



Commentary

Commentary on Bryer's "Conscious practices and purposive action: A qualitative study of accounting and social change"



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ABSTRACT

This paper seeks to provide a general and informative commentary on Rose Bryer's paper, "Conscious practices and purposive action: A qualitative study of accounting and social change" (2011), which explores the role of accounting in the specific setting of *empresas recuperadas* (ERs). ERs (reclaimed enterprises) are businesses that have been brought back into operations as a cooperative by the workers when they were thought to be bankrupt. The commentary presented here focuses primarily on Bryer, but also discusses additional elements that may shed light on the unique phenomenon of ERs. As case studies, ERs provide an ideal context in which to research accounting change and test critical perspectives in accounting. This commentary focuses on the particularities of the socioeconomic environment that became the fertile ground of ERs, while also offering a long-term view of the phenomenon ten years after it was initiated. In particular, it undertakes a comparison between the initial situation and the situation in 2012. The commentary makes two key arguments: first, that accounting is an instrumental technology; and second, that the constructs that existed in 2001 have evolved significantly—and have even become partially obsolete—as diverse management forms emerged in successful ERs. This evolution is analyzed along five dimensions: (1) hierarchical organization; (2) property rights and the concept of profit; (3) community action and its links with access to financial resources; (4) the duality of members and non-members; and (5) the role of accounting reporting and discourse.

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1. Introduction

Rose Bryer's paper, "Conscious practices and purposive action: A qualitative study of accounting and social change" (2011) contributes a relatively fresh way of looking at accounting through a qualitative study of a particular entity in a turbulent environment. The following commentary focuses on Bryer's case study of the company named 'Gráficas El Mar' during 2004, in which accounting was used as a tool that allowed the members of the cooperative to find their independence through social action. This commentary discusses additional elements of analysis, in an aim to foster understanding of the unique phenomenon of *empresas recuperadas* (ERs) in the context of early 2000s Argentina.

By taking a longitudinal approach to the phenomenon, this commentary casts some doubts on the sustainability of the situation described in the case of Graficas El Mar. The particularities of the socioeconomic environment that gave rise to ERs ignored the rule of law and did not provide a clear account of ownership of assets (Mondino, 2006). The major contribution of

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the longitudinal study is its illustration of the actual magnitude of the phenomenon of ERs. Several unreliable sources, such as blogs and published interviews of activists and politicians, indicated that there were more than 600 or 800 ERs by 2002¹, while more reliable data indicate that when the movement was organized there were 162 or 173 by 2009 (depending on the sources). These data suggest that either the size of the movement was small or the survival rate was low. In order to find more details, a simple study was conducted with ERs located in the province of Cordoba. This study involved visiting a specific ERs situation, which was, in fact, regarded as one of the most successful case of ER (Lewis and Klein, 2004).

Although this commentary agrees with the Bryer (2014) that accounting is an instrumental technology, it must be noted that the constructs that existed in 2001 have necessarily evolved, having been rendered obsolete by a new management form that has emerged within the surviving ERs. Bryer's reported objective was to find out how accounting enabled the small enterprise to keep afloat after the original owners went bankrupt, and also, how it helped the employees find freedom and meaning within the community. However, the facts in 2012 reveal that the very successful ER visited had adopted a limited consensus-based decision making process, relied on expert advice regarding the company's accounting, and had devoted more time and effort to company's activities than community activities. Another clear example of change of constructs was provided by the ER that was visited for this commentary and by some of the sections of the new bankruptcy law passed on 2011: the segregation of ER workers into members and non-members (Bryer, 2014, p. 7).

This commentary is built around three main sections, none of which deals with the theoretical perspectives used, such as interpretive accounting or labor process literature. First, the commentary presents the socio-economic context of Argentina in the period 2000–2002 to situate the emergence of ERs in their proper context. This same section offers some views of how Argentina and its economy evolved until 2012. Second, a case of an ER that is still active and regarded as the most successful is explored in detail. This section aims at discussing how accounting use changes when certain factors from the context and from a longitudinal perspective are brought into the analysis. Third, it summarizes the key arguments from the article pointing out five critical aspects: (1) hierarchical organization, (2) property rights and the concept of profit, (3) community action and its links to governmental subsidies, (4) the duality of members and non-members and (5) the role of accounting reporting and discourse. The commentary closes with a conclusion that summarizes the evolution and changes experienced by ERs; highlights the characteristics of a successful ER in 2012 and discusses the implication of doing research in turbulent environments.

2. Effect of Argentina's macroeconomic and social context on ERs

Empresas recuperadas (reclaimed enterprises) are businesses that have been brought back into operations by their workers when they were thought to be bankrupt: they are often re-named and re-structured as workers' cooperatives (Vieta, 2010). It is impossible to identify a single event that explains the emergence of the ERs in Argentina. A combination of economic, political, and social factors created a situation so severe that continuing to operate an enterprise without having cleared all property rights was seen as a viable option for survival.

2.1. Argentine economic and social conditions

The economic crisis Argentina experienced at the turn of the millennium was a huge contributor to the birth of ERs. The situation in 2001 is rooted in a key decision made in 1991: the tying of the Argentine peso to the American dollar as a way out of the hyperinflation created by the uncontrolled printing of money. During the 1990s, Argentina was perceived as one of the most successful emerging economies, which allowed the country to issue significant quantities of bonds on foreign capital markets. By 2001, Argentine bonds accounted for 25% of J.P. Morgan's benchmark index of emerging-market bonds (Fanelli, 2002).

Yet, in December 2001, the democratically elected President resigned amid some violence, and the convertibility regime that had been introduced in 1991 was abandoned. Argentina did not react immediately to the international crisis of the late 1990s due to the electoral process it was immersed in. According to Fanelli (2002), as uncertainty about the future rose steadily due to a recession that was causing deterioration of the banks' assets, depositors rushed to cash their deposits (total deposits in the financial system fell by 16%). By December 2001, several banks experienced serious liquidity problems. With the intent of stopping the bank run, the government froze all bank accounts, big and small, but this decision, popularly known as '*el corralito*', drove the masses into a panicked frenzy as it prevented the public from having access to their funds deposited in the banking system (Bortot, 2003). At the same time, the liberalization of the exchange rate resulted in a significant devaluation of the Argentine peso (50% between December 20th 2001 and January 28th 2002). The freezing of all bank accounts, the debt default, and the depreciation of the peso induced an across-the board failure with respect to contracts and property rights. Fanelli (2002, 26) clearly describes the situation:

“the rate of utilization of resources is currently so low because the institutional and contractual infrastructure of the economy collapsed as a result of the abandonment of the currency board. Under such circumstances, it is very difficult

¹ Data mentioned directly or indirectly by various institutions that group and organize ERs: Federación de Cooperativas de trabajo de la Provincia de Buenos Aires (FECOOTRA), Federación Nacional de Cooperativas de Trabajo Reconvertidas (FENCOOTER), Movimiento Nacional de Fabricas Recuperadas por los Trabajadores (MNFRT), Comisión de Solidaridad con las Fabricas Retomadas, Movimiento Nacional de Empresas Recuperadas (MNER).

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