

Social and Environmental Accounting and Reporting: From Ridicule to Revolution? From Hope to Hubris? - A Personal Review of the Field*^{1 2}

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Abstract

The objective of this essay is to provide a coherent overview of author's research and scholarship over the last two decades or so. As such it is a compromise between a revisionist history, an auto-critique and a review essay. This compromise arises, primarily, for two reasons. First, the work I have undertaken in developing social accounting has often been *ad hoc* and pragmatic; it certainly has not followed a carefully crafted master plan or research design. Secondly, the work is heavily context dependent. Issues such as personal history, changing attitudes in politics, business and the profession, the development of the author's understandings and, interaction with colleagues have all had major influence on the research. Some of the work may only make sense when seen in those contexts.

Keywords: *Social and environmental accounting, social and environmental reporting, personal review, sustainability*

INTRODUCTION

Social accounting³ is not an organised, wholly coherent area or activity. It is wide-ranging, organic and disjointed. At times, it can be contradictory, confusing and divergent. It can be either trivial or profound, conservative or radical. This

is the area of study to which I have dedicated my scholarship. It is not easy to define - but a definition will help. My currently preferred definition is:

.. the preparation and publication of an account about an organisation's social, environmental, employee, community,

customer and other stakeholder interactions and activities and, where, possible, the consequences of those interactions and activities. The social account may contain financial information but is more likely to be a combination of quantified non-financial information and descriptive, non-quantified information. The social account may serve a number of purposes but discharge of the organisation's accountability to its stakeholders must be the clearly dominant of those reasons and the basis upon which the social account is judged.
(Gray, 2000)

This essay is an attempt to provide a coherent overview of my research and scholarship over the last two decades or so. As such it is a compromise between a revisionist history, an auto-critique and a review essay. This compromise arises, primarily, for two reasons. First, the work I have undertaken in developing social accounting has often been *ad hoc* and pragmatic; it certainly has not followed a carefully crafted master plan or research design. Secondly, the work is, inevitably I suppose, heavily context dependent. Issues such as personal history, changing attitudes in politics, business and the profession, the development of my own understandings and, very importantly, interaction with colleagues have all had major influence on the research. Some of the work may only make sense when seen in those contexts.

In essence, the history that lies behind this work is as follows. The 1970s saw a fairly widespread interest in issues of corporate social responsibility and the first substantive experiments with social accounting and auditing. Social accounting made it as far as a legal requirement in France, (the *bilan social*), had tangible influence on corporate disclosure requirements in the UK and was seriously as a potential addition to company law in the UK in the late 1970s. Although pockets within the accounting profession were enthusiastic supporters of social accounting, it never made it into the orthodoxy of either the profession or of business practice. There are some obvious, though largely un-stated, reasons for the non-adoption of social accounting (for example, it threatened capital with costs and with accountability). However, the principal stated reasons for its status were that it was not a part of "accounting" and it was not coherent - either theoretically or practically. Both of which accusations were probably true at the time. 1979 and the election of Thatcher in the UK signalled the end of any brief flirtation with concerns like social accounting and until they rode in on the coat tails of environmental concern in the late 1980s, social accounting and auditing were the province of the dispossessed and dissatisfied. By 1990, however, everybody was suddenly "green" and the environmental agenda has steadily developed and,

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² I should emphasise from the outset that this is, explicitly, a personal and self-reflective essay and is, as a consequence, far more self-referential than would normally be considered appropriate. Being personal, the essay also has an explicitly UK orientation. I apologise if either of these emphases offend anybody.

³ I will not concern myself with nomenclature here. Generally, I use "social accounting" as the generic term to cover the whole area of social, environmental, sustainability, employee etc accounting, reporting and disclosure

much to my astonishment, has not been wheeled off into obscurity again. The environment even finds mention in accounting standards and some areas of accounting education. By the mid 1990s even social accounting was re-emerging - first in the non-profit sector and then, belatedly, in the corporate sector. By the early 21st Century, social and environmental accounting are almost mainstream. The history now, it seems, will be a record of the struggle for the type, ubiquity and quality of such accounting and reporting rather than for its existence.

This "history" (and versions of it) have repeatedly influenced my work. (See, especially, Gray, 2000; Gray and Bebbington, 2000; Owen, Gray and Bebbington, 1997; Gray, 2002a; Gray 2002b;). Influenced by a combination of Schumacher (1973); Goldsmith et al., (1972), Dickson (1974) and the work of Social Audit (Medawar, 1976) together with an early exposure to Keith Maunder's work plus three years' training and studying with (now) KPMG and the Institute of Chartered Accountants in England and Wales, I was drawn into academic life by an advertisement for a lecturer in "social accounting" at a (then) Polytechnic. There was, it transpired, very little literature on social accounting and attempts to undertake research in the field (as part of my Masters degree) or to make it a personal specialism when applying for posts at "traditional" universities were met with resistance, scepticism and, indeed, hostility. That theme of hostility to and scepticism about social accounting - typically coupled with assertions that it was not a part of "accounting" - is an abiding and formative influence. It was only meeting up with David Owen and, subsequently,

with Reg Mathews, James Guthrie and Lee Parker that provided the support to take this 'social accounting' seriously. The turning point was the 1987 book with Dave Owen and Keith Maunders - *Corporate Social Reporting*. Not that resistance disappeared at that point - or, indeed, has disappeared since. Active hostility to environmental issues in accounting was present until 1990; active hostility to social accounting was present until the mid 1990s; and passive hostility - or, at best, overwhelming indifference - is still present in both the profession and academe⁴. Social and environmental accounting has garnered, and continues to garner, considerable hostility from critical theorists, feminists and post-modernists - and although this critique continues, it has helped generate a more coherent theoretical basis for social accounting.

These experiences of resistance have encouraged a more self-reflective and careful approach to both theoretical and empirical research in social accounting. This is not least because one interpretation of the resistance might be that the issues and/or the subject of social accounting indeed, have no place in accounting and/or are a malign influence on the public good. Such concerns have been addressed directly in a number of my papers (Gray, Owen and Adams, 1996; Gray, 1992; Gray, 2002a; Gray 2002b;) which are briefly considered below.

From this preamble, it is possible to identify some of my motivations in un-

⁴ These assertions have motivated - and are developed further in - educationally related research in which I have been involved; see, for example, Gray, Bebbington and McPhail, 1994; Gray, Collison, French, McPhail and Stevenson, 2001; and Collison, Gray, Owen, Sinclair and Stevenson, 2000.

dertaking this work. These motivations have varied over the course of the study and are historically and pragmatically determined. The aims include:

- to deconstruct "accounting" and better understand its limitations, its allegiances and its influences - in practice and in education;
- to articulate a view which formally relates "accounting" and "social accounting";
- to offer a reasonably rigorous view of social accounting that expressed a coherent theoretical position that could be related to social accounting practice, (i.e. a *praxis* which accesses both the normative and positive dimensions of the area);
- to make social accounting "teachable"
- to engage with colleagues not active in social accounting and entice them into discussion of the subject and its implications;
- to engage with and help develop practice;
- to seek ways to keep a social and environmental agenda alive in accounting and business;
- to support and encourage new lecturers and researchers in the field;
- to seek to change company law regarding social and environmental disclosure;
- to respond to institutional and individual initiatives that would foster social and environmental accounting.

Each of these aims (in so far as one can assess one's own motivations) is present, to a greater or lesser degree, in most of my papers.

This essay is now organised as follows.

The following section provides an overview of social and environmental accounting. It provides a brief definition, outlines its concerns and conceits and, in particular, explains the central role that I have given to accountability in my work. Part II explores social accounting and its development. Part III turns to the environmental and sustainability dimensions of social accounting while IV attempts to provide a reconciliation of the themes whilst offering a personal view on the principal challenges for academic work in the field. There is a brief concluding comment.

OVERVIEW

This introduction to the subject area is predicated on a useful conceit. That is, in the early stages of "social accounting" it was assumed by many that this new "accounting" could be considered as a subset of conventional "financial" accounting. On the contrary, however, it proves useful to imagine that there is a universe of all possible accountings of which conventional accounting is a very minor subset. Conventional accounting refers to only those accountings which: relate to specific accounting entities; describe only economic events; employ only financial description; and assume a limited set of "users" for the resultant accounts - most typically and ubiquitously, private sector owners of capital⁵. Social accounting might be thought of as that universe of all possible accountings and as the accounting one gets when the artificial limits of conventional accounting are removed.

⁵ See, also, Bebbington, Gray and Laughlin, 2001 and earlier editions through which these ideas were initially developed.

To leave matters like this would be to leave one with an impossibly large and ill-formed area of investigation. Consequently, the conventional limitation of "entity" has been maintained - most of social accounting is concerned with accounts about companies, in fact⁶. And the universe of possible accounts about and by organisations is anchored (or has been anchored) - with varying degrees of firmness - to the notion of accountability.

Accountability has been key to the whole project. Accountability is a duty - sometimes empirical (typically legal), sometimes moral - and it arises from the responsibility that individuals and organisations have to provide "accounts" of their activities. The accountable entity is typically subject to two responsibilities: the responsibility to act; and the responsibility to provide an account of those actions, (these may be synonymous). Accountability is an explicitly normative (and ultimately moral) notion tied closely with responsibility and responding - to differing degrees - to society's right to information. In this regard it is a fundamentally democratic notion. (See, for example, Gray, Owen and Adams, 1996).

The reasons for the use of accountability as a central concept are complex. In the first place I needed a conceptual apparatus in which both "conventional accounting" and "social accounting" were equally at home. Accountability provides a convenient normative framework for both. Equally, whatever was used had to be something that accountants would recognise as related to how they

understood "accounting". Although the literature on accountability was woefully thin in accounting when I first started researching the area, the term (typically undefined and unexamined) was in very widespread use.

This notion of acceptability was important in other ways. I wanted a concept that derived from notions that were acceptable to those with whom I would speak - colleagues, students, accountants and business people. It had to be a concept that not only avoided immediate rejection but was recognisable from many discourses - that is a place where the Marxist could talk to the liberal. Most of those I encounter as an academic and researcher will, at least on the surface, subscribe to "democracy" to some degree or other as a base acceptable idea. A democracy (which is certainly not a simple and singular notion) can only run if the demos is informed and if its rights are identifiable and respected. Accountability turns out to be a pre-requisite for a democracy. Thus could "accounting" in the broadest sense be argued to be principally motivated by democratic ideals and to be an essential component of a democratic society. In this way, "accounting" would be able to continue its professional claims of working in the public interest.

From this perspective it becomes possible to ask questions about what sorts of accountings are necessary, who has what rights and whether or not conventional accounting meets any democratic desiderata. It turns out that conventional accounting is probably anti-democratic and that, to the extent that there is no formal social accounting, Britain - and much of the so-called developed world - are not democratic.

⁶ It should be noted that there is, however, an increasing interest in social accounting for other organisations such as non-profit and community-based enterprises.

Equally, however, it is necessary to demonstrate that the vast majority of all social accounting - including environmental reporting and so-called sustainability reporting - fails quite spectacularly to discharge any reasonable sense of accountability either, (see Gray 2000).

Thus in terms of the motivations outlined above, my work seeks to offer a substantive challenge to conventional accounting and expose new angles on that monolith that we so take for granted. It relates "accounting" and "social accounting" in a systematic way and provides an "acceptable" basis for articulating, teaching and debating forms of accounting.

SOCIAL ACCOUNTING AND REPORTING

Social accounting has generally been taken to comprise reporting about a specific range of issues and/or reporting to a variety of stakeholders. The topics/stakeholders are normally assumed to cover: employee and employment issues; environmental issues; customer and product issues; and community and wider social issues. There are (at least) two problems with this simple outline. First, there is no unique or even well-argued reason why these four categories of things should (a) dominate and/or (b) be exclusive. Other matters such as human rights, working with repressive regimes, corporate governance and attempts to influence government and policy makers would all be seen as likely candidates for the attention of social accounting. But whether each would appear and under which heading they would be identified remains blurred.

Second, different elements of social accounting do, from time to time, gain a high level of attention and develop as sub-subjects (as it were) with little or no consideration for the overall coherence of, what I am calling here, social accounting. Employee, employment and union issues experienced this attention in the 1970s and into the early 1980s. Environmental issues - together with sustainability - have experienced this attention since 1990. (This is examined below).

One key theme in the work here has been the exploration of trends and patterns in disclosure by UK companies. Gray, Kouhy and Lavers, (1995a; 1995b) were a response to a number of factors. These factors included: the diversity and inconsistency of studies of social reporting; lack of consistency in measurement methods; lack of formal theorising; the absence of longitudinal studies; and, most especially, the lack of datasets for UK researchers.

These papers laid out, carefully, how semiotic meaning could be used consistently in content analysis (the principal means of measuring social disclosure) and introduced the need for decision rules and consistency. (These are matters very competently developed in Hackston and Milne, 1996; and Milne and Adler, 1999). However, for reasons which remain unclear, social accounting researchers still do not approach their work with consistency in their description and measurement of social disclosure and, consequently, the comparability of studies remains a restriction on the field..

However, the Gray et al (1995a, b) papers do illustrate the value of longitudinal studies and they link the described

trends in UK reporting to - what has become - the standard range of theoretical explanations for social reporting. These theories - stakeholder in its various forms; legitimacy theory and its variants; what is called "political economy theory" and its variants; plus the economic theories like agency theory - are all massively under-specified and can only offer, at best, partial explanations of social reporting behaviour. These longitudinal studies in Gray, et al (1995a; 1995b) graphically illustrate (literally) the incompleteness of reporting in the absence of regulation, the changing fashions in voluntary disclosure and the failures of extant theory to fully explain or predict reporting changes.

A side ambition in these papers was also to establish a data set of social disclosures - backed up by a library of the reporting data (typically the annual reports). This data set (the Centre for Social and Environmental Accounting Research- CSEAR - database) has been used by a number of researchers and is now available for download (free) on the CSEAR website⁷. It has been used in a number of doctoral studies and is employed to good effect in Gray, Javad, Power and Sinclair (2001).

Gray et al, (2001) shares two components with the above two papers. It exploits the uniqueness of the CSEAR database and it self-consciously seeks a replication of prior, predominantly US and Australasian, studies in a UK context. In the present case, the replication (and development) concerns the relationship between disclosures and observable

corporate characteristics. As with the Gray, Kouhy and Lavers, the principal innovation in the paper lies in the use of a longitudinal data set. In doing so the paper not only demonstrates one plausible explanation for inconsistencies in the results of prior studies but also points towards an exploitation of triangulation across studies. That is, simple cross-sectional studies have failed to recognise that changes in disclosure patterns need not be annual events but could easily be, as field work would suggest, periodic events which only a longitudinal study would capture. Furthermore, the study, in employing a wide team of researchers including a finance expert and a statistician, tried to raise the standard of studies in this area - standards which have been patchy at best.

The explicitly functional methodology of Gray et al (2001) and the positivistic leanings of Gray et al, (1995a) contrast starkly, with the ethnomethodology which lies at the heart of Gray, Dey, Owen, Evans and Zadek, (1997)⁸.

Gray et al, (1997) is an attempt - both incomplete and not entirely successful - to articulate and guide the practice of social accounting (which was becoming more widespread in the mid-1990s) within a coherent theoretical framework. That is, the paper is reflexively deductive and inductive - drawing from the experience of practice whilst trying to deduce key normative characteristics for "ideal" social accounts. It had two political aims. The first aim was to try and offer a coherent framework (what accounting bodies have called a "conceptual framework") that the newly

⁷ The access to the database was encouraged and supported as part of a suite of studies covered by a 3 year research grant from the Institute of Chartered Accountants of Scotland

⁸ The issue of apparently conflicting methodologies is explicitly examined in Gray 2002 and will be touched upon later in this essay.

emerging Institute for Social and Ethical Accountability (ISEA) could use in deriving its standards for best practice. Its second aim was derived from the first in that the hope was that it would be possible to demonstrate that social accounting standards could be genuinely derived from theory -as opposed to pragmatically justified in *ad hoc* ways. The paper also drew extensively from the personal experiences of four of the authors in deriving, development and proselytising social accounting at a small fair-trade company called Traidcraft - the pioneers in the field of social accounting.

I believe that the paper remains the most comprehensive attempt to significantly relate theory and practice and it does offer a perfectly practicable and theoretical basis upon which social accounting can be derived. However, in this, as in so much I do, I demonstrate ludicrous optimism and childlike naivete. ISEA, despite the brave and selfless efforts of some, has not become the professional body some of us hoped. The usual issues of corporate funding, respectability and the intellectual foundations and integrity more typically associated with private sector consultancy mean that ISEA acts less to hold large organisations to account than, perhaps, it acts as a quasi-autonomous legitimisation process for corporate non-accountability. It has become - to a degree at least - captured, (see, for example, Owen et al, 2000). It is sometimes difficult to escape the idea that the last thing that many involved in producing or regulating social accounting want is any sort of process which derives defensible and grounded standards that might lead to more accountability and transparency.

This growing cynicism, radicalism and

despair will be re-examined in the final section of this essay. The feelings derive from a number of sources - one of which is the academic community.

Much of the effort reported in these papers had a sub-text of seeking to gain more co-operation - and, thereby, synergy - between the limited number of academics working in the area of social accounting and to provide support for them in this endeavour. CSEAR (Centre for Social and Environmental Accounting Research), and the CSEAR database are the most tangible manifestations of this attempt. This has, to a significant degree, been a privilege as so many in the social accounting networks are immensely mutual and supportive. However, the attempts have tended to fall down when they have sought mutual purpose with consultants, practice, regulators or non-social accounting academics - especially in the US. On these occasions seeking synergy, co-operation or systematic development of theory and method has been frustratingly fruitless. A paper by Sutton and Arnold (1998) demonstrates this most clearly. The paper proposed a "new" approach to "social accounting". It was used as a stimulus by the editors of *Critical Perspectives on Accounting* to hold a forum of responses to the suggestion. My response (Gray, 1998) dwelt on the reinvention of wheels, the foolishness of not considering prior work and the hubris of launching proposals without analysing, justifying or grounding the proposals.

There is an important personal element to this - which may or may not be unique to social accounting. Sutton and Arnold are not unique in social accounting in taking virtually no cognisance of

prior work. Was the work (much of it my own) ignored because it was of poor quality? ignored because it wasn't understood? ignored because it wasn't known about?. All are exceptionally poor excuses for scholarship and do not encourage one to feel optimistic about the notions of scholarly communities. The upshot is that arguments that one thought were dead are re-hashed; causes that one thought one had solved are re-invented; questions that one thought were identified as trivial are re-investigated. And nowhere is there a systematic argument to which I or colleagues could respond. The work appears to be dismissed, ignored or overlooked. It is a strangely debilitating sense - especially when, normally, those in social accounting feel so very passionately about what they are doing - or, at least, trying to do.⁹

The re-invention of wheels, the ignoring of prior work and the entirely unjustified claims of territory and/or originality are all significant issues in the development of environmental accounting agenda.

ENVIRONMENTAL ACCOUNTING AND REPORTING — TOWARDS SUSTAINABILITY

Environmental issues had, for no very obvious reason, received relatively little attention in the social accounting de-

bates - certainly outside North America. And yet my motivation to develop social accounting arose from concerns for community and environment - pretty much the sorts of concerns that UK and European Greens had emphasised, (and to degree continue to emphasise). The early material cited above had seen environmental issues as a major component of the social accounting agenda. With the upsurge of interest in (and respectability of) "environmental issues" from the late 1980s, "environmental accounting and reporting" began to take on a life of its own that was only loosely linked (empirically or theoretically) to the earlier work.

Although they were certainly not the first works on environmental issues and accounting (see, for example, Ullmann, 1976; Dierkes and Preston, 1977), my monograph and book (Gray, 1990 and Gray et al, 1993) certainly opened the issues up and set a number of hares running in both practice and academe. The (often neophyte) environmental accounting scholar was faced with a panoply of developments in practice - in financial and management accounting as well as in reporting and auditing. The scholar would need to engage with, *inter alia*, a growing ethical investment movement and an increasing level of claims that the environment was safe in the hands of business. Scholars would have to try to locate this within the framework(s) of social accounting research and theorising whilst dealing with the emerging theoretical and practical exigencies of sustainability. It was unlikely that "environmental accounting" - any more than social accounting before it - was going to emerge as a coherent and organised sphere of research, theory and practice.

⁹ A major positive experience has been the progressively constructive debate as a result of the critique offered by critical theorists of social accounting. This has been exceptionally productive. Unfortunately, such debate has not been offered by either the more managerialist of social accountants or, more particularly, those in conventional accounting and finance who, presumably, consider social accounting to be a major irrelevance. It is difficult to respond to a lack of argument - especially when the global social and environmental data could not counsel complacency.

But for me, something much more important happened in 1990. Up until that time I had always felt defensive - having to justify what I did, why I did it and to defend it from both left and right wing attack (most famously Tinker et al., 1991). Suddenly, from being somebody who was tolerated (at best) I was someone sought out and lionised - my 5 minutes in the sun had arrived.

At first, it took some mental rearrangement to move from a modest defensive mode to an aggressive constructive mode but a number of my papers chart my attempts to respond to the opportunities offered by the ebullient green agenda.

Gray (1992) was a very strange personal experience. This paper lays out the deep (er) green ecological agenda and seeks to relate it to accounting. The first links between sustainability and accounting (of which I am aware) are outlined and the radical green agenda is linked directly with pragmatism. That agenda is placed in direct opposition to marxian and liberal traditions, (i.e. virtually all prior accounting and finance research). This was enormously liberating. I was able, for the first time, to express what I believed about the world - and get it published!. This was *not* what I had been trying to do up until this point - I had been trying to compromise and seek reconciliation, reasonableness and fairness - typically through accountability. From this point onwards my radical agenda has slowly begun to emerge from the closet (of which more later).

Gray (1994) is a less radical piece at one level but seeks to develop, from the above paper, a more subversive agenda. It applies the widely accepted (?) con-

cept of sustainability to the organisation - typically a company - and articulates this application through accounting.¹⁰ It develops further the engaging, even arresting notion that most companies have not made profits for many years and have been paying dividends (income) out of natural (i.e. other peoples') wealth, (i.e. capital). If one translates sustainability into the economists' notions of capital one can, as Turner and Pearce demonstrate (Turner, 1987; Pearce, 1991), subdivide this into natural, critical and man-made capital. One can then demonstrate fairly convincingly that the maintenance of capital - one of the very few fundamental concepts in accounting - is not being adhered to and, consequently, corporations are *not* sustainable and are *not* profitable. This paper provided a basic calculus that might be used to demonstrate this and concluded that - given the state of the global commons (i.e. the diminishing natural capital) - the answer had to be the "right" one.¹¹

Gray and Bebbington (2000) is a further development of these ideas but in an empirical and expressly engaging context. This paper contains the results of a study commissioned by the United Nations to investigate why and to what extent large corporations understood environmental accounting and sustainability and what impediments there were to adopting the idea and practices more fully. The study employed a series of administered questionnaires (in a num-

¹⁰ It is this development of ideas that provide the starting point from which Jan Bebbington's excellent work in accounting and sustainability have developed.

¹¹ My attempts to gain funding to examine these contentions were unsuccessful. However, CSEAR was commissioned by the (then) SOAFD to advise on a significantly funded project which examined these propositions in the agricultural sector.

ber of languages) plus interviews and mini-case studies in 19 countries with some of the world's largest companies¹². It demonstrates empirically, what is, I increasingly believe, self-evident - namely that social justice and environmental stewardship (sustainability in other words) are anything but "safe in the hands of business". And yet this is exactly what business - typically through organs such as WBCSD, ICC, WTO, Davos - does indeed claim. And these claims have influenced governments and pan-national bodies and persuaded them not to legislate nor to exercise any form of control over (particularly) MNC activity. This conclusion of self-delusion or deliberate deceit in the face of increasingly desperate social and environmental disaster has forced me to develop yet further, my increasingly radical orientation.

By contrast, however, two other earlier papers - Bebbington, Gray, Thomson and Walters (1994) and Gray, Bebbington, Walters and Thomson, (1995) - are more conventional empirical investigations within which the political agenda (or, at least, the more radical intent of that agenda) is less overt. These two papers emerged from the field work which was undertaken to write the book *Accounting for the Environment* - Gray and Bebbington (1993).

Bebbington et al (1994) is mainly based on a postal questionnaire and explores the extent to which accountants can help to develop the environmental agenda within organisations. It finds that accountants are more likely to follow their

stereotype and avoid taking initiatives in this field. Indeed, accountants and the accounting systems look much more likely to prevent environmental innovation than to aid it. The central argument (in this essentially managerialist piece - which supports the essentially managerialist *Accounting for the Environment*) is that accountants are an essential component of any organisation's environmental response and, indeed, accounting can - in principle at least - be a major innovator with relatively little difficulty. It seems that some combination of the training, education, selection of accountants and, perhaps, even the very nature of accounting all conspire to prevent the fulfilment of such self-evident innovations¹³.

The second of these papers (Gray et al, 1995c) was more consciously exploratory and inductive and sought, principally through interviews, to explore how environmental reporting comes to fruition, how it is stimulated, who champions it. The study employed Laughlin's (1991) model of organisational change (and, indeed, owes a great deal to his advice and support) to examine the environmental agenda generally and environmental reporting in particular as agents of change. It finds, somewhat against prevailing views, that environmental reporting is often the initiative of single individuals and that whilst reporting opens up the world to the company, the champion of the reporting used the reports as a way of letting the outside into the organisation and, thereby, strengthening his or her position. There is thus a link with the material referenced in the earlier part of this essay in that here we

¹² This range of coverage was possible through the exploitation of the CSEAR networks and, particularly, its network of country associates who supported, and at times undertook, the research.

¹³ These concerns are key to the work I have undertaken on educational issues in accounting. These are referenced in an earlier footnote.

have evidence of the ways in which reporting can enable and, indeed, be a potential agent of change in the name of the social and the environmental.

The papers I have cited here to represent my work on environmental accounting and reporting illustrate some of the tensions that I believe many must feel. The tensions between a kind of Foucauldian self-disciplining and the desire for self-expression; the need to only talk, write and lecture at a level which may engage ones' colleagues and students; the need to offer alternatives and demonstrate their practicability whilst increasingly despairing of a system (economic and educational) within which nothing of aspirational value is possible. These concerns are dealt with more explicitly in the final section of this essay.

LOOKING FOR THE FUTURE

I have selected three publications for this penultimate part of the essay which represent, in my own mind at least, something of a taking-stock, the beginnings of a potential turning point perhaps. I will briefly outline these papers and, in doing so, touch upon a few matters of methodology that, traditionally at least, should feature in any respectable review of research.

Owen et al, (1997) is a short essay which was led by David Owen and addressed, more directly than we had in the past, the central tension of political judgement which had been at the heart of the critical theoretical attack on the social accounting project. In essence, the paper reviews the evidence that social accounting can change - and has changed - perceptions and relationships.

A properly applied form of social accountability will, indeed, lead to substantive change. Nevertheless, there is more than enough evidence to show that social accounting more often than not ends up captured and it behoves researchers to (i) acknowledge this and to (ii) constantly seek ways to disrupt (apparent) consensus and work with the idea that hegemony is never complete.

At its simplest, this is an argument for pragmatism when one is faced with a drastic need for change but has little access to obvious vehicles for change. When faced with overwhelming inertia what can one do?¹⁴ The second paper in this section, Gray, 2002a), explores this more carefully. This paper is a review essay (commissioned by AOS for its 20th anniversary) which tries to find a new "history" of social accounting. This history seeks, as the title suggests, to contrast theoretical nicety with the pragmatism of engagement coupled with the inspiration of imagination. I suppose the audiences for this sermon are both social accountants (trying to encourage an imaginative confidence) and conventional accounting and finance academics (trying to persuade them that questions matter more than solutions).

This method - and, indeed, methodological - rumination is explored further in the paper in *British Accounting Review* (Gray, 2002b)). Looking back over a (probably, fairly successful) social accounting project - a retrospective inspired by the AOS paper - clarified that key issues of passion, context, praxis, pragmatism and engagement have run through the whole project. Social accounting largely demonstrates a com-

¹⁴ Pacifism ruling out, in my case, the possibilities of revolution and/or terrorism.

plete disregard for methodological concerns - if positivism provides useful insights then, fine. If an engagement can be most productively achieved using ethnography, then that is fine too. It is a dawning realisation that matters of theory, elegance, methodology or even the strutting of intellectual testosterone are matters of such triviality - are deserving of such utter scorn - when faced with the facts of starvation, privation, degradation, injustice and so on. It all comes back to what is it to be human? What is it to live the good life - or, rather, to work the good work? What is it to be a scholar (despite the abuse of the current climate)? For social accountants, that means that the research question is all - are you asking a question which bears directly on matters of injustice, sustainability or exploitation? If not - then why not? Why should we waste our time in such vain, intellectually prissy pursuits? If the question is sufficiently important - then the means of answering it is secondary to the "cash value" of getting an answer that may - just may - contribute to the public good. Thus, do we arrive (by a different route and with a great deal less playfulness) at the same place as Feyerabend and recognise the irrelevance of method.

CONCLUDING COMMENT

And, continuing the retrospective review - has the project been successful, met its objectives? Surprisingly enough, it has succeeded in a number of the objectives listed in the Introduction. CSEAR, in particular, has played a very positive and surprisingly enabling role. Many of the objectives, however, remain relatively un-assailed. In particular, to read most accounting and finance publications, to

listen to most academic discussion, to sit in on most lectures and seminars, you could be forgiven for believing that never has capitalism been so robust or the prospects for the joy and fulfilment of mankind so positive. You would find yourself wondering just who perpetrates all this angst about the power of MNCs, the abdication of governments, the rates of species extinction, the growth in ecological footprints, the rate of child deaths through drought and so on¹⁵.

Because that, at its heart, is what an essay such as this - as part of the social accounting project - is about. I remain, as I have become better informed, no less able to savour my awesome level of comfort and privilege than I was when first I answered an advertisement to teach social accounting. I have more fellow travellers than I did, but in terms of substantive impact on research, teaching and practice the project has been a failure.

And yet, as I glumly consider the bleak prospects I see for my children and my students I do have to recall that the last time I wrote such a gloomy prognosis (in the Introduction to *Corporate Social Reporting* in 1986) within 5 years environmental (and to an extent social) accounting and reporting had been transformed. So, it is optimism which keeps the project moving whilst it is the pessimism - or realism - that makes it so very necessary.

¹⁵ Central to much of the foregoing and essential to this point is that, despite 20 years of assiduous searching, I am yet to come across one substantive piece of work which argues - against the enormous volume of work on social and ecological crisis - that capitalism is fine and the world is going to be wonderful. It all looks like self-delusion dressed up as optimism to me

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