

EXTERNAL ACCOUNTS¹

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DRAFT 2B

INTRODUCTION

Rising levels of voluntary, unregulated corporate social, environmental and sustainability reporting (SER hereafter) have failed to satisfy a wide range of critics, who have argued that they exhibit a number of major shortcomings, including, *inter alia*: incompleteness (Belal, 2002; Adams, 2004; Bouten et al., 2011), unreliability (Swift and Dando, 2002; O'Dwyer and Owen, 2005); silencing and/or manipulation of the views of stakeholders (Owen et al., 2001; Unerman and Bennett, 2004; Archel et al., 2011); falsely legitimating businesses' belief in the sustainability of their operations (Brown and Deegan, 1998; Campbell, 2000); promoting a 'business as usual' agenda (Larrinaga-Gonzalez and Bebbington, 2001); conveying weak versions of sustainable development (Bebbington and Thomson, 1996); and managerial capture of the social and environmental agenda (Owen et al., 2000; O'Dwyer, 2003; Baker, 2010).

One practical remedy, or antidote, to the problems inherent in contemporary organisation-centred SER is to consider the development and practice of alternative forms of social accounting, which may emanate from sources *outside* the accounting entity. At a basic level, the value of such forms of social accounting lies in their potential to increase the amount of publicly-available information about a particular issue or entity. In addition, however, such accounts may also enable the inclusion of a wider range of (previously silenced or manipulated) stakeholder voices, and may embody different conceptions of silenced, contested and/or captured terms such as 'nature', 'society' and 'business success'. In doing so, they may become aligned with progressive social agendas, including not only reformist efforts to augment corporate accountability, but also activist attempts to de-legitimize the actions of dominant institutions, or mobilise opinion in favour of more radical transformative change. In this chapter, we will explore such alternative techniques, which we refer to here as *external social accounting*.

Given the emphasis above on the potential benefits of such an approach, in contrast to the widespread, if problematic adoption of contemporary SER, readers may be forgiven for assuming that such an alternative conception of social accounting is relatively new or at least *avant-garde* in some way. However, it is important to emphasise that external social accounting has a long history which actually predates the emergence of modern SER practice (Gray et al., 1993, 1996; Gallhofer and Haslam, 2003). Its development has been supported and sustained by other more familiar and long-standing cultural traditions, including investigative journalism

¹ This chapter updates and significantly widens the scope of Dey's original chapter on *Developing Silent and Shadow Accounts* from 2007. In doing so, it draws on material which also appears in Dey et al. (2010) and Thomson et al. (2012).

(Pilger, 2004), as well as the grass-roots activism of various social movements and campaigning pressure groups (Lubbers, 2003). In recent years, such traditions have also been supported by the growth of the internet as a communication medium (Gallhofer et al., 2006).

At the same time however, episodes of experimentation with external social accounts have been somewhat intermittent and fragmented. They have also, rather confusingly, been referred to by a number of different terms, including: social audits (Medawar, 1976), anti-reports (Ridgers, 1979), plant closure audits (Harte and Owen, 1987; Geddes, 1992), silent accounts (Gray, 1997), shadow accounts (Gibson et al., 2001; Dey, 2007), reporting-performance portrayal gaps (Adams, 2004), social accounts (Cooper et al., 2005), and counter accounts (Gallhofer et al., 2006). In this chapter, we explore the variety of guises in which external social accounts have appeared, and highlight their typical dimensions or characteristics. In particular, we draw attention to a broad source of differentiation between extant forms of external social accounting: accounts that seek to discharge a comprehensive, systematic accountability; and accounts that offer a more radical, partisan reporting, often of oppressed, silenced voices.

That a range of alternative approaches may be identified is perhaps unsurprising, given that external social accountants, particularly NGOs involved in activism and advocacy, are already known to use a number of different strategies to engage with corporations (Bliss, 2002; O'Sullivan and O'Dwyer, 2009). However, such differences also point to a deeper tension at the heart of the relationship involving external social accountants and their target accounting 'entity', between *collaboration and reform* on the one hand, and *confrontation and resistance* on the other. Before exploring such issues further, however, it is perhaps best to start by outlining what these seemingly different experiments in new forms of accounting have in common.

In general terms, external social accounts are a form of social accounting produced by external individuals and/or organisations, including campaigning NGOs, on *their* representation of the social and environmental impacts of others. The intended audience for such external reports is not simply the accounting entity associated with the problematic impacts, but may also include political institutions, civil society, the media, and sections of the general public. On a more conceptual level, external social accounting may be defined as a form of accounting that seeks to make 'thinkable' and 'governable' those issues currently regarded by dominant organisations and institutions as 'unthinkable' and 'ungovernable' (Dey et al., 2010). It may be viewed as a technology that measures, creates, makes visible, represents and communicates evidence in contested arenas characterised by multiple, often contradictory reports, prepared according to different institutional and ideological rules (Georgakopoulos & Thomson, 2008). By systematically creating alternative representations, new visibilities and knowledge of existing situations, external social accounts seek to problematise behaviour and act as a catalyst for change. Hence, any evaluation of external social

accounting should explore how such accounts may be used as discursive ‘ammunition’ to contest, reform, and/or resist prevailing institutional behaviour. In the next section of the chapter, we begin to trace the history of external social accounting and discuss the main objectives and characteristics of the reports produced during that time.

EARLY EXPERIMENTS IN EXTERNAL SOCIAL ACCOUNTING

The work of Social Audit Ltd and Counter Information Services (CIS) during the 1970s and 80s are the most celebrated antecedents of modern SER (and counter-SER) practice (Medawar, 1976; Ridgers, 1979; Geddes, 1992; Gray et al., 1993, 1996; Gallhofer and Haslam, 2003). Ironically, although the eponymous company title effectively makes the term ‘social audit’ a proprietary one, this is rather misleading: *social account* would have been a more accurate name. In essence, both organisations were established to publish ‘counter-information’ as a response to the (then) perceived absence of, and demand for, accountability disclosures.

During the 1970s Social Audit Ltd produced five detailed and lengthy external social accounts of the behaviour of specific target organisations. The content of these ‘social audits’ reflected a strong overriding intention to obtain comprehensive and reliable information about the target organisation’s interactions with key stakeholder groups, including employees, consumers, community and the environment. Detailed discussion of these accounts is beyond the scope of this chapter (but see, especially, Gray et al., 1996). However, it is worth noting that the accounts were prepared according to a set of explicit objectives in order to better discharge the target organisation’s accountability (Gray et al., 1996). For example, in its social account of Avon Rubber Ltd², these objectives were defined as follows:

“The report has been prepared to: (i) show to what extent it may be possible to assess what, in social terms, a company gives to and takes from the community in which it operates; (ii) advance understanding about the practical problems and possibilities that may be involved in making assessments of this kind; and (iii) establish precedents for the disclosure of more, hard information about what companies do, why they do it, and to what general effect” (Social Audit Ltd, 1976, p.2).

A further characteristic of the approach taken by Social Audit Ltd was to explicitly seek to produce such reports with the full co-operation of the ‘target’ organisation. However, of the five reports Social Audit Ltd produced, only Avon Rubber Ltd agreed to co-operate in this way, before withdrawing its co-operation after the draft report was completed. While the reports produced by Social Audit Ltd did achieve some wider visibility, they were both lengthy and difficult to verify (Gray et al., 1996). As a consequence, “the inevitable result was that [they] were ignored in the

² A copy of the Avon Rubber Ltd report can be found online via the Centre for Social & Environmental Accounting Research at: <http://www.st-andrews.ac.uk/~csearweb/aptoppractice/ext-aud-examples.html>.

main by company management, particularly where the message conveyed was a largely unpalatable one. Furthermore, [attempts] to mobilise shareholder opinion... met with scant response, even from supposedly socially concerned groups" (p. 272).

By contrast, the work of Counter Information Services (see, for example, CIS, 1971) was a deliberately less systematic, and rather more partisan, approach to external social accounting. CIS was a "Marxist collective of journalists dedicated to seeking radical changes in society" (Gray et al., 1996, p. 273), which published a series of so-called 'Anti-Reports' between 1971 and 1984, focusing on specific high-profile corporations involved in controversial activities³. A feature of the reports was the use of employee 'voices', in direct juxtaposition with corporate rhetoric, as an attempt to create a powerful dissonance in the mind of the reader. This technique was used regularly by CIS to highlight controversial issues such as the alienating and repressive reality of poor working conditions (Gallhofer and Haslam, 2003). As Gray et al. observe,

"The power of the reports lies in the use of photographs, frequent quotations, and vivid, emotive phraseology... The Anti-Reports clearly have little relevance to (social accounting) as a form of 'objective', 'balanced' and 'unbiased' communication. They are, however, important as a particular and somewhat rare example of a 'radical' approach to reporting produced on a regular basis." (1996, p. 274)

While the output of Social Audit Ltd and CIS had declined by the mid-1980s⁴, the impact of a period of de-industrialisation within the UK economy at that time gave rise to a new phase of experimentation with external social accounting, in the form of 'plant closure audits', carried out by a number of local authorities (Geddes, 1992). Harte and Owen (1987) discuss local authorities' use of social cost analysis to measure the impact of plant closure decisions and problematise de-industrialisation, primarily in order to justify intervention to reverse the decisions, but also to change wider government industrial policy. In contrast to the emotive, partisan style of the CIS Anti-Reports, plant closure audits adopted a more quantitative (though arguably still subjective) methodology, to estimate the 'true' cost to the local economy and community of higher unemployment. A further notable aspect of these audits was their implicit appeal to a framework of accountability, or 'social contract' between business, local government and the community (Gray et al., 1996, p. 277). However, echoing the eventual fate of the accountability-driven reports of Social Audit Ltd, the ultimate impact of plant closure audits was minimal, in that they failed to reverse any closure decisions.

³ Further information on the origins of, and reports produced by CIS can be found online at: <http://anti-report.com>.

⁴ It should be noted, however, that (at time of writing) elements of both organisations have survived and continue to operate. Social Audit Ltd remains a part of PIRC Ltd (Public Interest Research Centre, see <http://www.pirc.info>), while the work of CIS has recently resurfaced on the internet (see <http://anti-report.com>) and appears to be linked to more recent activist projects (see <http://www.whorunthisplace.co.uk>).

THE RE-EMERGENCE OF EXTERNAL SOCIAL ACCOUNTING AS A REACTION TO CORPORATE 'GREENWASH'

During the late 1980s the popular phrase 'greenwash'⁵ (Greer and Bruno, 1996; Rowell, 2003) reflected growing social and media awareness of possible corporate manipulation of environmental issues (mass awareness of which was becoming invigorated by headlines about concerns over global warming and the use of CFCs). By the early 1990s, this had turned into a backlash against the early pioneers of ethical consumerism; Body Shop's claims of social and environmental responsibility were especially subject to public and media scrutiny, and even an external 'social audit' (Entine, 2003). In the accounting literature, some research was undertaken to review the impact of pressure groups on published SER (Tilt, 1994), while calls were also made for improved independent 'monitoring' of the activities of multinational corporations (Bailey *et al.*, 1994), which potentially involved some form of regulated external accountability reporting (Bailey *et al.*, 2000).

By the mid-1990s however, contemporary organisation-centred SER practice were beginning to emerge. As this grew into a rapidly rising groundswell of corporate, governmental and media enthusiasm for voluntary social and environmental reporting, the use of counter-information techniques waned. Although the quantity of emerging SER practice was relatively low, a sense of optimism drove forward attempts to improve 'best practice'. In academia and beyond, efforts were increasingly directed pragmatically at trying to encourage corporations and assist in the development of the theory and practice of modern SER (see, for example, Zadek *et al.*, 1997).

In an effort to boost the relatively low volume of disclosure at that time, whilst at the same time prompt more critical reflection on the state of SER, Gray (1997) mooted the idea of reviving the concept of external social reporting by producing a corporate 'silent account'. Even in circumstances where no organisation-centred social account yet existed, a 'silent account' could still be compiled from 'nuggets' of relevant information obtained via all other formal corporate disclosure channels, including company annual reports, press releases, marketing campaigns, etc. These silent accounts were claimed to represent the corporation's own voice, and were referred to as 'silent' because such information, although published, was not officially labelled or recognised as SER. To illustrate the concept, Gray produced a silent account based on the 1994 annual report of the pharmaceutical company Glaxo plc. The premise of this account was to identify relevant information from Glaxo's annual report and to effectively 'create' a new piece of SER by collating this relevant information in a new

⁵ 'Greenwash' is a portmanteau of the words 'green' and 'whitewash'. It first entered the Concise Oxford Dictionary in 1999, and is defined as "disinformation disseminated by an organisation so as to present an environmentally responsible public image". Since then, 'greenwashing' has been the subject of a number of 'awards' given to high-profile corporations by various campaigning NGOs (see, for example, <http://www.corpwatch.org/section.php?id=102>).

document. Silent accounts could be seen as a simple way of generating more disclosure, as well as being 'greater than the sum of their parts', by (re)creating a picture of organisational accountability.

By the late 1990s, concerns about the pervasive absence of corporate SER began to diminish, only to be replaced by concerns over the quality of emerging corporate disclosures. To find new ground upon which a critical evaluation of SER might be developed, a number of accounting academics started various separate research projects which sought to further explore forms of external social reporting⁶. Gray's initial experimentation with silent accounting was developed to incorporate a form of external social accounting, which was termed 'shadow accounting'. This concept was firmly rooted in the external social reports of the 1970s and 80s; indeed, the term 'shadow report' itself appears to originate from that period (Gray et al., 1996, p. 274). The shadow account represented a shift from an organisation-centred perspective towards more independent and stakeholder driven approaches (Gray et al., 1997). They were intended to reveal contradictions between what companies choose to report and what they suppress, problematising their activities and providing new insights into their social and environmental impacts:

“first, [they] act as a ‘balancing view’ in the face of the considerable resources that organisations have at their disposal to put their own point of view and to offer their own emphasis on their activities. Secondly, [they] can be motivated by the realisation that if organisations will not discharge their own duty of accountability then it is possible for other bodies to do it on their behalf.” (Gibson et al., 2001)

In seeking to illuminate the shortcomings of corporate accountability disclosures, the notion of shadow accounts recognised the increasing quantities of, and access to, counter-information in the public domain. A shadow account could consist of all relevant accountability information that was readily available in the public domain, produced independently of the subject organisation, and published externally from it. Such information could be relatively easily gathered by academic researchers and published, not simply as a separate document, but in direct juxtaposition to 'unofficial' silent accounts (or, if they were available, 'official' SER), using the same categories and subject headings.

To this end, Gibson et al. (2001) produced a series of combined reports on the activities of well-known UK companies, from different industry sectors, which had yet to produce their own dedicated social or environmental reports⁷. Together, the silent and shadow accounts presented the reader with a picture of corporate

⁶ See also the 'critical financial analysis' developed and applied to the privatised utilities in the UK by Shaoul (1998).

⁷ Copies of the Gibson et al. shadow accounts can be obtained via the Centre for Social & Environmental Accounting Research at:
<http://www.st-andrews.ac.uk/~csearweb/aptoppractice/silentacc.html>.

accountability that directly juxtaposed corporate and non-corporate sources of information. Though superficially reminiscent of the approach taken in the CIS reports of the 1970s and 80s, the Gibson *et al.* accounts instead sought to present information to the reader without partisan bias. A second, and perhaps less justifiable, characteristic of these reports was their relatively uncritical use of shadow information sources, which in the Gibson *et al.* accounts relied mainly on (potentially inaccurate) broadsheet newspaper articles. Nevertheless, despite its possible shortcomings, putting combined silent and shadow reports together in this way served as a compelling basis for revealing significant gaps in the completeness of corporate (non)disclosure.

Whilst the experiments in silent and shadow accounting were being conducted, a separate project on external social reporting was undertaken by Adams (2004) to explore what she termed the 'reporting-performance portrayal gap'. Adams' case study, in contrast to the 'silent' study of a 'non-reporting' corporation by Gray (1997), examined a corporation (known only by the pseudonym 'Alpha') that had already been producing SER for some years. Using the accountability framework set out in the (now well established) social and environmental reporting guidelines of AA1000, Adams analysed Alpha's published SER (for the years 1993 and 1999) by contrasting it against what the author was able to research and uncover about the chosen company from a wide range of (carefully verified) 'shadow' external information sources for the same time periods. In a broadly similar fashion to the experiments of Gibson *et al.* (2001), Adams uses (and identifies in some detail) a wide range of sources of 'shadow' information to illuminate the shortcomings of completeness present in SER disclosures. Like the Gibson *et al.* research, these shortcomings included situations where (a) shadow information was found to conflict in some way with the comparable corporate account, or (b) where shadow information cast light on something material to stakeholders which was not included in the SER report.

In contrast to the work of Gray and Adams, other academic experiments with external social accounts produced since then may be viewed more as explicit forms of resistance against specific ways of governing, or seeking more radical transformation of prevailing governance. A further important feature of these later experiments is that the accounting 'entity' is not necessarily a corporation. Cooper *et al.* (2005) demonstrated the power of evidence-based external accounting in problematising student poverty and higher education financing plans in Scotland. Their intervention was also as tactical as it was evidential: it occurred during the consultation process before the change was enacted, suggesting that the timing of the publishing of external accounting is also important. In addition, those creating the external account used existing parliamentary processes to present their evidence on the negative consequences of a proposed reform, on what they defined as an oppressed social group.

Two further recent studies of external social accounting also illustrate the way in which different forms of non-corporate accounting ‘entities’ may be used. Solomon and Thomson (2009) explained how a Victorian external account sought to problematize the complex issues of industrial and municipal river pollution as part of a wider campaign to improve river management, while Collison et al. (2007, 2010) sought to question the utopian beliefs and rationality of ‘Anglo-American’ shareholder capitalism. The objective of the study was to challenge such beliefs by presenting evidence of measurable negative social outcomes of Western governments that pursued neo-liberal economic policies. Rather than seeking to frame the study using the corporation as the ‘accounting entity’, Collison et al. (2007) used the nation state as a basis for evidence-based statistical comparisons of infant mortality and income inequality between wealthy countries. Their work may be viewed as an attempt to problematise in systemic terms the socio-economic policies, programmes and actions of governments of wealthy countries that champion neo-liberalism (see, especially, Wilkinson and Pickett, 2009⁸). In doing so Collison et al. utilised highly respected and well-established datasets of social indicators, published by the United Nations. In this way, Collison et al. (2007) engaged with the process of governance by creating knowledge to open up new visibilities that challenged the calculative rationality that forms part of the discourse on the ‘superiority’ of Anglo-American shareholder capitalism. Implicit in this study was the repositioning of the relevant accounting entity of a nation from the (neo-liberal) entity of a collection of calculating, rational, responsible individuals to a society of liberal subjects, with common rights, obligations and interests.

While academic reports of external accounting may offer interesting insights into the potential of such accounts, it is difficult to assess what impact, if any, they have had outside of the academic sphere. However, it may be possible to look elsewhere, since most of the impetus to engage directly with dominant institutions and structures of concern has come from civil society and the activities of pressure groups and other non-governmental organizations (NGOs) campaigning against the social and environmental impacts of corporate behaviour.

COUNTER INFORMATION, NEW SOCIAL MOVEMENTS AND CIVIL SOCIETY

The work of Social Audit Ltd and CIS underlines the pioneering role played by civil society in experimenting with forms of external social reporting. While the previous section of this chapter focused on the work of academic social accountants to evidence gaps in existing SER, it should be recognised that such research is itself dependent on the increasing availability of wider sources of counter-information available in the public domain, much of it produced by civil society organisations. Despite efforts to legitimise the behaviour of corporations through the rapid

⁸ In addition to this published output, further information on campaigning work and activism on this issue can be found at: <http://www.equalitytrust.org.uk>.

expansion of contemporary SER practice in the 1990s, concerns over corporate abuse of power also became increasingly prominent during that time (Klein, 2000; Monbiot, 2000; Hertz, 2001; Bakan, 2004). In recent years, popular and media interest in the issue has been sustained by a series of high profile cases in specific corporate settings, including: oil and gas production (Livesey, 2001; Holzer, 2007), fast-food (Schlosser, 2002); supermarkets (Blythman, 2004; Simms, 2007); accounting (McLean and Elkind, 2004), and, most recently, banking (Sorkin, 2009). Such high-profile cases have further fuelled public discontent with the social and environmental impacts of modern capitalism. This has, in turn, has been visibly expressed through the networking, campaigns and activism of what may be termed 'new social movements'. Such social movements include the activities of a wide range of campaigning pressure groups and other non-governmental organisations (NGOs).

Social movements seek to raise global awareness of social and environmental issues and to hold organisations more accountable by mobilising grass-roots action against corporations and governments (Crossley, 2003). Large campaigning NGOs, including Greenpeace, Oxfam, War on Want, Amnesty, Christian Aid and Friends of the Earth (FoE) regularly produce reports on controversial aspects of corporate behaviour. In some cases, NGOs also form coalitions to lobby on specific high-profile campaign issues (see, for example, ECCJ, 2008). Globalisation, the emergence and spread of internet technology and the growth of organised, grass-roots social networks have all conspired to create the widespread public demand for counter-information about institutional accountability practices (Lubbers, 2003). Anti-corporate websites allow disgruntled individuals the chance to air their views to a global audience (Kahn and Kellner, 2005), while social media create the potential for such individuals to involve themselves and share information with diffuse networks of like-minded people. The websites of campaigning groups such as *Corporate Watch* and the *Business & Human Rights Resource Centre*⁹ act as 'portals' to a range of counter information sources (see also Gallhofer et al., 2006; Spence, 2009).

The focus within 'new social movements' on the perceived moral deficiencies of corporate behaviour, and associated 'grievances' against modern capitalism and globalization resonates strongly with the work of the critical accounting community (see, for example, Sikka and Willmott, 1997; Cooper *et al.*, 2003; Everett, 2003; Spence, 2009). NGOs that have chosen to produce their own 'shadow' or 'counter' disclosures of specific corporate targets usually choose corporations that already provide high levels of voluntary SER. By arguably failing to close the 'gap' required to reassure or convince stakeholders, SER is interpreted and labelled by external stakeholder representatives as more 'greenwash', and thus may actually serve to mobilise action. One strategy that seems to be increasingly adopted by NGOs to

⁹ For more information, see <http://www.corporatewatch.org.uk> and <http://www.business-humanrights.org>.

tackle such corporate ‘propaganda’ is to publish their own counter-information in ways which directly confront existing organisation-centred SER¹⁰.

An example of NGO-based external social accounting are the reports produced by FoE, including *Failing the Challenge: The Other Shell Report* (FoE, 2003a) and the *Amec Counter Report* (FoE, 2003b). The FoE document was ostensibly a retrospective review of Shell’s 2002 social report. However, examination of the content of the report reveals a series of short narrative ‘case-studies’ of various communities directly affected by Shell’s multi-national operations. Rather than using their report to simply state the difference between what Shell itself ‘says’ and what other stakeholders ‘know about’ Shell, FoE’s approach is strongly editorial, to (in the words of Shell’s own PR campaign of the time) ‘tell Shell’ what it thinks of Shell’s behaviour. Thus, in contrast to the work of Gray (1997) or Adams (2004), the FoE report does not attempt to evaluate Shell’s own SER in a systematic way. Whilst the FoE report emphasises the selective bias and unreliability of the Shell report, it does so with what is arguably an even more selective, and potentially unreliable, report. In some ways, the report echoes the output of organisations such as Counter Information Services described earlier in this chapter, that is intentionally provocative, generates media coverage, and creates a platform for the ‘voices’ of marginalised stakeholders to be heard. However, in terms of their underlying intent, FoE’s reports appear rather less critical or emancipatory than the work of CIS (Gallhofer and Haslam, 2003).

Whilst FoE’s work is broadly typical of what may be viewed as a modern revival of the more partisan approach to external social accounting pioneered by CIS, it is worth noting that not all examples of NGO-based reporting appear to exhibit such characteristics. At the same time as British American Tobacco (BAT) was publishing its first social report (BAT, 2002), the anti-smoking pressure group Action against Smoking and Health (ASH) produced *British American Tobacco – the Other Report to Society* (ASH, 2002a). In line with more recent SER, BAT claimed that their report was constructed using the best available voluntary reporting standards. The report included considerable efforts to engage directly with stakeholders through dialogue processes, and was also ‘verified’ by an external consultant. In response, the ASH document closely shadowed these processes and attempted to evidence in detail areas of disclosure where the BAT report fell short of the reporting standards it had claimed to adhere to. The ASH report criticised the scope of the social report, arguing that BAT had failed to identify its most important stakeholders. It also questioned the credibility and transparency of the report, concluding that BAT had failed to provide reliable information to stakeholders. ASH also criticised the management of the company’s ‘stakeholder dialogue’ process (a dialogue to which ASH, although invited to join, chose to ignore) on the grounds that there were “virtually no areas where BAT and ASH can find common cause – we characterise BAT’s relationship with public

¹⁰ Copies of a range of examples of NGO external reporting, including those of FoE and ASH reviewed here, can be found via the Centre for Social & Environmental Accounting research at: <http://www.st-andrews.ac.uk/~csearweb/aptoppractice/ext-aud-examples.html>.

health as a zero-sum game” (ASH, 2002b; see also Moerman and Van Der Laan, 2005).

In summary, we may observe that, while modern NGO-based external social reporting may often be explicitly adversarial in the use of shadow information as ‘ammunition’ against its corporate target, this stance is taken at the expense of a relative weakness in the reports to systematically analyse completeness, assurance and dialogue gaps in SER. In the next section, we draw from our review of prior episodes of external social accounting to sketch out a broad typology of different forms of the technique and further discuss the potential implications of this classification for the study of external social accounting.

TOWARDS A TYPOLOGY OF EXTERNAL SOCIAL ACCOUNTING

Our review of prior experimentation with forms of external social accounting suggests that social accounting academics and NGOs share a common interest in illuminating the shortcomings of current SER, with a focus on evidencing (at least some) gaps in the completeness of published disclosures. At the same time, however, there are some interesting differences. Drawing in particular on the work of Thomson et al. (2012), table 1 below outlines a broad typology of different forms of external social accounting.

<i>Type of External Social Account</i>	<i>Objective</i>	<i>Method</i>	<i>Examples reviewed in this chapter</i>
Systematic	Greater participation with and/or discharge of entity’s accountability	Provide new evidence or knowledge on target entity’s conduct or intentions	Social Audit Ltd (1976) Plant closure audits (Geddes, 1992) Silent accounts (Gray, 1997) Shadow accounts (Gibson et al., 2001) Example NGO reports (ASH, 2002a,b) Reporting-performance portrayal gap analysis (Adams, 2004)
Partisan	Targeted reform of governing technology or institution within overall regime	Provide new evidence or knowledge on inadequacies or loopholes of governing	Anti-reports (CIS, 1971) Example NGO reports (FoE, 2003a,b) Social audits (Cooper et al., 2005) Counter accounts (Gallhofer et al., 2006)
Contra-governing	Overthrow existing governing regime and replace with another dominant form of governing	Problematising the underlying nature or ideology of governing systems	Public health/inequality research (Collison et al., 2007, 2010; Wilkinson and Pickett, 2009)

Table 1: A typology of approaches to external social accounting (adapted from Thomson et al., 2012)¹¹

At its simplest, an external social account could be produced to challenge the acceptability of a specific aspect of the target organisation’s conduct or intention by

¹¹ Thomson et al. (2012) take the above classification a stage further and suggest a fourth, more idealised, type of external social account that can be characterised as a mechanism within an emancipatory dialogic engagement. Further discussion of this concept is beyond the scope of this chapter (but see also Dey et al., 2010).

systematically providing new knowledge, such as evidence of the consequences of that conduct / intention. From this perspective, the extent of the transformation is limited in scope, but equally importantly, may offer the advantage of working co-operatively with existing power and resource structures. The work of Social Audit Ltd (1976), as well as the silent accounts proposed by Gray (1997) and later shadow accounts produced by Gibson et al. (2001), could be viewed (at least in terms of their stated intentions) as providing new information to enable existing forms of governing to operate more effectively. More recently, the reports produced by ASH (2002a,b) publicly challenged the completeness and accuracy standards of the target organisation's social and environmental account by seeking to produce an alternative account informed by the same reporting standards.

The second level of the typology characterises external social accounts as a partisan challenge to existing forms of governing, by demanding transformation of specific elements of the existing governing regime. These accounts, including the anti-reports of CIS, the academic experiments of Cooper et al. (2005) and the reports produced by campaigning NGOs such as FoE (2003a,b) seek to represent and problematise the unacceptable consequences of technologies of governing.

A third, more explicitly resistance-based form of external social accounts, can be seen as part of attempts to fundamentally transform the existing governing regime. At this level, the focus is no longer on a specific organisation, and the type of transformation sought, whether around neo-liberal economics, public health inequalities, or climate change, is likely to be counter-hegemonic, and hence highly contested¹².

THE ROLE OF EXTERNAL SOCIAL ACCOUNTS IN DISCURSIVE STRUGGLES BETWEEN CIVIL SOCIETY AND DOMINANT INSTITUTIONS

The external social accounts reviewed in this chapter share a common objective of generating new information to challenge the conduct and/or intentions of the target accounting 'entity'. As we have seen, however, many significant differences also exist. The fragmented, episodic nature of engagement with external social accounts is underlined by wide variations, not simply in the terminology adopted, but more importantly, in the scope, depth and type of evidence used. The work of Social Audit Ltd (1976) and the experiments of academics such as Gibson et al. (2001) and Adams (2004), whilst not entirely objective or verifiable, appear to offer a degree of balance and systematic coverage. They are arguably more grounded and rigorous by comparison with the information activism of NGOs such as FoE (2003a, b) and CIS (1971). External social accounts may be further differentiated by reference to the target accounting 'entity'. This is not always a profit-oriented corporation, and may instead include sovereign nations, political campaigns, government proposals, public

¹² A well-documented example of this kind of discursive struggle (in the context of the work of Wilkinson and Pickett) can be found at: <http://www.equalitytrust.org.uk/resources/other/response-to-questions>.

sector organisations, industrial sectors, regulators, geographic regions, social groupings and local communities.

As table 1 shows, such differences may be explained by the extent of transformation that is sought by the external social accountant. Those who desire systematic and complete accounts of the behaviour of the target 'entity' appear to maintain faith in accounting as primarily a procedure for fully discharging that entity's accountability, as well as in working co-operatively with that entity to deliver this objective. On the other hand, those who take a more partisan approach to external social accounting seem more interested in confrontation rather than cooperation. As the transformative agenda of the external social accountant becomes even more radical, their focus may also move beyond the corporate entity to the conduct or intentions of the governing regime itself.

Rather than systematically generating new information in order to work within (or reform) existing *accountability* processes (Gray et al., 1996), the objective of more partisan external social accountants may be better understood as an attempt to mobilise public sentiment in ways that undermine the *legitimacy* of their target entity (Georgakopoulos and Thomson, 2008; Joutsenvirta, 2011). Following on from this, a number of questions arise. How effective is external social accounting as a discursive mechanism to engage with and challenge dominant institutions? Are external social accounts more effective when they subscribe to the types of standards of completeness and reliability used to measure the quality of (corporate) SER, or should they instead abandon such benchmarks and be restricted to the deliberately selective presentation of 'counter information'?

From a theoretical perspective, external social accounting has been argued to possess significant transformative, or even emancipatory potential (Gallhofer and Haslam, 2003; Gallhofer et al., 2006; Bebbington and Thomson, 2007; Spence, 2009). Such arguments have typically been deployed in favour of more partisan, counter-hegemonic accounts. At the same time, the notion of a more systematic, complete account of corporate behaviour has been subjected to renewed criticism for its procedural emphasis (Shenkin and Coulson, 2007). Furthermore, the notions of transparency and accountability that underpin such procedural accounts may themselves be more problematic than previously thought (Roberts, 2009; Messner, 2009). Concerns have also been expressed about the intentions and intervention strategies of external social accountants (Gray et al., 1996; Gallhofer and Haslam, 2003; Dey et al., 2010) and the academic social accounting community (Spence et al., 2010). External social accounting is a voluntary activity, and external social accountants may be self-selecting individuals or undemocratic organisations which seek to bring about change in line with their own internal belief structure, which need not be emancipatory. This raises the question as to whether external social accounts can possess the necessary characteristics to be genuinely transformative or

emancipatory, or whether external social accounting is merely a political device for imposing one worldview over others (see also Unerman and O'Dwyer, 2006).

From a more practical perspective, it would appear that, despite providing compelling evidence, most external accounts (either systematic, partisan or contra-governing) have been ineffective in bringing about change (Gray et. al, 1996). Beyond this rather vague conclusion, however, the role of external social accounting as discursive 'ammunition' in legitimacy struggles between civil society and dominant institutions remains relatively poorly understood. Researching external social accounting interventions requires a systemic investigation of the power relationships and dynamics, and broader assemblage of engagements and contextual factors, that constitute the governing network within which any reports are located (Georgakopoulos & Thomson, 2008).

In this chapter, we have reviewed past episodes of experimentation with, and outlined a broad typology of, different approaches to external social accounting. We have also argued that to evaluate the role of external accounting interventions requires an explicit articulation not only of the intentions of the external accountants (Dey, 2007), but also their engagement strategies, tactics and outcomes. This is a particularly rich and worthwhile area of study, and recent research in the accounting literature (Georgakopoulos and Thomson, 2008; O'Sullivan and O'Dwyer, 2009) and elsewhere (see, for example, Holzer, 2007; Hond and de Bakker, 2007; Joutsenvirta, 2011) is now beginning to shed more light on the potential effectiveness of such interventions.

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