Towards a Critical Accountability for Social and Environmental Accounting

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I INTRODUCTION

This paper critically explores the ability of social and environmental reporting (SER) to advance accountability and stakeholder democracy (Gray et al, 1996; O’Dwyer, 2004, 2005). It is in part a response to Lehman (2001) who challenges us to consider the adequacy of Habermas' or Rawls' work to justify social and environmental accounting. It takes issue with reform initiatives, such as Habermasian and Rawlsian-inspired accountability frameworks, that remain theoretically unable to respond to the dialectical (Marxist) critique of capitalism and continues to articulate a political approach to social change that cannot escape the universe of capital and the law of value that drives exploitation and alienation (see for example, Guthrie and Parker, 1999; Gray, Owen and Adams, 1996).

In contrast to reformist approaches to social change, this paper explores potential pedagogical pathways that accounting could develop to transform capitalist social relations. More specifically this paper uses the work of Karl Marx and Paulo Freire to explore how social and environmental reporting (SER) could enable revolutionary praxis through its educational processes.

This paper begins from the premise that our current mode of production under capitalism is fundamentally exploitative and unsustainable and that revolutionary social transformation within the economic, political and social spheres is needed to rectify the destructive patterns and injustices engendered under capitalism. It takes the view that individual and collective well-being are impossible under capitalism’s historically specific mode of production and therefore calls for its transformation. It calls for accounting and accountability frameworks that can enable this revolutionary social transformation.

The conceptual basis of this paper is grounded in the philosophy of internal relations (Ollman, 1976) and adopts a materialist and dialectical perspective on reality. Many sites of struggle and many forms of resistance against oppression are involved in enabling revolutionary social transformation, however, for reasons of space this paper restricts its analysis to a specific site of struggle and a specific form of oppression: it looks at the educative practices of social and environmental reporting (SER) and stakeholder engagements and its potential role in transforming the exploitative relations of capitalism.

Philosophers from Jürgen Habermas to Charles Taylor have called for a revivified public sphere as a way of progressively transforming society and accounting researchers have recently called for a greater role for accounting and accountants within this revivification process (Cooper, et al, 2005; Lehman, 1999, 2001). This paper seeks to contribute to these theorisations of accounting’s role in progressive social change by re-reading the ideas of Freire through the works of Marx to explore the transformative potential of SER and stakeholder engagements practices to enable revolutionary social transformation.

Although materialism is given primacy, this does not deny the spiritual and aesthetic aspects of life, aspects that are also internally related to the material world (Tinker and Gray, 2003).
It explores the role of consciousness and education in enabling social change and speculates on current SER and stakeholder engagement practices in terms of whether their learning processes promote critical or reproductive praxis: in other words, whether they foster revolutionary social change or maintain the exploitative status quo (Marx and Engels, 1846; Kosík, 1976). Suggestions are put forward in terms of how critical or revolutionary praxis can be cultivated through the learning processes of SER and stakeholder engagements.

These thoughts are offered in the spirit of dialogue as a personal interpretation of what change is needed and how social transformation can be effectuated through SER and stakeholder engagement practices with democracy and justice. This paper is not put forward as an “absolute truth” to be implemented and learnt but as an object that is to be subjected to collective critical scrutiny and when necessary developed and deepened or rejected and transformed (Freire, 1996). It is simply a vision of what society and accounting could be from the viewpoint of how degraded it currently is and it is offered in the hope that it contributes towards an ongoing project for ridding humanity of its dehumanising practices and habituated structures of exploitation and oppression.

Social divisions and various forms of injustice are escalating at a time when (globally) societies now have the material capacities to meet the needs of all human beings, including protecting and enhancing our natural environment. However, addressing these injustices will require a massive collective human effort, perhaps the likes of which the world has never seen. Achieving social justice and well-being will require transformations at all levels of social life, and although struggling at disparate sites is needed, eventually such struggles will also need to come together to challenge the hegemony of capital globally and locally. This paper explores how SER and stakeholder engagement practices could contribute to this transformational project by outlining its potential as an educational practice that prepares people for revolutionary social transformation.

Authentic social transformation is never a sudden event but a process where people change not only their circumstances but also themselves and is thus an educational process that involves the simultaneous transformation of educational relations (Allman, 1999). It is an educational process that promotes critical agency amongst participants, where people learn what it is that is wrong with the world through dialectical analysis and critique (where they learn to “critically read the world”), and where bonds of solidarity and collective action are struggled for and constituted to effectuate revolutionary transformations in the sphere of learning and wider society. It is this mode of educational praxis that Paulo Freire's work is intended to foster (Freire, 1996).” It is the possibilities this mode of educational praxis opens up to SER and stakeholder engagement practices that this paper seeks to outline. Thomson and Bebbington (2005) have introduced Freire’s dialogic heuristics into accounting theory and this paper seeks to contribute to this growing literature by putting forward the insights that can be gained from a more explicitly Marxist interpretation of Freire’s conceptual categories such as ‘contradiction’, ‘dialectics’ and ‘praxis’. Indeed, I argue that without grounding in Marxian interpretations, it is all too easy for Freire’s concepts to be robbed of precision and revolutionary intent.

The next section provides theoretical justification for the paper’s ethical and political positioning: that capitalism is fundamentally (ontologically) flawed and that revolutionary social transformation is needed in order to realise and deepen humanisation and social justice. The argumentation is grounded on Marx’s dialectical critique of capitalism.
II  CAPITALISM AS MATERIAL EXPLOITATION

The interlocking and habituated structure of (global) capitalism, from the capital-labour relation within the immediate production process to circulation and exchange, produces historically specific contradictions of capitalist societies. These essential relations and contradictions of capitalism develop and deepen under the competitive conditions of (global) general commodity production and perpetuate the logics of exploitation, accumulation, expansion and competition that undermine our individual and collective well-being, including importantly the integrity of our ecological systems (Marx, 1858). The capital-labour relation and the value form that links production to circulation, exchange, consumption and reproduction is the material basis of commodity fetishism, perpetual accumulation, profit maximisation, wealth distribution imbalances, environmental degradation (as value subsumes use value)\textsuperscript{i}, ‘democratic deficits’, structural unemployment, racism, sexism, fundamentalism and other forms of oppression. It serves as the material impetus for imperialism, wars, colonisation and ‘the race to the bottom’ that has characterised the contemporary neo-liberal forms of capitalism.\textsuperscript{vii}

Marx’s dialectical analysis uncovered an irreconcilable and fundamental antagonism within the labour-capital production relation, the dialectical contradiction that powers capitalist social reality, and the relation people engage in actively and sensuously producing and reproducing material reality (Marx, 1867).\textsuperscript{viii} This necessarily exploitative relation presupposes and ensures the alienation of productive labour from their life activities, from the products of their labour in terms of what is produced, how it is produced and what gets done with it, and from capital to which they have alienated their labour power. This dialectical contradiction\textsuperscript{ix} powers the valorisation and circulation of capital.

Under fully developed capitalist conditions, commodities are produced through the labour process, a process people engage through the capital-labour relation. The particular commodity that produces other commodities is living labour-power. This commodity like all commodities exhibits a two-fold character – having both a use-value and an exchange value. This use-value is labour itself and its exchange value is the value it can command in exchange for its ability to labour. Labour exhibits the two-fold characteristics of being both concrete and abstract. Concrete labour entails the specific skills and processes involved in producing commodities and gives the commodities produced their particular use-values (Rubin, 1972; Marx, 1867). Abstract labour (or labour in general) on the other hand is measured by labour-time during which commodities are impregnated with value. Value therefore is congealed labour time. Abstract labour recognises the social nature of production, the fact that commodities produced are made for the purposes of exchange and therefore the value transferred to commodities are always subjected to a "socially necessary labour time". The substance of value therefore is abstract labour and its magnitude is always in labour-time (Marx, 1867, p. 131; Rubin, 1972, p. 119).

Within this value-creating labour process, labour is used to create value that can replace its own value but also for producing an additional amount of new value – what is called the valorisation process. This is the true value of labour-power to capital – it has the ability of producing more value than is needed to replace its own value. Up to a certain point of production, labour begins to produce more value than is socially necessary to replace its own value and it is at this point that it begins to
produce surplus value. Thus we can see that value (congealed labour time) also has a two-fold character within capital-labour production relations: it is constituted of both necessary labour time and surplus labour time (or surplus value). The creation of profit and capital depends on surplus value. In order to maintain or increase profits, capitalists are forced to utilise any means possible to increase the ratio between necessary and surplus-labour time, and this objective is pursued through two methods: absolute surplus value extraction and/or relative surplus value extraction (Marx, 1867). The creation of relative surplus value leads to the production of more commodities, meaning that capitalists need to expand their markets in order realise the value of their commodities as profit.

The drive to create surplus value in the valorisation process increases and has increased productivity to the point where great masses of commodities (use values) are produced, commodities that could be used to meet human need. The productive forces developed by capitalism actually create the potential to overcome scarcity. If reasonably planned the forces of production (including people, machinery, science, technology etc) could be used to meet the needs of all human beings, and it is entirely reasonable to believe that the scientific and cultural know-how already exists or could be rapidly developed in ways that could enable the maintenance of high levels of productivity and sustaining the environment – possibly even enhancing it, together with the human condition (Allman, 2001). However, and this is one of the great absurdities of capitalism, in capitalist societies the specific form of wealth produced is not based on human need, but rather, on value (or labour-time). The only needs recognised are those that can be expressed through effective demand – the ability to meet the exchange value, a demand that is more and scarce throughout huge numbers of the world’s population in today’s economy of global capitalism and its neo-liberal form manifestation of bargain-basement social justice.

Another consequence of capitalism and its specific form of wealth is its ability to conceal the truth of its relations and processes. Its relations, processes and dialectical (two-fold) characteristics are often concealed and extinguished due to how we experience them: at different times and in different places. We tend to abstract and conceptualise reality in ways that extinguish their relational origins and this tendency is exacerbated because of how capitalist contradictions deepen and develop – in certain instances corroborating our limited or partial understandings and in other instances invalidating such understandings.

The accumulative and expansionist tendencies of capitalism are driven by this quest to produce value and surplus value, and to realise surplus value in profits. This gives capitalism colonising tendencies, drawing more and more people and more and more areas of life into the capital-labour relation and subjecting them to the valorisation process of surplus value extortion (Marx, 1866, p. 1036, 1041; 1867, p. 929).

Although value and surplus value are created within the value-creating and valorisation process respectively, these remain only potential value and can only be realised through exchange. The internal unity between production and circulation is also a dialectically contradictory relation, and one that inherently contains the potential for crises (Marx, 1867, p. 201). For example, by increasing the ration of necessary and surplus labour in favour of the latter through reducing the value of labour power, workers as consumers have less to spend. It potentially undermines workers quality of life by reducing their effective demand and it forces capitalists to look for other markets. It also pits the interests of individual capitalists (keeping their workers wages as low as possible) with the interests of other capitalists (needing sufficient wage levels within the working population capable of buying their commodities).
Productivity increases forces capitalists to be constantly searching for new or expanding existing markets. With total surplus value divided amongst an ever-increasing number of commodities, more and more commodities must be sold before this surplus value can be realised in profits. When this becomes impossible, crises of overproduction result. Of course, this overproduction is usually in terms of lack of effective demand rather than in terms of human need (Marx, 1865, pp. 359-367). It is through this interlocking structure of production and circulation, bound together by the law of value, that we experience life in western capitalist societies.

The third dialectical contradiction (other than the capital-labour relation and the unity between production and circulation) making up the essence of capitalism, or capital in general, is the internal relation between forces of production and the relations of production. As the forces of production develop (whether they be machines, ideas, scientific knowledge) their characteristics remain constituted by their internal unity to the relations of production. The forces of production therefore are often developed not for the singular purpose of enhancing the human condition but for refining or intensifying the exploitation of labour. This dialectical contradiction often constrains the development or use of productive forces that are actually of benefit to society because they are often restricted by the relations of capitalism that subject production to the law of value. Increases or advances in productivity under capitalism always results in a reduction in "socially necessary labour time" or it compacts the social labour hour. However, because the substance of value is labour, if capitalists were ever to drive the necessary labour time down to zero there would also be no surplus value and hence no profit. It is in this way that the social relations of capitalism often become fetters for the progressive development of the forces of production.

It is important to understand the structure of capitalist not as an external structure operating 'above' or 'behind people' but as the habituated and sensuous activity of living human beings. Under capitalism it is value that is its raison d'être and as long as we remain within it, it becomes our raison d'être too. Value binds the activities of all individuals operating within the social relations of capitalism and its movements and developments subject people living within them to a historically specific form of social domination (Postone, 1996). Power or social domination is usually linked to the state, politics or interpersonal relations, however for Marx, these forms of domination are secondary and are shaped in specific ways by capitalism intrinsic dynamic. In contrast to other forms of domination, capitalism’s real source of domination and compulsion is abstract: it is value. This historically specific form of social domination is due to the dialectical or two-fold nature of labour and the commodity it produces, and hence is historically specific to capitalism.

For Marx (and myself) the social relations most fundamental to society were those people entered into to produce their material world and those in which they circulate, exchange and consume the products produced (Marx, 1867, pp. 165-166, 176; Marx and Engels, 1846). As value moves and mediates it binds together the individuals engaged within these relations into an interlocking totality and subjects them to continuously create and augment value often leading to unplanned, irrational growth. This abstract form of domination is often characterised by compulsion – how our lives are driven by the quest to create, augment and realise value, especially surplus value (Postone, 1996). Time actually becomes re-constituted, our perception of time becomes more ‘compacted’ as “socially necessary labour time” reduces and the abstract labour hour made less porous (Postone, 1996). Under capitalism, our embodied experiences of time itself becomes re-constituted and dominated by abstract standard numerical units rather than on other concrete variables such as
daylight hours in pre-capitalist agrarian societies (Bensaïd, 2002; McNally, 2000). And because these standard numerical units are constantly subjected to reconstitution (reducing the "socially necessary labour time") it compounds the effects of alienation and exploitation experienced within capitalist social relations.

Value also conditions other relations and forms of domination (such as racism or sexism) that although not historically specific to capitalism serve capitalism well by keeping individuals divided in a variety of ways that reinforces the division of labour and takes attention away from the fundamental opposition between capital and labour (the class struggle) (Wood, 1995; Allman, 2001). This historically specific form of social domination is due to the dialectical or two-fold nature of labour and the commodity it produces, and hence is historically specific to capitalism.

If we move from considering the essential relations of capitalism to consider its concrete totality, or capitalism under competitive conditions, other deleterious consequences can also be noted. Under competitive conditions the redistribution of surplus value amongst the capitalist, and hence the amount of profit realisable to capitalists becomes dependent on the ratios between constant capital and variable capital and between necessary labour and surplus labour. It becomes more productive (and usually more profitable) for capitalists to increase the ratio between variable capital and constant capital in favour of the latter – hence, we see the incessant drives for productivity increases. Competition also brings in the law of the falling rate of profit, a tendency that leads to sluggish economies and increases the risk of ‘overproduction’ (Marx, 1867). Competition also facilitates the development of the credit system as profitability depends crucially on capital turnover and reinvestment. A consequence of credit however is that the acts of buying and selling become even more separated in time, and thus acts as a stimulus to overproduction and excessive speculation (Marx, 1865, p. 572).

The corporate form is also another development of capitalism, a form which tries to reduce the inherent risks of single ownership, but one that has seen the further division between owners and managers of business. These developments have provided a powerful tendency for swindling, corporate fraud and crises (p. 742). Understanding capitalism in terms of its essential relations and how it unfolds into its concrete totality provides a powerful conceptual basis for understanding capitalism’s internal connection to a wide range of social problems, including World War II (Bonefeld, 1999; Harvey, 1999), consumer credit, Third World debt, the tendencies for crises from the oil shocks to the Asian crises to our continued economic sluggishness (George, 1988; Harvey, 1998), inner city ghettoisation (and suburban gated communities), the war on drugs, the war on terrorism, environmental degradation and climate change. It also goes some ways toward explaining the constraints movements working within the orbit of reformism have in effectuating progressive social change.

By locating the fundamental contradiction of capitalism within “the hidden abode of production and linking it internally to the interlocking totality of capitalism (which in our time is global in nature), Marx made it clear that he opposed mere distributional equity of wealth, or rather, he realised that distributional equity was impossible if production relations remained constituted by its dialectical contradictions. These contradictions serve to deny human need regardless of levels of productivity.

Marx’s dialectical critique of capitalism makes clear that focussing on distribution alone is insufficient for meeting human needs. Abolishing private property alone is not sufficient (Dunayevskaya, 1971, 1973; Marx, 1875). Transferring the means of production to the collective producers is not sufficient. xiii Resisting the representatives
of capital (such as corporations) alone would not abolish capitalism’s contradictions. Attacking the ideologies and institutions of neo-liberalism alone is not sufficient to abolish the exploitation of capitalism. This is because capital is not a thing but a relation. Abolishing the exploitation and injustices of capitalism will entail fundamentally transforming how we relate and behave to each other and to our environment in the spheres of production, exchange, and politics. It will require the establishment of freely associated producers and the democratisation of the economic, social and political spheres into forms that are more direct and participative. It will involve abolishing the dialectical contradictions of capitalist social relations.

This is why I advocate for revolutionary rather than reformist change, and why this paper argues for SER frameworks and stakeholder engagements to adopt a critical or revolutionary (cf. a limited or reproductive) mode of praxis (this distinction will be expanded on later in the next section of the essay). History has demonstrated that such changes are not possible by pandering to the whims of the powerful, but through struggle. Class struggle. The effectiveness of class struggle is in part determined by people’s consciousness of how society works, and how it could be changed for the better.

III THE IMPORTANCE OF CRITICAL CONSCIOUSNESS IN AUTHENTIC SOCIAL CHANGE

Marx understood the importance of consciousness for enabling social change. If ideas, and thoughts are uncritically accepted as natural, unproblematic and inevitable they can serve to sustain and reproduce extant social relations and conditions. For Marx, the problem of much of human history was that people had not treated their world consciously (i.e. critically) and had thus accepted given social relations which enabled them to collude in their own or other people’s exploitation rather than critically and creatively planning these relations. This lack of critical thought also meant for Marx that people were not fulfilling their potential as human beings. Their humanity was impoverished because their consciousness was uncritical (Marx, 1844). This uncritical consciousness only served in producing and reproducing the given social relations or oppression and exploitation.

For Marx the ability of conscious thought was a characteristic of the human species and hence the vocation of all peoples not just the province of those in power or with the ability to make decisions. The few in power were not somehow inherently superior or “a species apart” but were only maintained in their privileges positions due to antagonistic class and social relations. It was these relations that constrained the free critical consciousness of the majority. If we are a species characterised by consciousness then Marx reasoned that all people must be consciously engaged in their own self-determination.

Under capitalism consciousness becomes even more important to social change. Potentially our capability for conscious thought should allow us to conceive our goals and then to plan and organise our activities for the realisation of these goals. However under capitalism this ability of free conscious vital activity had become primarily unfree, constrained as it is by antagonistic social relations (Marx, 1844, p. 102). Because exploitation is not as obvious under capitalism as in other historical social forms thinking critically is important for cutting through uncritical modes of
understanding: labour for example is said to be paid a fair and equal wage, which would appear to contradict the exploitative nature of the capital-labour relation it enters into. Moreover the dialectical relations of capitalism are often experienced at different times and in different places, which leads to the tendency of treating separate what are in fact related. The contradictory effects of capitalism make understanding its social reality especially difficult and gives rise to the tendency for ideological thinking or uncritical consciousness.

Throughout his writings Marx tried to provide us with a way of critically understanding our reality that would enable us to develop the consciousness needed for abolishing dehumanising conditions and creating a new reality. In order to consciously (critically) understand reality Marx uses dialectical conceptualisation to analyse, explain and order experience. Dialectical conceptualisation (or rational dialectics as Marxists have put it) is a way of perceiving the world holistically in terms of its internal relations and interactions and is internally related to his ontological and epistemological approaches. More specifically it is a way of perceiving the major relationships and interactions of reality and organising them systematically in a way that preserves the internal unity between composite parts within a structure and understanding how the parts develop and unfold over time and space (see for example Ollman, 1976). It enables us to develop a deeper understanding of reality by explaining how surface phenomena or epiphenomenal manifestations are fundamentally connected or related to other parts of an organic whole.

Marx’s writings are especially useful if not indispensable in developing dialectical consciousness because his way of perceiving and understanding reality always sought to maintain the internal relations between ideas or concepts with material reality. It is a way of perceiving that Ollman calls “the philosophy of internal relations” (Ollman, 1976) and it is simply a way of developing understandings that go beyond but do not replace categorical thinking and formal logic. In terms of understanding capitalism, dialectical conceptualisation is invaluable. The ontological nature of capitalism is characterised by internal relations and dialectical contradictions, which forced Marx to adopt dialectical analysis to uncover its essential relations by (metaphorically) going beneath its surface phenomena. This makes dialectical thinking or dialectical epistemology invaluable as a way of enabling critical consciousness. The dialectical nature of those material relations throughout history and especially within capitalism makes rational dialectics invaluable in developing critical consciousness. For Marx, the most fundamental relations within reality were those human beings engaged to produce and reproduce their material world and it was these relations within capitalism that Marx made the focus of his magnum opus, Capital.

This dialectical and materialist approach to understanding and transforming reality was encapsulated within his revolutionary theory of consciousness (Marx, 1847, 1867; Marx and Engels, 1845, 1846). In his revolutionary theory of consciousness Marx postulates an inner connection between thought and sensuous human activity. Insofar as his theory of consciousness posits a dialectical unity between activity and thinking, his theory is actually a theory of praxis. Marx never separates thinking from human activity. For him, both are intimately (dialectically) linked together.

Marx’s theory of consciousness/praxis aids us in thinking about critical consciousness because he enables us to use an evaluative framework for ascertaining the progressive nature of our various modes of praxis. Marx implicitly distinguished between limited or reproductive praxis and critical or revolutionary praxis (Kosik, 1976; Marx, “Theories of Surplus Value”, Part III, p. 514).
The implication of this distinction is that we engage in limited or reproductive praxis when we treat the social conditions (and relations) we find at hand as natural and inevitable or even when we sometimes resist our positioning within a relation we remain in an uncritical or reproductive mode of praxis when resistance is aimed at only bettering our positioning within the relation or changing our positioning within the relation. Critical or revolutionary praxis on the other hand is when we become aware of the constraining nature of that relation and we direct our focus and energies on abolishing and transforming the relation itself. The importance of critical/revolutionary praxis becomes even more pronounced when the relations of society take on an antagonistic or dialectically contradictory form. A dialectical contradiction is a very special sort of internal relation and an important one for Marx’s conceptualisation of capitalism. It is different to a logical contradiction, which resides in people’s thoughts and behaviours. A dialectical contradiction resides in the relations of our material reality. Allman (2001) draws on Marx’s writings to define a dialectical contradiction as:

“…a single whole comprised of a unity of two opposites, which could not exist as they presently or have done historically outside the way in which they are related. Furthermore, the internal nature of each of the opposites and its development is shaped and determined by its relation with the other. Marx focussed on dialectical contradictions that are antagonistic. A full definition, therefore, should also point out that one of the opposites is the “positive” in the sense of trying to preserve the relation; the other is “negative” in the sense that the relation is detrimental or antagonistic to it. Neither opposite can change fundamentally while it remains in the relation – what each is and how it moves depends on the other. The only way for the “negative” to end this antagonism is to abolish the relation. Marx calls this the “negation of the negation” (Marx, 1967, p. 929) “(p. 41).

Limited/reproductive praxis is activity, even when aimed at resistance that simply reproduces the given social relations or dialectical contradictions that people are caught within whereas critical/revolutionary praxis critiques both ideological explanations and transforming the relations that constitute social contradictions.

Uniting thought and human activity as Marx does through praxis has implications for what changes are needed in terms of revolutionary social change. Overcoming alienation and exploitation, for example, is not seen as merely a psychological endeavour but also importantly, transforming the material (social) relations that sustain the dialectical contradictions that engender exploitation and alienation.

Using Marx’s theory of consciousness to conceptualise praxis, we would have to say that authentic praxis would have to involve changing not only ideas, behaviours and thoughts and practices, but also the relation in which we enter into those practices. In using the concept of the dialectical contradiction given above, we would say that authentic/revolutionary praxis is praxis that undermines, subverts or ultimately destroys the antagonistic material relation and replaces it with non-antagonistic human relations. Social “transformation” then would involve changing the inhuman social relations and contradictions of capitalism into more humanised forms, where wealth is no longer based on value and money but on needs. “Emancipation”, likewise involves stepping out of and/or changing capitalism’s inhuman social relations. Conversely inauthentic praxis or reproductive social change is change that still preserves those antagonistic material relations (for example, capital-labour, production-circulation).

These concepts help us make sense of how Freire’s notion of dialogic education is emancipatory or transformational. Education is transformational insofar as it enables
ontological shifts in learners’ orientations to each other and to knowledge and prepares them for wider politico-material struggles towards revolution: the class struggle.

Marx revolutionary theory of consciousness implies that thinking is an incredibly active (as opposed to contemplative) process because it arises out of the relation between activity and thought. He therefore gives a priority to the material relations that we engage in producing and reproducing reality for understanding how dominant modes of thinking are formed and also for explaining and transforming our world. Marx's analysis critiqued and destroyed sociological reason and political economy, which could not explain (and thus ideologically legitimated) the material relations of capitalism. His analysis laid bare the material relations that we engage in to produce material reality and which condition our subjectivities under capitalism. xv

What I have tried to show in this section of the paper (in a very abbreviated fashion) is that Marx's revolutionary theory of consciousness relates internally, and dialectically weaves together a holistic and critical way of perceiving, explaining and transforming social reality. It binds together thought and action, and ideas and material practices to the social totality of capitalism. The implication of this theory of consciousness and Marx's critique of capitalism is that revolutionary social transformation involves changing not only consciousness but also the material conditions, the dialectical contradictions on which life itself is based.

This raises the issue of how people could collectively begin to work towards revolutionary social change. There are many obstacles to bringing about revolutionary social change. Ideological discourses, material and emotional attachments to existing social forms and habituated practices, and competition and divisions between classes and within classes under capitalism (along inter alia sexual, racial, religious, ethnic and national lines) all serve as obstacles to actualising critical/revolutionary praxis. Although Freire is widely recognised as an educator, one of his main contributions to Marxist theory was in the area of revolutionary socialist strategy: how revolutionary leaders (cultural workers, organic intellectuals, critical educators etc) could work with the people to bring about authentic social change. Through grounding in Marx's theory of consciousness, Freire addresses many of these obstacles to realising critical/revolutionary praxis and developed an educational approach that could overcome them. Insofar as SER and stakeholder engagements constitute educational elements they can be potentially enriched by drawing on Freire’s educational approach. xvi It is these ideas that the next section outlines.

IV REVOLUTIONARY SOCIAL CHANGE THROUGH EDUCATIONAL PRAXIS

Two of Freire’s primary concerns for education were developing critical (dialectical) consciousness and actively constituting new educational relations amongst learners that were non-antagonistic, in other words, opposite to the dialectical contradictions experienced within exploitative societies such as those where capitalism prevails. Freire was concerned that many purportedly progressive revolutions had failed because the leaders and people within the new social movements had failed to fundamentally transform the relations amongst themselves into forms that were non-antagonistic and non-oppressive. Therefore, his educational approach could be viewed as an approach that interwove the development of dialectical
consciousness, the transformation of educational relations and the cultivation of critical/revolutionary praxis.

Freire’s work cautioned revolutionary leaders to establish non-antagonistic relations with the people as this would not only guard against the perpetuation of social contradictions but it would also create conducive conditions for developing critical or dialectical understandings of capitalist society and for developing the will and commitment for engaging in revolutionary activity. Freire was concerned with how the ideology of the oppressor could continue to affect even those who have a critical perception of reality, and to combat this tendency he sought an educational approach that required ontological shifts in how people related to each other and to knowledge within learning processes.

For Freire, as for Marx, ideology or the tendency for ideological thought arises from the people’s experiences in real relations or dialectical contradictions and hence, when revolutionary leaders communicated with the people, they were to do so within relations that are opposite to those of the oppressors, so people could experience new non-antagonistic social relations and could develop more deeply their creative and critical capacities for making and remaking history. Following from Marx’s revolutionary theory of consciousness, ideology did not just stem from ideas and concepts but also importantly through ways of relating and behaving, therefore developing critical consciousness within learning processes was made more effective, more authentic when experienced in non-antagonistic relations with others.

Reconstituting teacher-student relations involved collective struggle on the part of all learners to re-orient themselves to the role of teachers and students. Under transformed relations teachers could learn and students could also teach. The objective all had to agree on individually and collectively was to deepen their critical understandings of whatever topic is chosen For Freire, achieving these transformations could not be done for people or to people, they could not be achieved on one’s own, but could only be brought about with others: “I cannot be unless you are. I cannot [develop fully] without you” (Freire, 1974a). In the struggle to reconstitute teacher-student relations, learners also simultaneously transform their orientations to knowledge. Rather than seeing knowledge as static and unchanging and as something we lack and desire to possess, knowledge becomes an object to be subjected to collective critical scrutiny, to be deepened and shared or when necessary to be rejected and transformed.

In terms of revolutionary strategy Freire distinguished between cultural action projects and Cultural Revolution. Cultural action projects were educational projects that were to be carried out prior to Cultural Revolution and prepared people for full participation in the movement of authentic social transformation. Cultural action projects were essentially pre-figurative learning experiences that prepared people for collective revolutionary struggle. Cultural action projects would remain counter-hegemonic because the transformed educational relations would have to be struggled for each and every time learners assemble, and it would remain counter-hegemonic so long as it existed within the wider dialectical contradictions of the capitalist totality. Cultural action projects do not liberate people from exploitation or oppression, but they do serve to develop critical consciousness and to promote solidarity.

Freire’s educational approach represents a collective, democratic approach to struggling for social transformation. Reinterpreted through Marx, Freire’s ideas maintain their revolutionary impetus and they also provide useful insights into how
accounting practices such as SER and stakeholder engagements can be used to enable progressive social change.

Their ideas challenge the fundamental assumptions of liberal accountability approaches to social change that have characterised much social accounting and social and environmental accounting (SEA) research. For example, it challenges liberal notions of accountability as propounded by Gray, Owen and Adams (1996), or Power and Laughlin (1996), which are based on Rawlsian or Habermasian frameworks. It challenges liberal notions of justice by focussing attention on the impossibility of justice within the capitalist mode of production. It challenges liberal notions of social change, which work within the political logic of reformism. It challenges liberal notions of democracy by problematising the relationship between state and capital and on the limited nature of democracy within representational governance frameworks that are characteristic of western industrialised societies.

V RE-THINKING ACCOUNTABILITY AND DEMOCRACY: FROM LIBERALISM TO REVOLUTIONARY ACCOUNTABILITY

Accountability concerns the rights of stakeholders to receive information about (corporate) organisational impacts that affect them, thus contributing to democracy by empowering citizenry with information on organisational actions (Gray et al, 1996; O'Dwyer, 2004, 2005). In the works of social accountants such as Gray, Owen and Adams (1996), liberal social accounting frameworks adhere to a conception of accountability based on liberal principles. They argue that their sense of liberalism act as a means to accommodate different interests in society, all of whom have different information needs through an evolutionary process based on overlapping consensus. SER and corporate social reporting are held out to as having the potential to reform corporate practices, to discharge accountability and thereby democratise society by creating the conditions for social justice, openness and closeness (Gray et al, 1991, 1996; Lehman, 2001).

According to Gray et al (1996) stakeholder relationships and hence accounting obligations are defined and constituted by legal, regulatory frameworks, as well as by less formal ethical and moral norms. From an ethical position, the argument has been made that organisations have a duty to account for the impacts they have on communities in terms of not only economic, but also social, environmental and ecological impacts. Given the lack of laws that codify these accountability obligations, social accountants have repeatedly called for legislation that will make social accounting disclosures voluntary. Underlying such calls is an ethical argument based on the nature of organisation-stakeholder relationships: the economic, social and environmental impacts of organisational activity impose an (ethical if not legal) obligation on organisations to disclose the nature of such impacts. In terms of defining who ‘relevant’ stakeholders are or should be in producing SER and implementing stakeholder engagements several theories have been advanced. The Rawlsian argument would be sensitive to the information needs of the most vulnerable sectors of the population (Lehman, 1995). Habermasian proceduralism would require that all people affected by organisational activities be allowed to enter into discussion and debate over the legitimacy and validity of such activities (Unerman and Bennett, 2005) although this would be constrained by legal and pragmatic boundaries. From a dialectical materialist perspective, there is nothing particularly objectionable about such a stance. However, what is more problematic is
the related liberal assumption that such ideals can serve as evaluatory frameworks for evolutionary change towards greater accountability and democracy.

In terms of social change from a liberal perspective, it is believed that western democratic societies already contain the necessary institutional and normative elements for dealing with diversity and social conflicts of interests without resorting to violence or revolutionary politics (Gray, 2002b; Gray et al, 1988, 1995; Gray et al, 1996; Lehman, 2001). In fact, this belief is reinforced by the assumption that revolution is no longer possible, that we are at “the end of history” (Fukuyama, 1989), and that a new politics of consensus and reconciliation is the pathway for social change and justice. This perspective assumes the possibility of (an overlapping) consensus through dialogue, aligned as it is to the liberal values of participation, democracy, and pluralism. Some social accountants argue that corporations can be transformed and made accountable (see also Gray, 1989; Gray, Kouhy and Lavers, 1995a).

The problem with this view is that it tends to overlook structural impediments to change and is constrained by the liberal democratic proceduralism of accounting that overlooks issues of class, gender and imperialism. Lehman (1999, 2001) has already pointed out some of the limitations of this approach to accountability including its undialectical analysis of state-civil society relations and its privileging of corporations as the social change agents. Earlier critiques of corporate social reporting (CSR) such as Puxty (1986, 1991) and Tinker et al (1991) have also highlighted some of the deficiencies including the fact that much CSR work failed to interrogate the limits of liberal accountability reform and failed to critique the capitalist mode of production that organisations are enmeshed within.

Marx’s work enables us to question the meaning of accountability in terms of whom organisational stakeholders actually are, and whom should be the focus of accounting (and SER) reports. Accounting reports are traditionally directed at ‘relevant users’ but there is often a lack of clarity as to who those users actually are. ‘Commonsense’ accounting notions of users may include investors, shareholders, employees, suppliers, consumers, local communities and government. Stakeholder theories can also be used to define the stakeholder recipients of social and environmental reports.

However, with Marx’s dialectical analysis of capitalism, accountability becomes a concept about human development and the inability of human development in social relations that privilege capital accumulation over and above individual and collective well-being. Accountability also becomes a concept about substantive democracy rather than the formal democracy that characterises capitalist societies. Accountability would therefore involve pointing out the inequities propagated by private property and the separation of workers from the means of separation, it would involve pointing out and fighting for participative workplace democracy and economic democracy. But more importantly, accountability becomes a dialogue about what it means to be human, about how our social relations express not only a definite mode of activity but also a determinate expression of life. Under capitalism our life revolves around the creation of value and the accumulation of capital rather than the satisfaction of human needs.

In terms of defining who relevant stakeholders were, dialectical theory would have consider not only those stakeholders defined by statute, regulative or community norms but also perhaps more importantly, all economic actors affected by the totality
of capitalist social relations (in this day and age this would encompass just about all people at the global level). Moreover, in terms of sustainability this would include considering all people on earth, simply for being a part of the greater biosphere, and this would also be extended to generations yet to come.

This conception of accountability therefore supersedes the organisation as the entity of concern. It requires an explanatory framework that situates the organisation within the totality of capitalist social relations and within the wider relations to the biosphere. Such a framework can be constructed using dialectical materialist critique.

Marx exposed the way labour under capitalism attained a two-fold character, as concrete and as abstract labour. The abstract nature of labour under capitalism reduces the concrete specificities of all the products (and labour) of total social labour to one abstract congealed mass. This is the value form, which in today’s global transnational economy affects just about every single economic actor in the world. The law of value not only generates inequitable distributions of social wealth, where wealth is produced by many but only appropriated by the few, but it also perpetuates undemocratic arrangements. Democracy becomes based not on a person’s individual intrinsic value as a human being, but on the economic (exchange) value that they command. In terms of justice, a person’s value is not on their intrinsic or ethical right to social goods, but on their ability to appropriate or control value.

Accountability then, cannot simply be attributed to particular organisation-stakeholder relationships but must also be linked to the (global) totality of capitalism. This is why I concur with Tinker et al (1991) that without a fundamental critique of capitalism and transformation of its essential relations nothing of much substance will change. This is partly because as a socio-economic relation, capital brooks no ‘outside’, its logic is to expand and subsume all ‘stakeholders’ within capitalist social relations, reconstituting both space (globally) and subjectivities to its essential logic of growth and exploitation. Social justice is an impossible ideal under exploitative social relations and “public interest” remains a formalist fiction within societies divided along class lines.

This (what I call) revolutionary accountability (based as it is on Marx’s dialectical materialist critique) is virtually irreconcilable with Rawlsian and Habermasian notions of accountability based as they are on reformism and democratic intersubjective discourse. Revolutionary accountability calls for democratic control of the social means of productions for the majority by the majority. This would entail abolishing class distinctions that currently make economic organisation appear more comparable to feudal hierarchies than to modern democratic regimes.

Revolutionary accountability adheres to a revolutionary telos that is virtually irreconcilable with the liberal accountability assumptions of the SEA projects (Gray et al, 1988, 1995; Gray et al, 1996; Guthrie and Parker, 1999; Power and Laughlin, 1996), which share an underlying faith that the current social system could be reformed and that the accounting profession could be a mechanism for change through the notion of an overlapping consensus (Lehman, 2001). xvi

The Habermasian assumption that consensus can be reached under ideal speech conditions is problematic. At the practical and ontological level, the existence of exploitative and oppressive social relations precludes the possibility of real consensus between capital and labour. There can be consensus at the subjective level between capital and labour interlocutors but at the objective level of people’s relations to the mode of production, real antagonism persists between the interest of
capital to maintain existing capitalist social relations and (what C. Wright Mills calls) the “long-run, general and rational interests” of labour to abolish such relations.\\footnote{19}

Recognition of this antagonism does not negate dialogue but it does introduce a different modality of dialogue mediated not by a consensual supposition but by the supposition of struggle, \textit{class struggle}. Freire’s notion of dialogue (read through Marx) can account for the existence of real contradictions and antagonisms and hence the centrality of class struggle for progressive social change (McLaren, 2000) and hence could be used by SER and stakeholder engagements for analysing and developing dialectical understandings of organisation-stakeholder relationships.

The liberal accountability emphasis on procedural practical rationality precludes full discussion of the relationships between accounting and the community and accounting and the state and thus leads to an overblown assumption of discursive human agency (Lehman, 2001). The Habermasian objective of empowerment through dialogue is constrained from the outset within liberal accountability frameworks by overlooking ontological and practical factors that prevent full expression and consensus within the discourse arena. The proceduralism of liberal accountability drawn from Habermas and Rawls is constituted by the dubious assumptions of pluralism and consensus and is stuck within the logic of reformism.

Revolutionary accountability involves taking responsibility for not only the groups and communities one belongs to but also the socio-economic system one is enmeshed in. This revolutionary accountability is made possible by a dialectical approach to historical materialist critique. Anything less than this allows the reproduction of the value form, anything less is reproductive praxis. Dialectical critique of capitalism is important to a revolutionary notion of accountability because it allows us to take responsibility (by debating, discussing and acting) for not only stakeholders deemed relevant by legal and social contractual norms but also for the global totality of capitalism.

Based on the arguments made above, I would expect dialogic SER and dialogic stakeholder engagements to be underpinned by some notion of revolutionary accountability. This would incorporate dialectical materialist critique of capitalism generated through co-investigation, problematisation and discussion by co-learners. Dialogic learning processes would always begin with the existential conditions and experiences of participants and then linked to dialectical materialist critiques of the totality of capitalist social relations and other relations of domination and oppression in order to develop critical (dialectical) consciousness.

\section*{VI \quad \textit{RE-THINKING JUSTICE}}

For liberal accountability frameworks, the notion of justice serves to guide the reform process of making corporations and businesses more accountable to society. Marx’s ideas however challenge such juridical notions of justice, because they are often re-configured to justify capitalist exploitation and to legitimate surplus value extraction. It is a subject of debate as to whether Marx’s philosophy adhered to a transhistorical or relativist notion of justice (I think it contained both) (Callinicos, 2000; Cole, 2001), but in either case, substantive justice is impossible within capitalism. Appeals to the concept of social justice will not bring about transformative change – workers (anti-capitalist) struggles are needed for that. A dialectical understanding of the state
would also caution us against looking towards the state for conceptual understandings of justice. In fact, a fundamental premise of revolutionary consciousness and revolutionary transformative politics is the replacement of the state rather than its reform (Cole, 2003).

It can be argued that Habermasian and Rawlsian theories of justice, on which liberal accountability is based, are virtually irreconcilable to Marx's critique of political economy and serve as theoretical apologias for capitalist exploitation. If SEA (including SER) is to serve as a way of enhancing well being and democracy (Gallhofer and Haslam, 1997) it will need a framework that can unpack the (mainly social) obstacles to individual and collective development, a framework perhaps best provided by a dialectical approach to a historical materialist critique.

By reducing the role of moral theory to construction of procedures capable of validating particular norms and assertions, Habermas reduces the constitution of justice to intersubjective, juridical relations. This political theory of justice (which parallels Rawls' procedural approach to justice) attempts to harmonise individual interests in the private sphere. But as Bensaïd (2002) correctly points out, you cannot allocate the collective productivity of social labour individually, the concept of consensus and cooperation is a formalist fiction because you cannot reduce social relations of exploitation to intersubjective relations (McLaren, 2001).

The result is that under Habermasian and Rawls-inspired liberal accountability frameworks it is possible for inequality to exist as long as the inequality makes a functional contribution to the expectations of the least advantaged in society (so long as the cake gets bigger, the smallest shares continue to grow even if the larger share grows more quickly and the difference between them increases).

Reducing collective productivity (and hence accountability) to intersubjectivity and communicative rationality dissolves class and property relations in a formal world of inter-individual juridical relations. It lowers the capacity of (intersubjective Habermasian) discourse to take responsibility for a global capitalist system that overflows the bounds of intersubjectivity, which totalises and subordinates all aspects of social life to the law of value. Political theories of justice, such as that of Habermas or Rawls do not hold in the face of real, existing inequality premised on the reproduction of social relations of exploitation (McLaren, 2001). Liberal interpretations of dialogue are therefore constrained within a hermeneutic horizon that accepts a priori the despotism of the market and the exploitative nature of the capital-labour relation.

The reality of global capitalism and its preconditional and resultant corollaries requires a different form of dialogue to the procedural model of liberal accountability because it is incapable of addressing the process whereby labour-power is transformed into human capital and concrete living labour subsumed by abstract labour. The totality of capitalism and the movements of value elude the interpretive capacity of communicative action and require a dialectical understanding that only historical materialist critique best provides.

To transcend Habermasian and Rawlsian limitations, SEA accountability frameworks require a reconstituted notion of dialogue that grounds itself on a dialectical approach to historical materialism. I argue that this notion of dialogue can be found in a Marxist interpretation of Freire's dialogic approach to education. The liberal values of democracy and "equality of respect" are noble and worthy ideals but they are inadequate as political tools for mobilising wide-reaching social changes because
they overlook the conflictual, antagonistic impetus of social change, antagonism that is rooted in class struggle.

Dialogic SER and stakeholder engagements provide sites where a dialectical, transhistorical revolutionary notions of justice can be practiced, within transformed educational relations that are to the furthest extents possible, outside of capital’s value form. It can serve as preparation for revolutionary struggles.

VII RE-THINKING THE POLITICS OF SOCIAL CHANGE: FROM EVOLUTION TO REVOLUTION

The ideas of both Marx and Freire render the politics of reformism problematic. Accounting reformism is based on limited or reproductive praxis insofar as it fails to challenge (via critique and politico-material action) the material structures of exploitation rooted in the capitalist mode of production. In contrast this paper calls for revolutionary transformation of the state and of capitalist social relations.

While accounting reformism does have some pragmatic value (Gray, 2002b), the recent moves away from procedural notions of dialogue, the problematising of corporations as the privileged agents of change, the calls for critical hermeneutics within the public sphere (Lehman, 1999), and calls for the use of dialectical logic within accounting reform debates (Lehman, 2001) point to an important insight: reformism and pluralism are not enough to effectuate progressive social change. “Debate” and “discussion” alone are not enough to effectuate social change.

Marx’s critique of capitalism makes it clear that what underpins exploitation and requires transformation are our habituated behaviours and practices that maintain the dialectical contradictions of capitalism. Transformation of these social relations does not come about simply through “debate” and “discussion” alone but through collective politico-material struggles for greater economic, political and social democracy.

We have no choice but to act within capitalist social relations, but (and this might be where this paper parts company with the conservative/liberal positions of Gray/Owen/Parker et al) while we are living and struggling within the belly of the beast, SEA and SER will need to develop a vision of working outside of capitalism’s value form of labour and this stance presumes a revolutionary as opposed to reformist praxis.

One way of developing these visions is through a re-constituted SEA and SER praxis that uses Freire’s notion of dialogue as a mode of promoting revolutionary (cf. reformist) consciousness. These visions of a post-capitalist society will have to be in the subjective “what if” mode of inquiry to be democratically debated and discussion within transformed educational relations. However, these visions are given critical content if they are derived from an uncompromising, collectively generated dialectical critique of the capitalist totality. A reconstituted notion of dialogue that incorporates historical materialist critique can be found in a revolutionary reading of Freire’s critical pedagogy.

Habermas had criticised Marx for not addressing the role of communication in communities, for adopting questionable political proposals for social change, and for
under-specifying what the new institutional frameworks would look like in a transformed society. However, what Habermas overlooks is that the new society, and its new institutions are to be created not by intellectual elites but by the released creative energies of the revolutionary working masses (Dunayevskaya, 1971). Marx was not concerned with providing a detailed blueprint of a new, transformed society; instead, he wanted to provide a way through dialectical philosophy of releasing the creative energies of the masses so that they could engage in the making and remaking of history.xxvii

Habermas’s communicative reconstruction of historical materialism, on the other hand, remains limited because of its undialectical proceduralism and instrumentalism. His theory of communicative action is an ultra-cognitivist, instrumental and proceduralist depiction of communication and language, which dissolves class struggle, labour and conflict into the reified meta-ethical forms of consensual neo-pluralism.

To transcend these restrictions a dialectical approach to communication is required, an approach found in Paulo Freire’s dialogic philosophy. Freire’s notion of dialogue pays heed to the dialectic and grounds itself on critical/revolutionary praxis and thus, transcends the orbit of reformism on which Habermasian and Rawlsian approaches to accountability are based.xxviii

A dialogic SER therefore would place class struggle, class exploitation as a fundamental leitmotiv of its practices and would strive to critically deconstruct all other forms of domination and oppression. It would aim to mobilise people to transform society into one outside of capitalism’s value form, that is, where all people can live fulfilling lives as opposed to only a privileged few. It would aim to develop dialectical consciousness, which would lay bare the social contradictions of capitalism and people’s complicity in sustaining capital’s conditions of existence.

Dialogic SER and dialogic stakeholder engagements would essentially be pre-figurative, pro-alternative, counter-hegemonic exercises that would allow people to experience, if only in an abbreviated fashion, relations, behaviours and activities that are opposite to capitalism and other relations of oppression, and within which they can learn to “critically read the world” and glimpse humanity’s possible future beyond the horizon of capitalism (Allman, 2001). Dialogic SER would develop visions of human socio-economic organisation that are ecologically sustainable and socially just.

While the development and specifics of this vision are to be done by the masses, one could argue that such a world is theoretically “outside” of capital. For capital and the law of value to be abrogated, it requires freely associated labour, freely associated peoples (Dunayevskaya, 1971, 1973). Abolishing private property is not enough. Transferring private property to state ownership is not enough. Reforming liberal democratic institutions (such as accounting) is not enough.

It requires critical/revolutionary praxis unleashed by the masses, by freely associated peoples. This condition requires an accounting that can foster such revolutionary consciousness. This is the revolutionary impulse behind Lehman’s (2001) call for the use of dialectical logic within accountability frameworks; this is the revolutionary impulse behind Tinker’s (2005) call for Hegelian-Marxist methodology.xxx Critical accounting researchers have not (in the past) articulated fully the political implications of their theories and research (Moore, 1991), however, as far as Marxian accounting research goes, this revolutionary consciousness and this revolutionary struggle is what it aims to foster.
VIII IMPLICATIONS FOR DIALOGIC SER AND STAKEHOLDER ENGAGEMENTS

It is unclear whether corporate-led SER and stakeholder engagements can manifest the political will to engage in revolutionary social transformation and researchers have expressed scepticism as to their ability to do so (Lehman, 1999). If so, then accountants (researchers and professionals) need to consider pathways from wider civil institutions, organisations and groups through which to practice revolutionary social accounting and revolutionary accountability.

At the moment it can be said that SER reports, in their capacities as educational technologies, do not practice anything close to Freirean dialogics (Thomson & Bebbington, 2005). As Thomson and Bebbington noted, SER reports tend to disclose a ‘monological’ as opposed to dialogical account of the organisation-environment relation. Stakeholder voices are rarely included and if so, tend to take a subordinate role to managerial or shareholder voices. Stakeholder engagements are also impoverished because of their undialogical approach to engagement. Power relations are rarely equalised, and agendas are rarely up for debate and critical inquiry (Thomson & Bebbington, 2005). Although Thomson and Bebbington (2005) do emphasise the need to equalise power relations, they do not specify what that would entail. I would argue, equalisation of power relations would entail struggling for collective ownership of the means of production and removing class exploitationFurthermore, the development of dialectical consciousness is rarely if ever made a control objective of SER or stakeholder engagement processes.

Drawing from Marx’s work and Freire’s educational approach, it is possible to construct a propositional outline of what SER and stakeholder engagements would entail if they adopted critical/revolutionary praxis.

A critical/revolutionary SER would provide an account of the totality of reality, focussing on its material production relations, especially its organisation-stakeholder and organisation-environment interactions. Dialectical contradictions would be uncovered and critiqued so as to present its effects on organisational members and organisational stakeholders.xxx

The accountability framework underpinning SER orientations to learning would no longer be uni-directional, from organisations to stakeholders, but would involve the collective input and commitment from all parties concerned (a point acknowledged by Thomson and Bebbington, 2005). Moreover, the ethos behind accountability would no longer be oriented along the lines of legal obligations or a liberalised “public interest” but transformed towards revolutionary social transformation that extends to the totality of capitalism.

A revolutionary accountability framework underpinning dialogic SER and stakeholder engagements would involve identifying dialectical contradictions not only within learning processes but also within the social fabric and struggling collectively to resolve them. Revolutionary accountability entails striving to link the embodied
practices of organisations and stakeholders to the totality of capitalist social relations, which would be part of the larger struggle of collectively taking responsibility for, and transforming the socio-economic system of capitalism.

This is an expanded notion of accountability that goes beyond representative or deliberative forms and dialectically unites people with the social system and decentred ‘others’ that are often excluded from extant SER reports. It is a necessary step in taking responsibility for our capitalist socio-economic system. For myself, I cannot see this being realised unless we move from the discursive/ideological critiques that can be engaged within the learning processes of SER and stakeholder engagements to the material-political activities of class struggle.

**IX CONCLUDING THOUGHTS**

Bringing about authentic social change, where the needs of all people are met, where we treat all people with integrity and respect and where the environment is protected, respected and enhanced will involve human beings collectively and creatively taking responsibility for the fundamentally flawed socio-economic system of capitalism, a system that is insatiable in its quest for value, its thirst for accumulation and expansion and its logic of exploitation and alienation. This system has historically been created by human and it can be changed by humans. Its relations are nothing but the products of history and are reproduced and perpetuated by human beings in their daily, sensuous activities.

Critical consciousness not only develops deeper understandings of our social, economic, cultural and political challenges facing the human condition, but it also makes it clearer that change is desirable. We as accountants, academics and people with ties to our respective communities need to consider the role of SER and other accounting practices in propagating a system that is as violent as it is mesmerising. What we require is information that covers not only organisational impacts but is capable of collectively taking responsibility for an exploitative social system.

It is hoped that this paper offers some insights into how accounting can reconstitute its practices so that it can truly say it is for the public interest. Achieving the substance behind this rhetoric will involve amongst other things, ridding this world of social relations that prevent the flourishing of all people and the environment we inhabit and reconstructing an accounting that is outside of capital's value form. This reconstruction will involve “debate” and “dialogue” but it will also involve that unsavoury process called the class struggle.
This revolutionary accounting is not found in Mainstream or Financial Accounting nor is it necessarily directed at the Accounting Profession and its current practices and capitalist interests. It is found instead in accountability relations (activities, behaviours, ways of thinking) that struggle to collectively say “No!” to capitalism and to struggle for a way of life that is empowering for all and free of exploitative and oppressive social contradictions.

From this perspective the role of accounting would be to enable critical and revolutionary praxis that develops, struggles for and agitates for a society outside of capitalist social relations.

This paper does not underplay the existence or importance of other forms of exploitation or oppression such as racism or sexism; but it does however stress the centrality of class to capitalist social relations of production and essential for producing and reproducing cultural and economic activities of humans under the capitalist mode of production. Ending racism or sexism will not guarantee an end to capitalist social relations of production but ending class inequalities, by definition, means the abolition of capitalism and the end of its historically specific form of exploitation and its abstract form of social domination.

I use Marx’s work to ‘read’ or interpret Freire because it not only gives Freire’s concepts such as ‘praxis’, ‘contradiction’ and ‘dialectic’ more precision, but it also preserves the revolutionary and emancipatory intent which drives his educational philosophy. Many liberal and progressive educators have diluted the criticality of Freire’s thought because they have dispensed with its grounding in dialectical materialism (McLaren, 2000).

The work of Paulo Freire has been applied within a wide range of disciplines that address the issue of social change, and is in part due to recognition of the role that education and communication play in social change processes.

Marx’s approach to human-nature relations is internal and hence dialectical (Tinker and Gray, 2003). Marx’s dialectical explanation of capitalism leads us to conclude that real sustainability is impossible under capitalism: the material social relations of capitalism negate such possibilities. Commodities are produced not in terms of their sustainability but in terms of their ability to realise profits.

While the social injustices mentioned do have a material basis, they are not wholly reducible to capitalist social relations. However, they are conditioned by capitalist social relations and become the results of those relations. For example, though racism and sexism predate capitalism, it serves capitalist society well by enforcing a division of labour, and legitimates greater rates of exploitation. It also serves to deflect attention away from the relations which people experience racism and sexism, thus keeping social struggles divisive and fragmented.

Marx begins with the commodity in his scientific explanation of capitalism as it encapsulates all the essential relations and contradictions of capitalism.

During the Golden Age of capitalism, relative surplus value extraction was the main method of extortion, however since that time there has been an increase in the extortion of absolute surplus
value, witnessed in the sweatshop factories of the developing world and increasingly in the developed world (Allman, 2001).  

I use the term forces of production in the dialectical manner of Tinker and Gray (2003). Ideas or ideological forms of thinking and scientific knowledge can also become social forces of production (Allman, 2001; Tinker and Gray, 2003). They can be used to increase productivity, to increase the ratio between necessary and surplus labour in favour of the latter. These ideological forms of thinking become dominant through hegemonic practices and are nothing more than an expression of the material relations that are dominant within society (Marx and Engels, 1846; Gramsci, 1971).

I think the following quote brings home the importance of these relations quite nicely: "Marx discovered the law of development of human history: the simple fact, hitherto concealed by an overgrowth of ideology, that mankind must first of all eat, drink, have shelter and clothing, before it can pursue politics, science, art, religion, etc.; that therefore the production of the immediate material means, and consequently the degree of economic development attained by a given people or during a given epoch, form the foundation upon which the state institutions, the legal conceptions, art, and even the ideas on religion, of the people concerned have been evolved, and in the light of which they must, therefore, be explained, instead of vice versa, as had hitherto been the case." http://www.historyguide.org/intellect/marx.html

Historical experiments in “living socialism” are testament to this limited conception of socialism and/or communism. Revolutionary change is change that abolishes the relations which sustain dialectical contradictions, reformist change merely deals with the “surface” phenomena or the effects of dialectical contradictions and hence legitimates rather than transforms the relations that such contradictions are composed of.

With his dialectical approach to reality and consciousness, Marx was able to trace the preconditions and development of capitalist society and its emergence from previous societies (slave, feudal) into the future as well as the forms of consciousness it gave rise to. He was also able to project capitalism’s ongoing development into the future, foreseeing, inter alia, ongoing capitalist crises, colonization as a result of capital’s cumulative logic, and the creation of a world market. Rational dialectics is a philosophy of internal relations and because of Marx's rationalization of dialectics; he was able to give ‘abstractions’ such as ideas, subjectivity, consciousness, ideology and discourse, a materialist basis (Ollman, 1976).

It also enabled a materialist basis to ground all of life itself: in capitalist societies, as more and more of life becomes subsumed under commodity relations, it is labour that give their life and experiences to produce and reproduce the conditions for capitalist societies, whilst capitalist qua capitalist do not require the same qualitative commitment in production. For Marx, materialist relations, such as those embodied within the commodity form, took on an ontological, quasi-objective status (Postone, 1996). Commodity relations thus mediate life under capitalism. Identities and subjectivities, were irreducible to, but nevertheless conditioned by, commodity relations. Class becomes the structuring principle for the social totality in which all other relations are mediated (Butler et al, 2000). Rational dialectics enabled Marx to trace the inner connections between what would otherwise be taken as separate phenomena such as capital-labour; forces of production-mode of production; use-value-value-surplus-value; and production-exchange-distribution-consumption, and to relate it to, and as, the social whole. Society or reality is often referred to as the ‘totality’, however, with Marx, totality acquires a specific conceptualisation. For Marx, reality was not only intimately interconnected in the everyday sense (“everything is connected to everything”) but could also be wholly grasped if it is conceptually organised
according to its fundamental internal relations. When referring to social reality, totality is the interlocking social relations that characterise capitalist society (production-circulation-exchange-consumption). It is a human structure generated by the sensuous activity of human beings via the capital-labour production relation and bound together by the form of value. It is activity that forms consciousness and is also conditioned by consciousness. In our age of global capitalism, ‘totality’ becomes an even more apt description of capitalist society, because it is even easier now to see the totalising and universalising tendencies of capitalism, tendencies that were uncovered by Marx 150 years before. Rational dialectics uncovers the essential forms and processes that people engage in producing society. It uncovers unequal reciprocities in material relations and thus enables people to see how these relations give rise to the dominant modes of thinking and also the ways they constrain and enable human self-activity.  

xvi Thomson and Bebbington (2005) have used Freire’s dialogic education as a heuristic to evaluate SER practices, however, by underplaying the Marxist leitmotiv underpinning Freire’s educational philosophy I argue that they underplay the revolutionary implications of his ideas. For example, they do not stress the importance of dialectical logic to dialogic education or the central and essential nature of class (and class struggle) to capitalist social relations and the role of dialogic education for understanding capitalism, combating exploitation and transforming its dialectical contradictions.  

xvii Habermas argues that social evolution and change can be enabled by intersubjective dialogue through the arena of discourse. It is a discourse concerned not so much with the normative content of communication and dialogue but with the procedural rules governing it. The assumption of Habermasian accountability is that disagreements at the level of particulars can be settled at a more general (rational) level, when we constantly give ground to the better argument; it emphasises the transcendental possibilities of dialogue through the discourse process (Lehman, 2001).  

xviii This paper critiques the notion of an overlapping consensus, arguing that it is often a formal justification for capitalist exploitation and the legitimization of surplus value extraction and exchange. Habermasian and Rawlsian accountability frameworks impoverishes the enabling potential of SER and other forms of SEA because they do not transcend the limits of ultra-cognitive communicative rationality (Lehman, 1999, 2001, McNally, 2001) or the bounds of juridical theories of justice on which they are reliant (Bensaïd, 2002).  

xix I would also argue that it is becoming increasingly obvious that capitalist social relations and the law of value is a major cause of environmental destruction due to the insatiable appetite of accumulation and expansion and the market imperative of subsuming all use values (including ecological protection) to the overriding value markets recognise, exchange value. Hence it can be argued that it is becoming in the interests of all people worldwide (not only those who come under labour or capital) to transformation the capitalist mode of production.  

xx Through this move, Habermas shifts not only the universality of moral maxims from the total social population to the individual participants of the discourse process itself (Lehman, 2001) but he also reduces social justice to intersubjectivity and juridical relations.  

xxi In response to Lehman’s (2001) question, “can social and environmental accounting be justified using the work of Rawls and Habermas?”, I would argue that social and environmental accounting cannot be insofar as it seeks to adhere to an emancipatory telos.  

xxii For example, neoliberal ideology; super-exploitation of labour; especially women; imperialist wars; crises of overproduction; structural unemployment; uneven development; and ecological and humanitarian devastation.  

xxiii In other words, accounting can be enabled to act in the public interest but a necessary step in this enabling process is to recognise the impossibility of such a state within societies that are
divided along class lines. Lehman (2001) asked the question, “Can accounting be enabled to act in the public interest?” I would answer in the affirmative but this would mean making explicit the processes of class exploitation and advocating for class struggle in order to remove class antagonism. An accounting that truly catered for the public interest is only possible within a transformed society, a classless society. While we are caught within the vortex of capitalism, accounting would be best served in making explicit the (mainly social) obstacles to revolutionary social transformation (Tinker, 2005).

This does not advocate for violent revolutionary overthrow but for the ability of workers to control the means of production and to creatively and critically engage in the transformation of society beyond capitalist social relations.

Lehman (2001) develops a placement ethic that attempts to transcend the limitations of Habermasian and Rawlsian proceduralism within liberal accountability models by exploring points of intersection between Habermas and Marx, introducing dialectical logic into accounting debates and decision-making, and advocating for an expanded notion of practical reasoning within the public sphere. This move effectively forces liberal accountability proponents to address the Marxian insight that capitalism deflects and absorbs critique and the Marxian critique of the state, which challenges the liberal assumption that reform is possible. Lehman (2001) represents a constructive, nuanced attempt at reviving the social accounting and SEA projects by exploring the synthetic possibilities between the critical accounting projects and corporate SEA. This paper seeks to contribute towards Lehman's efforts of revitalising SEA projects by looking at how its educational processes (within SER and stakeholder engagements) can be enabled in a progressive, revolutionary ways.

I am not talking about armed revolt but about the ability of workers to take control of society through non-violent means.

Habermas also overlooks the subsequent development of Marxist theories of language (i.e. Voloshinov and Benjamin), education and communication (i.e. Gramsci and Freire), which have extended the sphere of historical materialism into the communicative realm, whilst preserving the movements of the dialectic.

It also contains theoretical developments that directly address the limitations of the vanguard party as the enabler of social change, and offers insights into what a new transformed society may look like. Freire's notion of dialogue, then, offers a rich theoretical framework for reviving the SEA project.

If we are to have better conversations about appropriate methodologies for critical accounting, then we need to make clear the political implications that they express (Moore, 1991). This is what I believe underpins Tinker’s (2005) call for critical accountants to adopt Hegelian-Marxist dialectics as a research approach because it can name and analyse the dialectical contradictions of capitalism and can raise dialectical awareness of how they insinuate themselves into various contexts.

Thomson & Bebbington (2005) have already introduced Freire to the accounting literature, using dialogic education as a heuristic for evaluating SER practices. However, I believe that reading Freire through Marx provides insights into Freire’s philosophy that the paper does not focus on – for example, the importance of dialectical consciousness in dialogic education and its revolutionary (as opposed to evolutionary) intent.
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