before being able to read, people need to be made aware of the logic of accounts before being able to calculate. It could therefore be argued that in order for people to engage in calculative practices, they must first be equipped with calculative literacy. Hence, the efficiency of accounting as a means of responsibilisation is pre-conditioned by the individual's calculative understanding, which not only enables him to make use of accounts as tools for reaching a given end, but also to acknowledge them as such. In people's work-related practices, this condition seems to be either already achieved or taken as a given.

However, there is more to life than work. And to accounting as well. Besides affecting the ways of doing things at work, it is argued that accounting also intervenes and transforms human behaviour in areas it was previously excluded (Hopwood, 1994; Miller, 2007; Power, 1992). Even so, marginal efforts have been made to investigate those activities aimed at influencing the more mundane everyday financial activities taking place outside of people's workplaces (see e.g., Carnegie and Walker, 2007; Jeacle, 2009; Johed, 2007; Llewellyn and Walker, 2000; Walker, 2003). As opposed to most accounting researchers "preferring to seek solace in the sphere of the corporation rather than the coffee shop" (Jeacle, 2010), this paper refocuses the empirical scene away from people's work settings and into their private spheres. By contrast to the organisational arena, this is a field partly inhabited by individuals unaccustomed or with limited experience of financial concerns, lacking those calculative capacities, skills and pre-understandings that seem to be predetermined in the organisational realm. Given this lack, the paper asks: *How are non-professional people with limited financial experience made to take responsibility for their own personal finances?*

The aim of this paper is to problematise the assumption that accounting is of key importance when introducing reforms coupled with individual financial responsibility. Whereas most accounting studies on organisational behaviour are preoccupied with asserting this function, this paper opens an opportunity to consider the *limitations* of accounting as a technology of responsibilisation. It does so by shifting the contextual setting, examining how young individuals are encouraged to think of themselves as financially responsible in situations related to their own everyday life. The paper describes the activities of a Swedish high school project conducted by public authorities in 2008. The project forms part of a government initiated financial education programme that aims to improve the citizens' financial capability. The case offers an analysis of how to understand what the authorities are saying and doing in the classroom, where the idea of financial responsibility is introduced to students. Given the shift of empirical focus, this paper offers a point of departure for (re)considering the preconditions that constitute accounting as a technology of responsibilisation.

It is important to note that the intention of this paper is *not* to determine whether in fact the high school students became financially capable, or even affected their perception of financial responsibility. Rather than looking for effects, the study is primarily concerned with investigating the authorities' *presumptions* of how to turn young, financially inexperienced individuals into financially responsible citizens. In order to examine these assumptions, the paper offers a framing analysis (Benford and Snow, 2000) of (a) how the authorities chose to conceptualise the idea of financial responsibility, and (b) by which means this idea was communicated to high school students in their classroom settings. Of particular interest is to learn whether or not calculative devices were included among those means used for affecting the students' view on financial responsibility.

The outline of this paper begins by detailing the backdrop of the empirical case, positioning the Swedish financial education programme in line with corresponding international developments. The subsequent Section 3 describes framing analysis (Benford and Snow, 2000), which is used to analyse the empirical case. Thereafter, in Section 4, the design of the study is described; in other words, the efforts that have been carried out in order to collect and classify the data. In Section 5, the empirical findings are reported and analysed, and divided into three subsections (see Sections 5.1–5.3), followed by a discussion in Section 6. In the final part of the paper, Section 7, conclusions and contributions of the paper's findings are summarised.

## 2. Backdrop

During the autumn of 2008, a court of public authority representatives visited thousands of high school students across Sweden. Their goal was to encourage high school teachers to make personal financial management an integral part of the students' mandatory subjects by giving an on-site demonstration of how this might be done. At an official high school visit, the Swedish Minister for Financial Markets confidently declared:

> *It is vital that school provides financial education. To say the least, to learn how to go about buying an apartment is just as important as to learn the year of Charles XII's death*[1] (Odell, 2008).

[1] Swedish king (1682–1718).