



“No accounting for these people”: Shell in Ireland and accounting language

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ABSTRACT

Accounting lays claims to be the language of business: a clear, technical, unambiguous means of communication for decisions on investment and economic development. Accounting concepts have increasingly entered mainstream debate on issues affecting society at large. This makes the fairness and effectiveness of accounting as a mode of communication more important for social justice than ever before. In a contentious development, if the discussion is framed primarily in accounting terms, this may disenfranchise those parties to the dispute whose issues are not readily expressed in the common vocabulary of business. Their concerns may become invisible in the debate. If this happens, then accounting has failed as a means of communication, and that failure is non-neutral in that it favours those whose position is best supported by economic arguments.

This paper explores this phenomenon using the case of a dispute between Royal Dutch Shell and a local community in Ireland concerning a gas refinery located in an environmentally sensitive area. The issues in conflict are complex and at times intangible. I explore how the limitations of accounting as a language blinded the protagonists to an understanding of each other's concerns, marginalised the concerns of protestors from the public discourse, shifting power from objectors within the local community to those whose primary concern was the economic exploitation of natural resources. I argue that accounting failed as a mode of communication to progress a resolution of the dispute, and that this failure was both unnecessary, and systematic in its support of economic interests.

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1. Introduction

Accounting, in the sense of giving an account, aspires to act as a language in which, ideas around investment, value, and the competing rights of stakeholders can be discussed. Rowe (1998) argues that insofar as accounting is a language, it is limited in its domain to the technology of accountancy rather than the wider field of business. However, for any language to be useful, it should be spoken and understood clearly by all parties to a conversation, and must contain the vocabulary to express clearly the concepts which are important to all parties. Given that accounting and economic concepts have entered the mainstream and are often used to frame debates about contentious issues, the clarity and usefulness of accounting as a language is increasingly significant, particularly when parties are in dispute, and when there is an asymmetry of power.

The political role of accounting and the extent to which it has been used to support particular positions of power is the subject of much research. Accounting has often been seen as non-neutral. Burchell et al. (1980) argue that accounting originally developed as a way of supporting particular stances with divergent interests, but that it has now moved beyond being a system of calculation to become an influence for social management. Studies such as Cooper and Hopper (1988) have

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looked at its role in the coal disputes of the 1980s. Other works such as Pringle (1978), Neu (2000) and O'Regan (2010) have established how accounting served the needs of colonising powers in India, Canada and Ireland.¹ These and other papers have highlighted the difficulties created by accounting for uninformed actors seeking to engage in debate on public issues, and the way in which accounting seems to serve economic rather than societal interests. For example, Cooper and Hopper (1988) describes the relationship between profitability and economic value and the essentially contestable but true-seeming nature of accounting information. Since some knowledge of accounting is required to contest these figures, this effectively disenfranchises those who lack this specialist skill.²

I argue that the problem goes beyond mere access to the accounting information or to accounting skills. By now, economic norms have become so embedded into the public discourse that they have created a new way of thinking about issues, and a new form of language with which to discuss them. In order for non-professionals such as the public, employees or local communities to engage in dialogue with industry, not only must accounting information be available to enable them to build their case, but the language of accounting and economics must be capable of expressing that case. If members of the public have concerns that do not readily adapt to this language, they may find it difficult to express these in a way that is meaningful to industry and perhaps to their own public representatives and the mainstream media. Their concerns may then be sidelined as emotive, or in some way lacking in validity (Tombs, 1993). If this is the case, it is arguable that major industrial players need only frame any discussion on their activities in accounting or economic terms in order to effectively sideline non-economic concerns. This would mean that accounting not only fails as a communications medium, but systematically serves one limited set of stakeholders.

This paper looks at the use of accounting as a language by parties to a dispute between local residents and landowners in a remote area of Ireland, and Shell (E&P) Ireland around the issue of an onshore gas refinery and pipeline. Cooper and Hopper (1988) observe that the main advantage to focussing on a single dispute is that it is possible to isolate and contrast alternative perspectives, and to analyse their impact on the outcome of the dispute. This dispute forms a particularly interesting case study in which to examine the question for reasons set out below, centring on language, relative power and history. The greatest polarisation in the dispute is between those who see the main issue as an economic one, and those whose primary considerations are non-financial. This paper examines the language used by parties to the dispute, and examines how the use of accounting terms formed a barrier to understanding, and how the predominance of accounting discourse served to suppress some points of view. In doing so, it attempts to address the need cited by Tinker (1980) to examine the political and social precepts of accounting, and to explore the idea highlighted by Burchell et al. (1980) of the political role played by accounting information.

The remainder of this paper is laid out as follows: first, insights are drawn from the academic literature on how accounting functions as a language within the wider context of the links between accounting and neo-classical economics. Next the background to Shell in Ireland is outlined, together with the relevant history of the Erris area. After a description of the research methods used, interviews are analysed to isolate points of difference in the use of accounting language, issues which are not readily expressed in accounting terms and sources of incomprehension between the parties to the dispute. The paper concludes with a discussion of the findings, their implications, and avenues for future research.

2. The language of accounting

The Sapir-Whorf Hypothesis described in Werner (1994) suggests that people who speak and think in different languages have slightly different views of the world, and that the more dissimilar the two languages are, the greater is that difference. It follows that in polarised disputes, the language spoken is pivotal to an understanding of the views of the other. As outlined by Potter (2005), a literature has emerged over the last twenty years which examines accounting as a social practice which can enable or create a sort of “financial visibility” in public discourse for concepts which might otherwise not be understood. This relates to the power of professionals and academics to “name” certain concepts, described in Bourdieu (1982), and thus set limits on the points of view that are considered legitimate. As noted by Cooper (1992), by learning how to name a concept, we learn a fixed way of understanding it. While Parker (1994) describes how the vocabulary of accounting has been extended over the years, arguably accounting still fails to represent or express many fundamental issues in these terms.

Cowan et al. (2005) categorise any unexpressed knowledge as either unarticulable, or unvoiced. In discussing the reasons why such knowledge might not be expressed, they observe that:

... the economist says, knowledge is not articulated because, relative to the state of demand, the cost and supply price is too high. ... Without making any disparaging remarks about this view, we can simply point out that there is some knowledge for which we do not even know how to begin the process of codification, which means that the price calculation could hardly be undertaken in the first place (Cowan et al., 2005, p. 211).

This suggests that some ideas may not ever be adequately represented by accounting or economic terminology. An argument could be made that accounting by necessity demands that there will be specialist terms for which definitions will

¹ All references to Ireland in this paper are references to The Republic of Ireland.

² For example, Tombs (1993) notes that workers and the general public often lack the information they need in order to enter into dialogue with the chemical industries.

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