

ACCOUNTANCY BUSINESS AND THE PUBLIC INTEREST

Welcome to the First Edition

by

Christine Cooper
University of Strathclyde, UK.

Prem Sikka
University of Essex, UK.

We are launching this journal at an unprecedented time for corporate governance, business accountability and the scrutiny of the accounting profession. In the past few months the popular, as well as the broadsheet press and TV have been full of the implications of the Enron bankruptcy, the largest bankruptcy in the world. A large number of employees, pension scheme members and investors have lost their savings, investments, pensions, jobs and homes. Most notably it has raised the issues of accountability of companies, their directors, auditors and financial advisers. Enron, its lawyers, and its accountants carefully devised opaque corporate structures and issued financial statements that were difficult, if not impossible to understand. The non-executive directors contend that they did not know what was going on. The stock market analysts continued to recommend Enron shares right to the end.

Accounting is increasingly coming into the public arena in perhaps less spectacular ways through the increased publicity surrounding consulting work done by the Big-Five accountancy firms for various arms of government. For example, in London, the New Labour government pro privatisation publicity machine could not get going until Ernst and Young published its so-called "neutral" report on the privatisation of the London Underground. The government insisted that when the Ernst and Young report was ready then the people of London could have a "great debate" over the rival plans. In the background, Ken Livingstone, the London Mayor, is reported to be secretly involved in a different private scheme to build three east London crossings to span the Thames. Central ("independent") advisors to this scheme are Ernst and Young. Accountancy firms are clearly operating as political advisers and fixers.

Following the 11th September ordeals in New York and Washington, big accounting firms found themselves facing unprecedented demands from the US government to disclose confidential information on clients based in tax havens. US investigators hunting for Osama bin Laden's worldwide assets complained that they were hindered in some jurisdictions. A senior treasury official, while stating that there was no evidence linking bin Laden to any of the Big-Five accounting firms said, "We think global accounting companies are an alternative gateway to the kind of information we may need about suspect offshore companies...between them they run thousands of offshore companies. And they have their head offices here in the States. We would not rule out punitive action against their US businesses if they refused co-operation"

While such tales are abundant in the press what we rarely hear are the stories behind the headlines. It is unusual to find clear in depth documentation on the impact of accounting on individuals. This adds a double burden to the victims of accounting who too frequently feel that

they are somehow unique in the problems heaped upon them. The telling of their stories would enable them to know that they are not alone and it would also allow others to see the extent of the problems. We could even hope that with enough pressure such stories could be the first steps along the road to bringing about changes in government policy.

There are a growing number of academic journals (Accounting Auditing and Accountability Journal; Accounting Organisations and Society; Critical Perspectives on Accounting) which detail some of the more serious problems with the accounting profession, its regulation, gender class and race biases and so on. However, the rigours of academia sometimes mean that the articles found in these journals are inaccessible to most people. Indeed, it is sometimes as if, articles are written solely for academic consumption. Academic journals certainly do not have space (if the inclination) to go into individual lived experiences. We hope that this new journal will fill some of these gaps and serve multiple purposes. We would like to encourage research papers, commentaries and polemical pieces which resonate with the lived experiences of those injured by accounting and business practices. Hopefully, our journal will give a voice to those denied it elsewhere. We are also interested in work which has direct policy implications. As such we hope that this journal will prove to be complimentary to the existing academic journals.

We would like to welcome new researchers and those with a story to tell and encourage them to write for this journal.