

Social and environmental change through "counter-accountings"

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Credit: Victoria University

Organisations and activists behind social and environmental movements play an important role in keeping corporates in check, says PhD graduand Sendirella George. And their actions need to be viewed as credible forms of accounting that instigate real corporate change.

The Victoria University accounting graduand dedicated her PhD thesis to looking at 'counter-accountings' of social and environmental groups. Now a lecturer, she investigated how these systems foster corporate change on issues such as environmental responsibility, human rights and labour conditions.

"Accounting is more than how we account for profits to shareholders. I looked into the lesser-known practice of counter-accounting, which is the type of reporting by stakeholders that counters corporate rhetoric," she says.

Sendirella interviewed 29 social and environmental organisations across the world, discussing forms of reporting, information tools and the practices they use to promote their causes.

She categorised three broad types of 'counter-accounting' - detailed report-based accounts, informal and social media reporting, and 'statactivism', which uses statistics and financial analysis to critique corporate rhetoric.

One of the key characteristics of counter-accounting is the need for accuracy to protect against claims of propaganda. Sendirella says many social and environmental groups purposely use emotive language in their accounting, but they argue it is necessary to motivate people to act.

"My findings show counter-accounts play an important role in problematising corporate conduct, and raising awareness of social, environmental and ethical issues with their constituents and the wider public. But counter-accounts are not enough on their own to achieve social change objectives. Many activists and organisations tap into a wider toolbox of actions, such as demonstrations, legal action, and shareholder activism to draw attention to issues and bring about corporate change," Sendirella says.

"My research also shows that social movement organisations engage with corporates in different ways, be it more cooperatively or adversarially. This informs their approaches to counter-accounting and the broader social change actions.

"For example, a group that receives corporate donations might prefer to engage in roundtable discussions and use counter-accounting to inform corporations of their complicity in environmental, social and ethical misconduct and proposing solutions. Whereas a more radical group might use counter-accounting to mobilise its constituents and the public into direct action to force the corporate to change.

"But overall, my findings support the position that a mixed-game of engagement approaches and actions is necessary for [social change](#) processes.

Those who had cooperative relationships with corporates acknowledged there are benefits in being more vocal, while those who were more adversarial often said they had initially tried to instigate change through discussions," she says.

Sendirella says the biggest surprise of her research was the continued reliance on non-digital forms of activism.

"Many of my interviewees agreed the internet made it easier to disseminate information and communicate with constituents, but they were quick to stress they also needed offline engagement. They said sustaining a campaign still relied on going out and talking to people."

Sendirella says her research highlights the need to better understand alternative accounting and accountability demands and systems and how this can lead to positive corporate change.

One of her supervisors, Professor Judy Brown from the School of Accounting and Commercial Law, says Sendirella's research is "ground breaking" as traditional accounting focuses on corporations, financial markets and maximising shareholder wealth.

"Even in social and environmental reporting, the corporate's focus on business case approaches doesn't necessarily provide true accountability or foster democratic engagement.

"Sendirella's PhD turns the tables to explore how social movements use 'counter-accounting' practices to hold corporations to account, open up discussion and debate, and stimulate broader societal change," Professor Brown says.

Provided by Victoria University

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