

**I Have a Hunch that I Should Not Reflect on Things That I Know Little About  
Without First Reading Lots of Books**

by

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It is not surprising that “Reflections on the Critical Accounting Movement: The Reactions of a Cultural Conservative” is, as the author states, based on a “hunch.” Most of the conservative critique of critical accounting is at best based on “hunches.” Most of it is based as well on some metaphysical fallout which assumes that “conservative ideology” somehow is propped up by reality and is thereby not ideology at all. Since we “leftists” are interested in change and social pathologies, clearly “reality” belongs to someone else (cultural conservatives I suppose; various chest-beaters who take credit for the Real as both good and their own creation). Even our reading habits are obviously wrong – we should depend on subjectivists like Hayek and libertarians like Nozick, both apologists for the market. [It seems rather odd that the reverse image of this would be my recommending to “cultural conservatives” that they ground their work in Marx, Nietzsche, Habermas, Foucault and their kin!!].

Be all that as it may, O’Regan is “... unable to conquer a hunch that to explore the movement’s [critical accounting] theoretical base to intellectual scrutiny would be to show much of it to be preposterous.” I guess fighting words like that are best responded to rather mildly: “Where is the intellectual scrutiny? Go do it. Leave your “hunches” in the popular press.” I too have little room for “second-hand dealers in ideas.”

Enough bantering. Down to cases. Scholarship is a moral practice. We don't pursue knowledge for the sake of knowledge. To do so would require us to be indifferent between memorizing the numbers in a telephone book and working to develop a cure for cancer. We pursue issues of interest, and that interest derives from a moral ontology of values that any scholar cannot and should not attempt to evade. Scholarship, like brick-laying, is purposive – designed to help us do more interesting things, be more interesting people, and construct a world in which human experience is somehow better than it would be otherwise. Areas like social epistemology, the sociology of scientific knowledge, American pragmatism, and virtue epistemology set out to do the hard work of subjecting the relation between values and knowledge to intellectual scrutiny.

Critical accounting scholars clearly work within a value context that differs from the value context of other accounting scholars, though there is of course axiological overlap. [The same can be said for the differences between Hayek and Nozick and Marx and Habermas]. Speaking for myself (the only speech I have), and I may be in error, I always start from a value choice which makes a presumption in favor of the least advantaged and a presumption that capitalistic, market-based institutions sustain power differentials which work in favor of the most advantaged. In markets, money, not heads, forms the calculus, and that calculus is most salient as accounting. This is not to say that these “least advantaged” would be “better off” in some other system. We don't have “a” system – life is too complex for that (e.g., one could argue that even American political economy is just as socialistic as it is capitalistic). It is simply to say that I perceive a moral deficit in our world, that accounting is a contributor to that deficit, and that I seek to respond to that intellectually as conditioned by a piece of my own subjectivity that can

only be defended as a value choice, a part of moral identity. Unlike some critical theorists, I have no faith in or desire for “radical social change” of any grand scale. I do desire that my critical accounting work lead readers to think differently than they might think otherwise.

The areas within critical accounting that O’Regan smiles upon, like Mike Power’s work in auditing and Prem Sikka and colleagues’ work more broadly, are valuable and functional. They are valuable because they hold areas like auditing accountable to do what the auditing profession announces that it does in fact do: produce socially useful and responsible audits of corporate financial statements that enhance at best the allocative efficiency and at least the informational efficiency of capital. Power demonstrates forcefully that – on its own terms – auditing fails and fails miserably. Sikka and his colleagues go further in demonstrating the scandalous gap between the public responsibilities of the accounting profession and the public consequences of that profession’s activities, with elected leaders as accessories to the crimes.

For the rest of critical accounting, it is difficult to know what O’Regan’s arguments are. There are no “reasoned arguments.” There is a lot of mudslinging and vitriolic rhetoric but nothing of substance. I guess we should infer that we are all idiots because we are not “cultural conservatives” and because we prefer to read Marx, Habermas, Althusser, Foucault and other sorts rather than Burke, Hayek, Nozick, Orwell, etc. I suppose our reading list is grounded in dogma and ideology and the preposterous while O’Regan’s reading list apparently needs no critique and is immune from ideology, dogmas, creeds, etc. And, of course, “reality” belongs to these. There certainly is, in O’Regan’s terms, “no counterbalancing defense” of the ideas in our books. I guess, like

us, these intellectuals are ideological idiots too. [I prefer not to enter pissing contests, so I will stop this paragraph before I soil my shorts].

I will close with a focus on four objections that O'Regan raises against "Critical Accounting dogma" [sic] (I suppose dogma and scholarship are synonymous here).

Those objections are:

"First, some may feel that, just possibly, life is amplified and not diminished by current accountancy practices."

This is a grand binary; an "either/or" that forces one to morally affirm or morally reject the totality of accounting. At risk of sounding rather postmodern, the urge toward grand, totalizing claims about practices like accounting is something that we would be better off without. Accounting is a complex and ubiquitous practice that affects the lives of millions of people in diverse ways on a daily basis. Within that range of affects, there are ample opportunities to point out both the positive consequences of accounting for some and the negative consequences for others. The moral richness of the array of existential consequences of accounting leaves the "either/or" claim at best romantic and ideological and certainly of no value intellectually.

Like Hayek, I have a strong regard for hermeneutics, for a concern with the manner in which humans interpret and understand. Paul Ricoeur speaks of a "hermeneutics of suspicion," an intellectual stance from which one opts to focus inquiry on the pathologies of that which one seeks to interpret and understand, like accounting. Some of us would hold that our intellectual lives are better spent on the moral dysfunctions and side effects of accounting practices no matter how "affirming" such practices might be when viewed through a different hermeneutical light. The fact that

“some may feel that accounting affirms life” is beside the intellectual point, though certainly definitive of the ideological point. The popular press can deal with the unreflective and romantic role of ideology; critical accounting researchers have more important, and more focused, things to do.

“Second, even those who share some sympathy with the Critical Accountants’ reformist agenda may be skeptical about some of its claims – above all, that a technology of measurement should take some of the blame for the reality it records.”

I simply cannot comprehend how anyone could hold to a belief that accounting is not a force in constituting economic reality. Even the most conservative defenders of capitalism recognize that accounting choices influence the behaviors of economic actors (e.g., agency problems, performance evaluation), influence the distribution of resources (e.g., taxes and transfer payments), and thereby influence economic reality since it is precisely human actions and wealth distributions that chart the course of the economically real. Thoughtful managers, investors, creditors, and regulators reflect upon the accounting consequences of the reality that they are about to construct. (There are elaborate intellectual arguments about the relation between language and reality that I will not go into here). Maybe I’m stupid. I just don’t get O’Regan’s point.

“A third objection to Critical Accounting that may be raised by accountants of a conservative temperament is the movement’s enslavement to conventional leftist dogma, which gives it a rather hackneyed and two-dimensional flavour.”

I don't know what "conventional leftist dogma is," but I would be surprised if my critical colleagues and I were enslaved to it. Indeed, the critical accounting literature is saturated with critique of many Marxist, neo-Marxist, and liberal ideas. We do read the texts of many who I am sure O'Regan would classify as purveyors of "dogma," and I wonder if a thoughtless and parallel reference to Burke, Hayek, Nozick, Orwell, and Popper as purveyors of "conventional rightist dogma" might flow from my pen as easily. Nope; these scholars were brilliant and rigorous critical thinkers. Perhaps the intellectual tradition that we "leftists" prefer deserves the same respect. (This is all rather hackneyed, lacking in originality).

"While attacks on and defenses of capitalism both have a respectable intellectual pedigree, the Critical Accountants' opinions tend to be skewed towards the former."

Of course critical accountants have a bias (I prefer Gadamer's term "enabling prejudice") toward a critique of capitalism. As discussed previously, we make value choices and take hermeneutical postures just like any other scholar of the human sciences does. Our knowledge is grounded in a moral ontology that commits us to inquire into the deficits of institutions, including capitalism. We are no different from intellectual "defenders of capitalism," those whose axiological commitments orchestrate the structure of their affirming texts. Of course the books we read are selectively chosen (skewed??). How could it be otherwise?

I have struggled with whether or not to confess my belief that O'Regan's text is an exemplar of unreflective ideological polemics. I have a "hunch" that I really do not

care whether critical accounting inquiry goes down smoothly or bitterly with conservative ideologues. That is completely beside the scholarly point.