



ELSEVIER

Contents lists available at [SciVerse ScienceDirect](http://www.sciencedirect.com)

Critical Perspectives on Accounting

journal homepage: www.elsevier.com/locate/cpa

Free market environmentalism and the neoliberal project: The case of the Climate Disclosure Standards Board

Jane Andrew^a, Corinne Cortese^{b,*}^a *Discipline of Accounting, Faculty of Economics and Business, The University of Sydney, NSW 2006, Australia*^b *School of Accounting & Finance, University of Wollongong, NSW 2500, Australia*

ARTICLE INFO

Article history:

Received 12 October 2010

Received in revised form 24 April 2013

Accepted 20 May 2013

Available online 13 June 2013

Keywords:

Climate change

Carbon disclosures

Accounting standards

Climate Disclosure Standards Board

Neoliberalism

ABSTRACT

In the absence of good social, political, economic and environmental policy, the ecological status of the planet continues to deteriorate. In this paper, we argue that environmental decline has provided scope for new forms of policy-making, yet these emergent policies and policy-making bodies remain poorly understood. Drawing on the work of political geographers and political economists this paper explores the impact of neoliberalism on the development of global environmental regulation. We argue that climate disclosure practices and regulation have provided an opportunity to reinforce the ideological landscape of neoliberalism. In order to anchor this argument, we show that the origins of carbon regulation have emerged almost exclusively from within non-elected coalitions of multinationals operating through private, not-for-profit entities. These organisations continue to shape community expectations and influence government of climate change abatement strategies. To explore the impact neoliberalism has had on the environment, we examine the Climate Disclosure Standards Board (CDSB), its role, and its global impact on the regulation of reporting firms.

Crown Copyright © 2013 Published by Elsevier Ltd. All rights reserved.

1. Introduction

“much of the power of neoliberalism stems from the way in which it structures the wider ‘policy environment’” (Peck, 2001, p. 445).

It is well documented that we face a climate crisis. It is a crisis that will require enormous determination on behalf of regulators, communities and corporations to find ways to respond to it meaningfully. Climate change and climate change abatement both involve significant risks and, as such, much political and economic effort has gone into the development of a variety of possible solutions. Mandatory regulatory requirements that relate to carbon pollution are now emerging, however there is significant self regulatory activity and we know little about the impact this has on our collective understanding of the climate change problem and climate change solutions. Given the risks involved, it is important to understand how climate change policy and regulation has emerged and what political and economic interests are involved in the emergent policy architecture. Drawing on the work of political economists and political geographers such as Peck (2001) and McCarthy and Prudham (2004) we explore how carbon disclosure practice and policy has been framed and by whom. Using the CDSB as an example and considering the growing body of literature that explores the connection between environmental policy and neoliberalism, we argue that contemporary carbon disclosure practices have narrowed the policy arena. In effect, they have provided space to reassert the neoliberal project through emerging environmental challenges.

* Corresponding author. Tel.: +61 2 42213697; fax: +61 2 42214297.

E-mail addresses: jane.andrew@sydney.edu.au (J. Andrew), corinne@uow.edu.au, corinnecortese@gmail.com (C. Cortese).

As yet, little accounting research has explored carbon disclosure regulation as an opportunity to advance neoliberalism in the context of environmental crises. Instead, accounting research has focused on the procedural and technical contribution the profession can make to accounting or auditing for carbon (Kolk et al., 2008; Kolk and Pinske, 2007; Simnett and Nugent, 2007; Simnett et al., 2009; Sullivan, 2006). Given the global impact of neoliberalism as an ideological and political project, it is important to contextualise environmental regulation and developing accounting practices within the complex and uneven mobilisation of the projects' key ideas (Harvey, 2005). Although debates concerning the natural limits to growth have presented a significant challenge to the neoliberal project, we have also seen the incorporation of environmentalism into new visions of a neoliberalised green capitalism, enabling the expansion of its logic into spaces of resistance (McCarthy and Prudham, 2004). To this end, McCarthy and Prudham (2004, p. 275) have argued that the "connections between neoliberalism, environmental change and environmental politics remain under-explored in critical scholarship... relatively little has been said about the manifestations of neoliberalism as environmental governance *per se*". Extending this further we contend that an understanding of the connection between neoliberalism, environmental governance and public policy is critical if we are to achieve any viable, globally relevant environmental regulations that offer inclusive possibilities for the future.

Environmentalism, emerging from the centres of global capitalism, provides opportunities to embed and advance neoliberalism and to ensure the ongoing neoliberalisation of our environmental future. With the exception of a few accounting researchers (Andrew et al., 2010; Lohmann, 2009; MacKenzie, 2009), the carbon accounting project has sidelined philosophical and ethical questions to the much more pragmatic and digestible 'real' debates of technique and descriptions of practice (such as Haque and Deegan, 2010; Kolk et al., 2008; Simnett and Nugent, 2007). Although these technical challenges are important, part of our aim is to contribute to a broadening of the debate within accounting by asking different types of questions that are *process* oriented and reveal a need for deeper consideration of the underlying architecture that accounting practices are built upon.

The empirical focus of this paper, the Carbon Disclosures Project (CDP) and the Climate Disclosure Standards Board (CDSB), provides an opportunity to explore the players involved in the process of carbon regulation. From its inception, the CDSB has been affiliated with the voluntary and privately managed Carbon Disclosure Project (CDP), which holds the largest repository of corporate carbon data. The CDP is now the world leader in carbon data collection and disclosure practices. The 'success' of the CDP means that it is now overseeing the development of 'standardised best practice' through the World Economic Forum's (WEF) CDSB. Using these organisations to provide the empirical focus for the paper we investigate the role that the CDP and the CDSB play in the global policy arena, "excavating the underlying parameters, ideological orientations and conspicuous silences of the policy-making *process*" (Peck, 2001, p. 449). This echoes a call from Merino et al. (2010, p. 777) to produce a fuller analysis of how the policy making process reconstitutes all crises to pave the way for "economic elites to exercise power, almost invisibly" wherein "subjugation has been voluntary". According to Peck (2001, pp. 446–447) "the range of *politically legitimate* options in public policy seems to be narrowing rather than widening" enacted by a "hollowed out" state that "we need to see as a qualitative process of state restructuring, not as a quantitative process of state erosion or diminution".

This paper will begin with a brief introduction to the emerging literature on neoliberal environmentalism and its impact on global policies and practices. In order to explore the structures that support neoliberal environmental solutions, we will first examine the CDSB and its corporate focus; we will then critique the emerging climate related regulation and the interests that are mobilising to influence this regulation. Unlike much of the previous carbon related accounting research, we do not accept the fundamentals of neoliberal thinking as an appropriate starting point for climate policy.

2. Neoliberalism and the environment

2.1. Neoliberalism

"the hegemony of neoliberalism is made most evident by the ways in which profoundly political and ideological projects have successfully masqueraded as a set of objective, natural, and technocratic truisms" (McCarthy and Prudham, 2004, p. 276).

In 2001, Peck suggested that we needed to spend less time critiquing public policy outputs and more time exploring the political and economic contexts in which policy is formulated. He argued that the macro context that surrounds policy making "is dominated by various strands of neoliberal conviction politics" which claims there is "no alternative" to a course of deregulation, marketisation, privatisation and public asset stripping" (Peck, 2001, p. 445). Ten years on, his call for a better understanding of the policy process is still relevant.

Although deregulation, marketisation and privatisation are features of the neoliberal project, it would be inappropriate to suggest that neoliberalism itself has a definitive identity. Instead, it has been characterised as "perplexingly amorphous" (Cahill, 2010; Harvey, 2010; Peck, 2004, p. 394). Some have seen it as an ideologically hegemonic project, oriented towards entrenching class power (Harvey, 2005, 2010). Others have seen it as a policy and programme (Beenson and Firth, 1998; Peck, 2004) that has unevenly redrawn the boundaries between the state, markets and communities and has increasingly naturalised the centrality of the market in decision making. And others have described neoliberal processes using Foucault's work on governmentality in order to explore the "way in which relations across and between peoples are imagined, assembled and translated to create neo-liberal subjects" (Sadler and Lloyd, 2009, p. 614). Neoliberalism has continued to emerge unevenly and despite its 'successes', it has been resisted, reworked and repositioned (Cahill, 2010). Like Peck (2001),

Download English Version:

<https://daneshyari.com/en/article/999983>

Download Persian Version:

<https://daneshyari.com/article/999983>

[Daneshyari.com](https://daneshyari.com)