

## BOOK REVIEW/COMPTE RENDU

**Matthew Gill**, *Accountants' Truth: Knowledge and Ethics in the Financial World*. New York: Oxford University Press, 2009, 208 pp. \$US 99.00 hardcover (978-0-19-954714-2)

**T**he financial system has been shaken to the core, yet its institutions prove largely impermeable to attempts to question and reform them. Matthew Gill's book has the merit of opening one of the system's many "black boxes" that even a fast growing body of academic research in the sociology of finance has been quite reluctant to address: accounting. The numbers based on which markets operate, their mundane production by bookkeepers, their validation by audit and assurance experts, as well as the various valuation methods which elaborate on such numbers in order to derive so-called "decision-relevant information," are still largely taken for granted by sociologists. Gill's book is a refreshing exception.

The book is organized around two main themes: knowledge and ethics. It portrays knowledge production in accounting as drifting towards technocratism, marked by the need to comply with impersonal standards and rules and to abstract from individual judgment. In this process, the ethical dimension of accounting work too, Gill argues, is recast as a narrow rule-following exercise. This would explain why, no matter how much regulation is toughened or reinvented, new Enrons or new banking crises remain likely to occur, as sorts of "normal accidents" within a technocratic system that has lost the ability to make sense of itself. Disillusioned practitioners are shown to respond to this impoverishment of their work by embracing alternative frames of reference in order to make sense of it, such as strategy, sport, or family — a process discussed in the book as "pragmatism".

In a world where commercialism is said to have overtaken the traditional professional ethos of accountants and auditors, and where lack of trust, fear of liability, and blame avoidance are seen to have turned accounting and auditing into defensive compliance exercises — these are rather well-established debates in accounting — the book has the great merit of finally looking at the protagonists of these transformations and of giving them a voice. The book ultimately argues that the accounting profession needs to collapse the distinction between the ethical and the technical, and to find ways to restore trust in individuals and their subjective judgment.

The empirical materials offer very interesting insights into how, in specific instances, the boundary between the “technical” and the “ethical” is carefully demarcated and preserved by the accountants interviewed. However, we do not learn much about the larger moral order which makes certain technical norms and beliefs possible in the first place. The interviews conducted by the author often seem more concerned with identifying a lack of ethics in the supposedly technocratic world of accountants, than with researching the moral underpinnings of the technical knowledge accountants produce. Where else, if not in accounting, could it be argued that “values,” “interests,” and “measures” are at once cognitive and moral, technical and social?

Furthermore, the facts and values of accounting are shifting, yet the book provides a relatively ahistorical and monolithic portrait of accounting. Accounting practice is fragmented into subspecialisms and is permeated by a variety of intellectual paradigms whose relative influence historically has been all but fixed. Notably, the recent rise of so-called Fair Value Accounting has seen the traditional legal foundations of accounting progressively eroded by financial economics — the so-called “financialization” of accounting. In this broad historical shift what counts as an accounting fact has changed dramatically. No longer defined by their historic cost — that is, by actual transactions and their related rights and obligations — asset values are now established via valuation techniques which aim at modelling what market values would be in hypothetical transactions — the so-called “fair values.” Crucially, at stake in such process of financialization is not only what counts as an accounting fact, but also a potentially new ethos, one that sees the traditional accounting principle of information reliability (and thus auditability) somewhat marginalized in favour of the principle of information relevance to somewhat “mythical” market actors. The book remains largely silent on how this deep transformation in accounting regulation and practice is perceived and enacted at the level of the accountants and auditors interviewed: on how these practitioners see value, construct values, understand notions like information relevance and reliability, and conceptualize the users of the information they produce and its “fairness.”

The author seeks to reconstruct the contemporary accounting discourse through the voices of his interviewees. Yet only a limited discourse can be traced in the book, based as it is on twenty interviews with relatively junior employees of the so-called “Big Four” accounting firms. Broad conclusions on ethics and professionalism are derived from this rather small subset of the accounting profession. One may wonder whether the difficulties encountered by these interviewees in articulating their professional ethos, their tendency to conform to norms, and their

deference towards the hierarchical structures of their firms, would be less prominent had the interviews be conducted with more experienced professionals.

The book concludes that “the dominant discourse in accounting ... does not take ethics particularly seriously” and that “between the abstractly moral and the technical, then, is a gap which might be described as ethical if the meaning of that term in accountancy was not restricted to the ways discussed in this chapter” (p. 130). However, we may ask whether that gap “between the abstractly moral and the technical” is in the perceptions and attitudes of practitioners only, or in our scholarship too. Could not that gap be conceptualized in terms of the implicit moral assumptions and hidden value judgments which are embedded in accounting techniques, which sustain the technical façade of accounting, and which research should help reveal? In this respect, the book invites a challenging research agenda, that differentiates between the great variety of techniques and practices which proliferate under the broad umbrella of accounting and looks at them as science and technology studies, and as the more sociologically oriented scholarship in accounting, would: as embedding assumptions about society and its moral order.

Such an agenda would also help unpack the meaning of technocracy, a notion that in the book often appears to be treated as an “independent variable,” as an almost inevitable feature of accounting, as that which causes ethical matters to be abstracted away from accounting practice. But technocracy, too, demands a more explicit analysis of the conditions which may foster and maintain it. If interviewees do not question the moral foundations of the “technical” part of their work and recast judgments that may be considered moral as technical matters, then it is even more crucial to reconstruct the implicit moral order that lies behind the technical façade of accounting, that can exist in the shadow of that façade and that makes it possible to continuously reconstruct and sustain it. It is towards tackling such issues that, in my opinion, *Accountants' Truth* is taking us. Gill's work could be taken one step further by addressing how even the most humble accounting techniques embed and reconstruct a moral order within which accountants are constituted as “technocrats” in ways that are technically multifaceted and historically shifting.

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