

# DEMOCRATISING ACCOUNTING AND ACCOUNTABILITY: An Exploration of Social Movement Counter-Accounting Practices and Engagement Strategies

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**SANFORD**  
ANNUAL REPORT  
2015

**SALT IN OUR VEINS**

**STATEMENT OF FINANCIAL POSITION**  
AS AT 30 SEPTEMBER 2015

<b>Equity</b>
Paid in capital
Retained earnings
Other reserves
Total equity attributable to shareholders of the Company
Non-controlling interest
<b>Total equity</b>
<b>Non-current liabilities</b>
Term loans (secured)
Contributions received in advance
Employee entitlements
Derivative financial instruments
Deferred taxation
Lease obligation
<b>Total non-current liabilities</b>
<b>Current liabilities</b>
Bank overdraft and borrowings (secured)
Current portion of term loan (secured)
Derivative financial instruments
Trade creditors
Other creditors, provisions and accruals
Employee entitlements
Taxation payable
Liabilities held for sale
<b>Total current liabilities</b>
<b>Total liabilities</b>
<b>Total equity and liabilities</b>
<b>Non-current assets</b>
Property, plant and equipment
Intangible assets
Derivative financial instruments
Biological assets
Intangible assets
<b>Total non-current assets</b>
<b>Current assets</b>
Cash on hand and at bank
Trade debtors
Derivative financial instruments
Other debtors and prepayments
Biological assets
Inventories
Assets held for sale
<b>Total current assets</b>
<b>Total assets</b>

**OUR BUSINESS FOCUS AREAS**

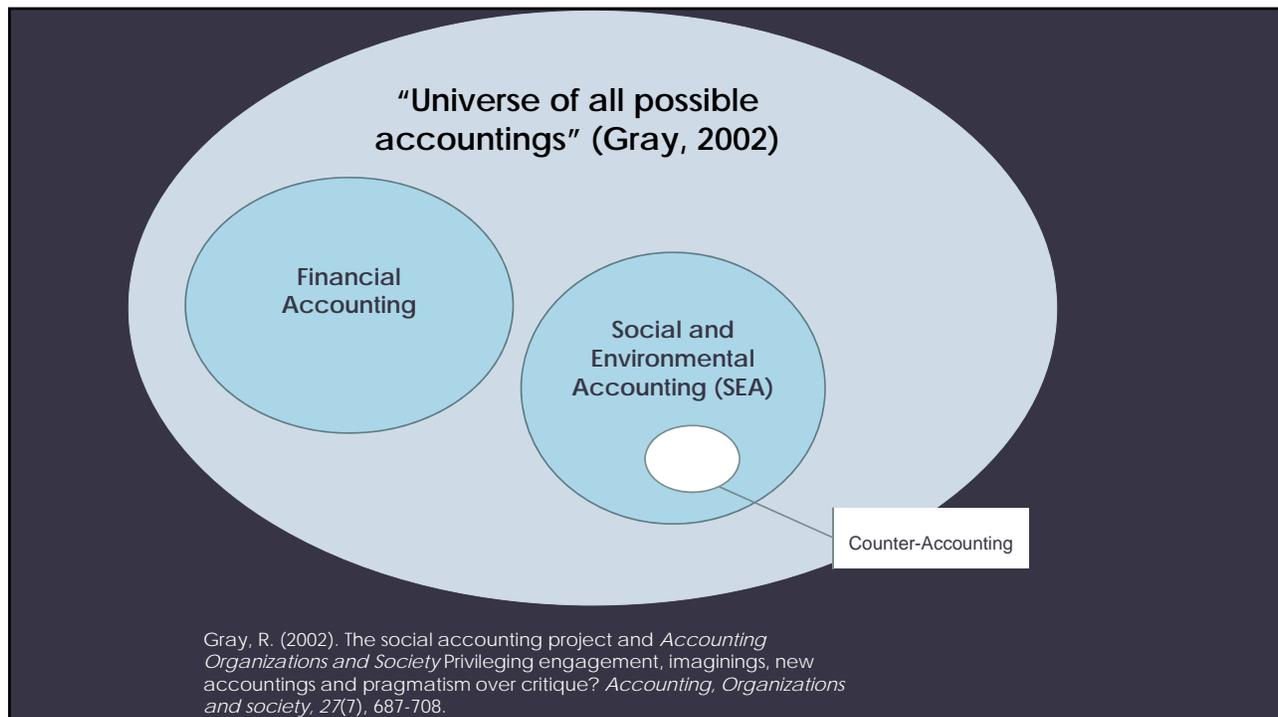
<p>— VALUE —</p> <p>OPTIMISE VALUE OF OUR BEAUTIFUL NEW ZEALAND SEAFOOD</p> <p>PAGE 16</p>	<p>— BRAND —</p> <p>ENHANCE OUR BRAND AND LIVE OUR VALUES</p> <p>PAGE 41</p>
<p>— QUALITY —</p> <p>CONSISTENTLY PRODUCING QUALITY SEAFOOD</p> <p>PAGE 24</p>	<p>— INNOVATION —</p> <p>CREATING A CULTURE OF INNOVATION AND CUSTOMER SERVICE</p> <p>PAGE 43</p>



## Research Motivations



Baghdad, 1988



## Social and Environmental Accounting (SEA)

- ➔ SEA can be articulated as a combination of accounting (Gray et al., 1996, pp.3, 11):
  - ➔ for different things (i.e. other than strictly economic events);
  - ➔ in different media (i.e. other than strictly financial reports);
  - ➔ to different individuals or groups (i.e. not necessarily only providers of finance); and
  - ➔ for different purposes (i.e. not necessarily only to enable decision-making whose success is judged in financial terms).

## Corporate Produced SEA: Criticisms

- ➔ Concern over the reporting deficiencies, reporting rhetoric, and motivations underlying CSER practices.
  - Completeness, reliability and dialogic objectives of CSER questioned.
- ➔ Legitimacy, stakeholder management, and masking conflict > pursuit of democratic dialogue and accountability.
- ➔ Stakeholder engagement dominated by corporate agenda.

## Research Overview

### Research Aim:

To explore the role that social movement (SM) actors can play in promoting corporate accountability and effecting corporate social change in democratic societies.

### Counter-accounting(s):

Forms of "unofficial" accountability information and reporting systems employed by social movements to promote their causes, critique corporate conduct, and/or problematise business-orientated framings of issues.

### Social Movements:

- ➔ "...purposive and collective attempt[s] of a number of people to change individuals or societal institutions and structures" (Zald & Garner, 1987, 'p.123) and "solve social problems" (Rao, et al., 2000, p.244).
- ➔ Activist groups as "stakeholder groups" that represent a social movement" (den Hond & de Bakker, 2007).
- ➔ Encompass a wide range of mobilisations.

## Research Methodology and Methods

- ➔ Methodology: Critical dialogic engagement
- ➔ Methods: Dialogic interviewing, collection of documents and artefacts
  - ➔ 28 interviews (face-to-face, telephone, Skype, e-mail) with SM actors
  - ➔ 11 interviews with SM and accounting academics

## Emergence of Counter-Accounting

- ➔ Counter-accounting has antecedents that precedes corporate-produced SEA
- ➔ More recent roots can be traced to the 1960's and 1970's:
  - ➔ Social Audit Limited
  - ➔ Counter Information Services (CIS).

# The Anti-Reports of CIS

“The purpose of this report is to tear away the corporate mask and expose the company through its actions and the way in which these affect us all.” (RTZ Anti Report, 1971)

# Further Contemporary Examples of Counter-Accounts

**Corporate Watch** corporate critical research since 1996

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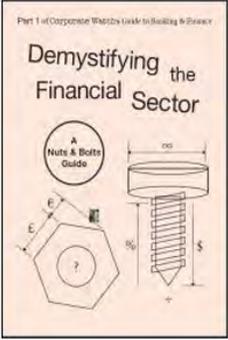
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**Back to its old ways? CDC's new Indian investment fund registered in tax haven**  
 Last June, the development secretary Andrew Mitchell told parliament he intended to "reconfigure" the Commonwealth Development Corporation, promising it would not make new investments "in or through harmful tax regimes". So Corporate Watch was surprised to find its new, tax-generating investment in India is domiciled in Mauritius, a popular 'offshore financial centre' for investors looking to avoid Indian tax and unwanted scrutiny.

**DEAR CORPORATION**  
**Secret Serco: Open letter to London Transport Museum and the Association of Illustrators**  
 For the third year running, Serco has sponsored an arts contest organised by the London Transport Museum, in partnership with the Association of Illustrators. Corporate Watch has written to the event's organisers highlighting the "secret, hidden or little known" aspects of Serco's business empire, and asking them to drop Serco's sponsorship, which only serves to obscure the company's controversial activities.

**Demystifying the Financial Sector**  
 Part 1 of Corporate Watch's Guide to Banking & Finance  


**Targeting Israeli Apartheid**  
 A Boycott, Divestment and Sanctions Handbook  
 Edited by Eran Jorisch  
 Produced by Corporate Watch  


## SMs: Engagement Strategies

- Social movement organisations "can be distinguished according to their ideological stance, since nearly all social movements divide into moderate and radical factions at some point in their development" (den Hond and de Bakker, 2007).
- Strategies: reformative vs. radical i.e. working with or against corporations.

Continuum of strategies:



## Findings: Perspectives on Corporate Reporting

- Interviewees criticised the business-case approach to CSR and corporate SEA reporting.
- Corporate-based SER – poor quality and lacking in credibility.
- Two contrasting perspectives:
  - Some interviewees nonetheless supportive, arguing that they are a positive development, opening up dialogue and debate around social, environmental, and ethical corporate accountability issues.
  - Others highly critical of voluntary corporate initiatives, perceiving them to be forms of “greenwash” and PR.
- Regulation important but be aware of corporate lobbying and coercive power.
- POSSIBILITIES FOR CRITIQUE: through analysis of corporate reporting.

## Findings: Counter-Accounting – the WHAT, WHY & HOW

Table 7.1: A summary of this study's findings on counter-accounting practices

COUNTER-ACCOUNTING: AN OVERVIEW			
<b>Definition</b>	All forms of reporting and information mechanisms and processes employed by external (to an “accountable” organisation/group) actors (e.g., SM actors, civil society participants) with a view to promoting their values and/or challenging official and powerful institutions/groups/persons (e.g., corporations/corporate industry)		
<b>Types</b>	<table border="0"> <tr> <td style="vertical-align: top;"> <b>Formal</b> <ul style="list-style-type: none"> <li>• Comprehensive reports/exposés</li> <li>• Detailed narratives/stories of individuals/groups impacted by corporations</li> <li>• Critical analysis of CSEA and/or financial information (data-driven)</li> <li>• Majority published and available online</li> </ul> </td> <td style="vertical-align: top;"> <b>Informal</b> <ul style="list-style-type: none"> <li>• Journalism/news-style reports</li> <li>• Media releases</li> <li>• Information leaflets</li> <li>• Bulletin style information posts on social media platforms</li> <li>• Short messages conveyed in videos and other multimedia platforms</li> <li>• Advertising, culture jamming, e.g., alternative social-media accounts, images, and graphics</li> </ul> </td> </tr> </table>	<b>Formal</b> <ul style="list-style-type: none"> <li>• Comprehensive reports/exposés</li> <li>• Detailed narratives/stories of individuals/groups impacted by corporations</li> <li>• Critical analysis of CSEA and/or financial information (data-driven)</li> <li>• Majority published and available online</li> </ul>	<b>Informal</b> <ul style="list-style-type: none"> <li>• Journalism/news-style reports</li> <li>• Media releases</li> <li>• Information leaflets</li> <li>• Bulletin style information posts on social media platforms</li> <li>• Short messages conveyed in videos and other multimedia platforms</li> <li>• Advertising, culture jamming, e.g., alternative social-media accounts, images, and graphics</li> </ul>
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<b>Publication platform</b>	Online reports, hard copies, video documentaries etc. Websites, Facebook, Twitter, blogs, YouTube and similar online platforms, hardcopy pamphlets/leaves, online printed graphics etc.		
<b>Purposes(s)</b>	<ul style="list-style-type: none"> <li>• Offer alternative narratives and representations of corporate reality</li> <li>• Expose/make visible and/or problematise detrimental corporate social, environmental, and ethical issues/topics</li> <li>• Tool for communicating with and educating constituents and wider public</li> <li>• Tool for raising public awareness around corporate power and related issues</li> <li>• Provide information for <i>furthere</i> action – can be used by other SM actors and individuals to investigate campaigns, mobilise the public around specific issues, put pressure on their governments/regulators to enforce corporate accountability, protest/demonstrate etc.</li> <li>• Provide information to be used in conjunction with <i>other</i> action – informant to support and sustain ongoing campaigns, and other forms of action repertoires</li> </ul>		
<b>Ways to gather information</b>	<ul style="list-style-type: none"> <li>• In-depth “on the ground” (and sometimes grassroots) investigations (similar to investigative journalism/audits) – speaking to impacted individuals, communities, and other SM actors</li> <li>• In-depth “offsite” investigations</li> <li>• Analysis of corporate reports – both financial and CSEA</li> <li>• Working collaboratively with other SM actors who have access to people, information, and knowledge, i.e., forming “chains of equivalence”</li> </ul>		

## Findings: *Social Movement Engagement Strategies*

- Toolbox of action repertoires needed to challenge corporate hegemony and effect corporate social change.
  - From non-participatory to participatory actions
  - Demonstrations, picketing etc.
  - Counter-accounts
  - Shareholder activism
  - Legal action
  - Brand damage
- Interviewees were orientated towards either radical or reformative ideologies, BUT employed both cooperative and adversarial actions.
- Social change required diversity in engagement.
- “Chains of equivalence” – across movements, academics, industry

Thank you!

Questions / Comments?