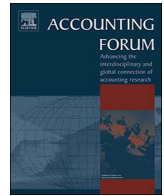


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# Accountability, corruption and social and environment accounting: Micro-political processes of change

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## ABSTRACT

Corruption is a universal concern that can impact the quality of life of citizens. Of relevance to the issue of corruption, is the free-market assumption that market power solves issues of inequality and the power of corporations. Within the context of social and environmental accounting, where corporations are focused upon as agents of change, this paper explores the ability of a civil society framework to resist corruption. Simply put, rather than being limited by perspectives from managerial quarters – an organisation-centric approach – this essay provides an evaluative framework that breaks free from the morass and instead embraces civil society.

Our entire picture of the world has to be altered even though the [theory] changes only by a little bit. This is a very peculiar thing about philosophy... Even a very small effect sometimes requires profound changes in our ideas (Feynman, 1963: 1–2).

## 1. Introduction<sup>1</sup>

‘Corruption is universal’ and a worldwide concern – its impact cannot be understated (Myint, 2000: 33; Sikka & Lehman, 2015). Corruption can be described as the misuse of public power by elected politicians or appointed civil servants for private gain. It is an obstacle to economic development with potentially significant consequences (Myint, 2000). From democratic and non-governmental organisational research, problems of corruption can impact on the ‘present day street credibility’ of organisations (Holloway (1997: 2)). More generally though, corruption can vary from being a rare occurrence, to widespread or systematic, to well-organised or chaotic: with the economic consequences potentially devastating (Myint, 2000). It can relate to demand-side or supply-side, with debatable problems and solutions (for example, Fiedler & Lehman, 1995; Neu, Everett, & Rahaman, 2015; Sikka & Lehman, 2015). More specifically, corruption can impact on the quality of life of citizens (Sikka & Lehman, 2015).

Of specific concern, is the point raised by Kaufman (1997), who highlights the trepidation over market liberalisation and privatisation increasing corruption. For example, Kaufman (1997) described a situation where:

...In more recent times a revisionist view has held that corruption may not be inconsistent with development and at times may even foster it. In the late 1970s, Nathaniel Leff of Columbia University argued, for example, that “corruption may introduce an element of competition into what is otherwise a comfortably monopolistic industry .... [and] payment of the highest bribes [becomes] one of the principal criteria for allocation....Hence, a tendency toward efficiency is introduced into the system.” Likewise economist Francis Lui, in a 1985 issue of the *Journal of Political Economy*, asserted that ‘bribing strategies...minimize

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the average value of the time costs of the queue .... [and the official] ... could choose to speed up the service when bribery is allowed' (Kaufman, 1997: 114-5).

Despite this concern over corruption, within such a context, Kaufman (1997: 129) concludes that “civil society is likely to be a major ally in resisting corruption”. Civil society research focusses on creating meaningful social bonds in the spirit of commonality and community purposiveness. This essay is placed within the context concerned with whether corruption is endemic to free-market approaches to the management of civil society. Underpinning much accounting work is the free-market assumption that market power solves issues of inequality and the power of corporations. We place our argument within the supposition that accounting and accountability research explore how market reforms fail to lead to desired social outcomes.

In particular, this essay focuses on accounting in respect to the technologies of social and environmental accounting research (SEAR) that have been constructed to focus on corporations as an agent of change, and where corruption and its connections with free-market technologies, such as SEAR, have offered limited theoretical framing. SEAR, for the most part, has fixated on internal corporate practices, which are limited by perspectives from managerial quarters. Therefore, the dominant business case of SEAR focuses on *behaviours* and *practices* in recent times, where the *role* that corporations play in society remains organisation-centric. As Masquefa, Gallhofer and Haslam (2017) note, it is important to theorise processes of change. Within this context, can corporations act as a mechanism to reduce corruption? How will corruption be moderated and addressed? What role should the state perform? What are the connections between civil society, corporations and the state?

Overall, we agree SEAR has achieved much over the last few decades (Parker, 2011a; Parker, 2011b), however, more needs to be done (Owen, 2008; Deegan, 2016). Failure to keep pace with developments in the literature on corruption and political philosophy means that we ignore issues of recognition, pluralism, the demands of the Other, and the further erosion of community. As illustrated by the case of Brexit and contemporary U.S. policy, these failures mean that SEAR may not keep pace with the information demands of community, policy makers and other stakeholders. Such perspectives can be considered aligned with Hopwood (2007), who described how accounting in general has become something else to what it was: reflective of the increasingly complex commercial and institutional world.

This paper provides an evaluative framework that embraces civil society, therefore offering a broader framing as means to resist corruption. Recent accounting research focusses on foundational principles that assume humanity has the ability to control unforeseen circumstances through free-markets, deregulation and privatisation. Civil society research usefully connects with SEAR settings that aim to implement alternative paradigms. The aim of the evaluative framework in civil society research is to set out the preconditions necessary to address and explore the limitations of free-market regimes.

The remainder of this paper is structured in three sections, and then follows with the concluding remarks. Firstly, Section 2 introduces the basic framework to understand corruption and civil society. Then, Section 3 examines connections between free-market environmental reforms, globalisation, corruption and SEAR. This is followed by Section 4, which offers a framework to understand micro-political processes of change with a view to challenging corruption and uncivil free-market research. Section 5 concludes this paper.

## 2. Corruption and the civil society

In this paper, civil society research is extended to address corruption and unjust practices. The argument challenges neoliberal assumptions that no government is the best government. That is, neoliberalism supports market relations as guiding civil society.<sup>2</sup> In contrast to neo-liberalism, the civil society perspective focuses on developing commonality, inter-personal relations and a sense of community belonging. Using Taylor's development of the concept of civil society, it is possible to build on these economic foundations (Taylor, 1975; Taylor, 1977). He argues from his Hegelian standpoint that, the move from the economic to the political regulatory sphere requires intrinsic social modes of co-ordination to bring people together.

The argument presented here is built on communitarian and interpretivist reforms that can be traced back to Hegel's work on reconciliation and civil society. It will be remembered that Hegel developed thinking about the social dimensions of civil society. This is to be contrasted with those economic approaches, including SEAR that focus on financial relationships at the expense of the common bonds that make up a society. Taylor is firmly of the view that a civil society is not built on economic and regulatory systems alone. Accordingly, he provides the following useful outline of what a civil society means:

1. In a minimal sense, civil society exists where there are free associations, not under tutelage of state power.
2. In a stronger sense, civil society exists only where society as a whole can structure itself and co-ordinate its actions through such associations which are free of state tutelage.
3. As an alternative or supplement to the second sense, we can speak of civil society wherever the ensemble of associations can significantly determine or deflect the course of state policy (Taylor, 1990: 98).

<sup>2</sup> However, that is not to say that governments themselves cannot be corrupt. We do not infer that there is a dichotomy of government intervention and neoliberalism. Instead, the focus is to contrast between the status quo (which includes neoliberalism and potentially corrupt governments) and a civil society approach to corruption. Putting this into perspective, we can consider Kaufman (1997) once more, who noted a correlation between a county's level of development and corruption. In particular, Kaufman (1997: 117) noted that “determinants of corruption in developing countries are manifold and complex. Institutions (including the rule of law), civil liberties, governance, and economic policies, as well as other specifics about the country, do matter”. Such a consideration therefore adds weight to the notion presented in this paper in respect to a civil society perspective.

Therefore, Taylor's thinking provides a means to examine current accounting policies and measures by applying his conception of a civil society. In a similar sense, [Masquefa et al. \(2017: 60\)](#) observe the need to move away from the market and organisational-centric focus in understanding how an ideology becomes dominant throughout society:

Appreciating networks allows us to see better how change pathways involving colonization are shaped not only by structural but also relational and social mechanisms. It also offers insights into why particular change pathways are followed. Adding to this, we here delineate how interactions of structural, relational and social mechanisms implicated in accounting transformation facilitate, hinder or counter enabling dimensions of accounting.

However, this paper extends and focuses on the broader social structures in which organisations operate. By understanding how market ideology has become dominant, we are able to locate the sources of their power and implement social networks to challenge the corrupting and unjust practices that emanate from a free market.

The essence of Taylor's concept of a civil society is association free of state tutelage or oppression. Now Taylor's third or alternative way, from the above outline, involves thinking about civil society as an alternative or supplement to the two previous senses where civil society and its ensemble of associations can significantly determine or inflect the course of state policy. He affords an appreciation that civil society requires a discursive dimension such that citizens have access to the machinations of government. This is a view echoed by [Everett, Neu, and Rahaman \(2007: 535\)](#) who state:

This general problem of representation extends to our assumed category 'civil society', the group for whom we have argued accounting needs to provide improved voice. In pointing to this group, and in advocating the voice solution, we have in effect helped reproduce an important characteristic of the liberal modality, namely viewing social reality in terms of a three-way, 'state-industry-civil society' categorization (one should note here the attendant normative categorization 'control-exit-voice'). One certainly needs to wonder where, for example, civil society ends and the state begins, or whether one cannot be both a member of civil society and industry, or civil society and state.

A civil society perspective can be interpreted as a highly anthropocentric worldview; therefore such a perspective encompasses an inherent limitation. In particular, whether society will embrace and acknowledge the interrelationships between all communities, nation-states and the natural environment. Seeking commonality, inter-personal relations and a sense of belonging without an appreciation of the intrinsic value of the natural environment – beyond bountiful resources – falls short of connecting with SEAR.

Issues of measurement and reporting dominate SEAR, with a focus on SEA reporting that will form an example in this paper. The adverse impacts of free-market, globalising and neoliberal reforms assume that the 'social accountant' focusses on numbers, calculation, processes and output more so than on a questioning of the philosophical foundation upon which such practices are based. The research that does concentrate on external disclosure, for instance, is still limited in critiquing the role that annual reports can perform in civil society and its public spheres ([Summers-Effler & Kwak, 2015](#)).

This paper searches for common purposes that bring people together in a spirit of openness and transparency, which SEAR and ultimately SEA reporting aims to contribute towards. Civil society research challenges free-market or universal approaches that do not create or nurture the intricate connections and networks that make up a society. As such, this article contains a critical dimension that allows us to visualise the limitations of those approaches which assume that broad economic and incentive reforms will bring about the desired change that allows people to live together despite their differences. Therefore these ideas derived from Taylor's third conception of civil society, concerning wherever the ensemble of associations can significantly determine or inflect the course of state policy, enable a fresh examination of the regulatory regimes which are applied to our analysis of corruption.

### 3. Free market environmental reforms, globalisation, corruption and SEAR

Despite SEA reporting being aimed at broadening corporate accountability and therefore on a trajectory of achieving a civil society – with the spirit of openness and transparency – the question remains over the embryonic nature of SEA reporting, and the political struggle such a position creates, which ultimately could or does lead to new opportunities for corruption. As the literature already highlights through legitimacy theory, if these 'newer' accounting technologies go unchecked, could corruption manifest itself? Until that is, the corporation breaks free from that morass, extending itself beyond the organisation-centric focus.

This section uses the recent integrated reporting < IR > developments to examine the environmental and social implications of free-market, neo-liberal and economic based reforms. < IR > aims to replace an increasingly lengthy corporate report with a single report; encompassing financial and non-financial information and embracing not only the short term, but the medium and long-term consequences and value creation ([Jenson & Berg, 2012](#)). The mission is to "establish integrated reporting and thinking within mainstream business practice as the norm in the public and private sectors" (IIRC, ND: paragraph 2). [Adams \(2015\)](#) notes that < IR > is already having an impact – with over a hundred companies involved in its pilot program and many companies adopting < IR > elements.

From one direction these reforms have been criticised for being an unstable concept. Given pre-occupations with globalisation – where every country and corporation must adopt the same thing – < IR > has been somewhat criticised for lack of globally accepted standards and practices, and as a result can represent anything from a fundamental overhaul to an add-on to the traditional SEA reporting ([Quick, 2011](#); [Rowbottom & Locke, 2016](#)). In that sense, it is reflective of its early "embryonic phase", as [Quick \(2011: 12\)](#) described. It is here that the accounting profession is reminded that < IR > is not directly about sustainability. Instead, it is about financial stability and sustainability – providing a 'concise', 'transparent' story of the organisation. In this sense sustainability research remains within a minimal conception of civil society. This is where light touch regulation is assumed to align corporations with, and significantly determine or inflect, the course of state policy ([Taylor, 1990: 98](#)).

Scholars, such as [de Villiers, Rinaldi and Unerman \(2014\)](#), have taken up similar issues and note that SEAR is 'embryonic' despite

the development of < IR > . Others, such as Beck, Dumay and Frost (2017), aim to contribute to conversations surrounding SEA reporting – such scholars foster debate and dialogue concerning the unsustainability of current corporate approaches and their impact on nature (see also, Lehman, 2015). The time pressure associated with such unsustainability is a salient issue given the incremental rather than transformative nature of < IR > (Stubbs & Higgins, 2014; Higgins, Stubbs & Love, 2014). Indeed, Brown and Dillard (2014) note how the development of < IR > may encourage watered down SEA reporting. Nonetheless, Higgins and Coffey (2016: 27) discuss how sustainability reporting can incrementally drive companies ‘into sustainable enterprises’. They argue that each company takes sustainability seriously but “a transition needs to occur in which managers think of strategy as a way to pursue sustainability” rather than as integrating it into the business as usual case (Higgins & Coffey, 2016: 27). Recent environmental and social accounting literature has taken a managerial turn which (arguably) does not fully explore the dilemmas that the natural environment poses for all citizens and nation-states.<sup>3</sup>

Yet transparency is questioned, if there is a lack of connectivity to the external environment. Furthermore, it brings to bear the question over whether SEAR can forward the aims of sustainability without breaking free from the political struggle with the corporation as the principal agent of change. Without breaking free of this morass, over what is being *sustained* will be itself corrupted – nature or the corporation – as Tregidga, Kearns and Milne (2013: 124) highlight, that there is a lack of challenge of the traditional economic objective and instead “reinforces them by extending organisational management and control. Constituting sustainable development as enlightened self-interest.” As such, there is a need to seek theoretical framing that extends beyond the corporation – beyond the organisation-centric focus – towards an outward focus enabling emancipatory change. Rather than being reactive, this theoretical framing of civil society needs to be proactive and embrace all communities, nation-states and the natural environment – thus addressing the limitations of the corporate form within the parameters of micro-political processes (of change).

Thus, the key problem with free-market, neoliberal and economic-based reform is whether they can avoid succumbing to the (potentially) corruptive forces of neoliberalism and privatisation. Furthermore, how does the accounting profession moderate and mitigate such potential? The words of Roberts and Jones (2009: 865) in respect to ‘shocked disbelief’, self-interest and the credit crisis come to mind: “[Roberts and Jones] insisted that accounting and modelling should be understood as agents in their own right – as ‘mediators’ that in their actual effects fed both the illusions of rationality (greed) that fuelled market growth, and compounded fear and panic” – and moreover that – “accounting is key in reproducing a sense of self as ‘isolated – too isolated – and autonomous – too autonomous’, such that it is largely blind and/or indifferent to the unintended ‘side effects’ of the calculated pursuit of self-interest”.

Roberts and Jones (2009) explain the self-interest assumptions on which SEA reporting is based and the ontological assumptions on which the free-market approach to civil society is constructed. In terms of the model presented in this paper, this is an approach that is susceptible to corruption without some state direction. This can be reflected upon returning to the example of < IR > , which contains the seeds of change but more evaluation is evident in the following critique within the literature.

We have seen that traditional SEAR has been retrospective – providing no insight into strategic intent and of therefore little value (Jenson & Berg, 2012). Rowbottom and Locke (2016) highlight the substantial list of standards and guidelines produced, that have been described as “essentially competing with each other” by Bob Eccles<sup>4</sup> (Tomorrow’s Reporting, 2011: 9):

For example, reporting guidelines and standards have been developed by the Global Reporting Initiative (GRI), Accounting for Sustainability (A4S), the World Intellectual Capital Initiative (WICI), the Enhanced Business Reporting Consortium, the Carbon Disclosure Project, the International Corporate Governance Network, the Sustainability Reporting Standards Board and the Climate Disclosure Standards Board (Rowbottom & Locke, 2016: 83–84).

More recent focus has been directed towards < IR > (Adams, 2015), which is seen as overcoming the issues surrounding traditional SEAR (Jenson & Berg, 2012) and offers a more holistic view (Adams, 2015; Coulson, Adams, Nugent & Hayns, 2015 ; Rowbottom & Locke, 2016; See also de Villiers et al., 2014). Within this setting, < IR > faces numerous challenges, reflecting the need for global consensus (consider for example the 30 years spent on global adoption of IFRS (Quick, 2011) and already 30 years since the Brundtland Report in 1987, that attempted to address sustainable development).

In particular, < IR > , unlike triple bottom line reporting and the global reporting initiative, is attempting to incorporate not only sustainable reporting but financial stability into mainstream business practice, promoting integrated thinking (IIRC, ND; 2013). However there has been limited analysis of the connections with civil society and state research. Our contention is that without a role for the state the unfettered market leads to uncivil society – in Taylor’s (1979: 132) terms “the modern mixture of private Romanticism and public utilitarianism is rather civil society run wild, a society which has become a ‘heap’”. Relevant to this civil society discussion, are some challenges to < IR > that were identified by Beck et al. (2017).

For example, Beck et al. (2017) note that a challenge stems from the diversity of organisations engagement with non-financial reporting practices. Here, it needs to be recognised that there are civil society needs for non-financial reporting information, such as community, health and safety, and environmental preservation in corporate life. This diversity in information needs can lead to accounting overload without some state direction. This problem has been identified by Rowbottom and Locke (2016), who described < IR > as an unstable concept – lacking globally accepted practices and clarity of users. Here it must be reflected upon that non-financial reporting develops from specific needs, such as responding to specific community pressures (Beck et al., 2017) in civil society.

<sup>3</sup> Alarming, recent work on governmentality and NGO organisations has illustrated similar behavioural tendencies to those found in corporations (see, for example, Conway, O’Keefe & Hrasky, 2015).

<sup>4</sup> Bob Eccles is the founding chairman of the Sustainability Accounting Standards Board (SASB) and one of the founders of the International Integrated Reporting Council (IIRC).

Furthermore, Beck et al. (2017) note that organisations may define social norms with a broader stakeholder definition (again this can be compared with Rowbottom and Locke (2016), where it was found that over one third of respondents to the < IR > consultation draft were concerned over the user focus on providers of capital and such a focus has the potential to alienate other actors). Through a civil society this requires perspectives on commonality, inter-personal relations and a sense of community belonging. However, as Gallhofer and Haslam (1996) previously highlighted, this requires more than a focus on content:

For example, in the promotion by academics of social and environmental accounting – which often reflects at least a concern to challenge and modify negative aspects of “private” or “public” sector business practice – much more attention is given to content than to form (see Gray et al., 1987; Gray et al., 1993)[13]. It is almost as if it has been largely assumed that simply changing the content would in itself bring about a change in decisions and practices (Gallhofer & Haslam, 1996: 25).

Here in the same sense of financial accounting, accountability is narrowed. Consider Milne and Gray (2013: 17), who critiqued SEAR initiatives as they cover “few stakeholders, cherry pick elements of news and generally ignore the major social issues that arise from corporate activity such as lobbying, advertising, increased consumption, distributions of wealth and so on”. In fact, Milne and Gray (2013) argue that SEAR reinforces business-as-usual and *unsustainability*. We argue that this is because of the minimalist conception of civil society on which business discourse is based.

Beck et al. (2017) highlight that, voluntary guidelines allow for reporting to be informed by the organisations strategic positioning. In that sense, < IR > and SEAR are reactive, for example, connected with the seeking of external legitimation (see Jenson & Berg, 2012). However, here we add to that, a caveat, that all voluntary guidelines must be considered within the parameters of civil society – moving away from the organisation-centric focus. Here, the organisational and voluntary approach in civil society, reflect its most minimalistic derivation as we outlined earlier in the civil society definition 1 (see Section 2). Our concern is that voluntary guidelines can create the preconditions for a society that ignores potential corrosive and corruptive effects.

#### 4. A civil framework for understanding micro-political processes of change – challenging corruption and uncivil free-market research

Recent research in the area of environmental, financial and management accounting has shown that accounting can be used to explore the impact of rules and procedures on the efficacy of SEAR. Our argument concurs with Gray, Brennan and Malpas (2014), who observe that SEAR is not (simply) limited to procedural accounting and involves non-market and symbiotic relationships with wider stakeholders (see definition of civil society 1, Section 2). Gray et al.’s (2014) argument, like that of Masquefa et al. (2017), point toward an emancipatory accounting as part of a micro-political approach that goes beyond the bottom line. Emancipatory accounting must be a part of a civil society that explores how corporations and SEAR impact on other cultures and neoliberal structures. From this perspective, accounting acts as a micro-political factor making visible what has been occluded by neoliberal accountability and globalisation processes (Summers-Effler & Kwak, 2015). When the emancipatory role of accounting is minimised the corrupting effects of unfettered regulation reveal themselves.

In addition, we argue that integrated sustainable reporting – or more specifically < IR > – must be accompanied with a political and social theory which combines nature and society. Otherwise, without a more holistic framework, the role of business will remain problematic. Implicit in much of the recent SEAR is the supposition that the existing framework is a pragmatic justification for implementing these new reporting technologies (Gray, 2013; Milne & Gray, 2013): a justification which sits more easily in the laps of practitioners without “rocking the boat” (see, for example, Thornton, 2013: 439). Of course, the objective is to be cost-effective and economically efficient. It is for this reason that Killian and O’Regan (2016) focus on legitimacy theory and the construction of a corporate reality. They introduce the work of Pierre Bourdieu to explore the debate between legitimacy theory and a political-economy perspective. This leads to their view that power is the variable left unanalysed within instrumental and economic approaches to transform and modernise business, community and society research.

Speculating for the future, a robust conception of civil society is needed to align corporation, relevant publics and SEAR with social and environmental objectives. Here the work of Beck et al. (2017) usefully explains the problem about how managerial influences (overly) drive strategic positioning, thereby supporting the contention that a minimal conception of civil society is unlikely to achieve environmental and social objectives. This positioning leads to more arguments for voluntary disclosure, which in turn aligns with the argument that this represents a corrosive and potentially corrupt conception of environmental and social change. Again, this reflects a critical, evaluative and interpretivist view on the supposition that voluntary social and environmental information in external reports will drive change. Within the dominant perspective, the focus remains on procedural performance, itself a reflection of a particular neoliberal ideological perspective. We argue that the social fabric itself is liable to further fracture and thus some community solidarity is required. This role for regulation is to create, develop and embed deeper organization-society relationships thereby minimising potential for corruption in civil society.

However, discourse and governance reinforce the hegemony of the market in policy setting (Andrew & Cortese, 2013). As an aside, it is interesting to note that these social forces are now more pronounced in developing countries. In the quest for economic development, human rights become secondary to politics, family and economic interests (Siddiqui & Uddin, 2016). Subsequently, conventional accounting practice and thought appear to be important scaffolds within which neoliberalist regulation is constructed (see, for example, Lehman, 2017). In terms of our theoretical framing, weaknesses of accounting practices can exacerbate corruption in civil society (Neu, Rahaman & Martinez, 2013; Ferry, Zakaria & Slack, 2017).

For SEA reporting, their voluntary nature has the potential to create opportunities for corruptive behaviour. Importantly, however, improving accountability lessens the risk (Myint, 2000). Good governance principles and guidance, and ethical codes of conduct are suggested to limit the possibility of corruption (Islam, Haque & Gilchrist, 2017), however must be directed by strong institutions



of the state. Myint (2000) argues that without established standards of moral conduct, the 'rules of the game' become uncertain. This leads to further social risk in civil society. On their view, accounting and corporate conduct requires transparency. The problem with transparency (and rules and regulations for transparency) is that institutions of civil society must be equipped with even more discretionary powers for interpretation and implementation (see for example, Eckersley, Ferry & Zakaria, 2014; Ferry & Eckersley, 2014).<sup>5</sup> Therefore, accountability for actions must also be held, as highlighted in the corruption equation developed by Myint (2000: 39):

The [corruption] equation states that the more opportunities for economic rent (R) exist in a country, the larger will be the corruption. Similarly, the greater the discretionary powers (D) granted to administrators, the greater will be the corruption. However, the more administrators are held accountable (A) for their actions, the less will be the corruption.

At one level of civil society, voluntary disclosures may be used to address exposure to public pressure rather than profitability in the private sector. For example, Ferry & Eckersley (2014: 11) explore transparency initiatives in non-Western jurisdictions that help in the reduction of corruption involving the provision of access of information unedited by 'powerful political actors':

The moral of these tales is that transparency can lead to increased accountability if it takes account of context, is adaptive to ongoing changes, and ensures that citizens can access and understand the relevant data (Ferry & Eckersley, 2014: 12).

Disclosures, flowing from voluntary reporting, stem from various motivating factors; whether legitimacy, stakeholder theory, political motivators or others (for example, Uddin, Siddiqui and Islam, 2016).

A comparable issue relates to the use of social compliance audits that become 'ritual strategies' rather than a means to advance workers' (being less powerful stakeholders) rights (Islam et al., in press). Similar debates have also evolved around voluntary management accounting disclosures concerning governance, value for money and budget cuts in public services under austerity and the relationships with civil society (Ahrens & Ferry, 2015, 2016; Ferry & Ahrens, 2017). In many cases, it has been concluded that intervention, improved regulation and associated disclosure, or better enforcement is necessary (Islam et al., in press; Holloway, 1997; Patten, 2005; Islam & Branco, 2017). This is because it is the organisation seeking credentials, or legitimacy in civil society (Islam et al., in press; Holloway, 1997; Patten, 2005; Islam & Branco, 2017). Credentialed organisations may increase their profits, but the degree of accountability remains problematic.

The problem for corruption research is that there has been limited analysis on the legal requirement to meet such codes and guidelines. Often these minimal standards provide scope for multiple interpretations to be offered to corporations in the spirit of obfuscation. This form of regulation is referred to in the literature as "soft regulation" (Islam et al., 2017; Kuruvilla & Verma, 2006). Or as Sikka and Lehman (2015) aptly describe, there is a need to give visibility to all citizens so that departures from established norms will become known:

Their records need to be publicly accessible so that all citizens can evaluate their activities and call them to account. Individuals need to be detoxified from the neoliberal obsession with accumulation of wealth, power and status. Without this, programs of surveillance and internal controls may achieve marginal success, but are unlikely to make a significant dent in curbing corrupt practices (Sikka & Lehman, 2015: 69).

In a similar vein to Myint (2000), Sikka and Lehman (2015) see internal controls as producing stability and certainty through 'binding' individuals. Government departments have been urged to adopt managerialist techniques and performance indicators – described by Sikka and Lehman (2015: 63) as "the big brother approach". Having said that: the problem with such a managerialist approach is that controls can be resisted (or complied with) to gain advantage, rather than seeking that ethical citizenship. Therefore, although internal controls can constrain corruption, they cannot 'stifle' systematic pressures and the unremitting market and investor pressures remain a risk to corrupt practices (Sikka and Lehman, 2015). Moreover, such corrupt practices are engrained in the "spirit of contemporary capitalism that celebrates competition, individualisation and quest for personal riches" (Sikka & Lehman, 2015: 68). However, our conception of civil society here focuses not on creating subjects. Rather, we argue that citizens must choose how to act in a society that is committed to civic values of environmental responsibility, magnanimity, openness and trust – rather than a focus on coerced subjects who are assumed to be ethical citizens.

## 5. Conclusion

SEAR is in need of broadening out and opening up to global issues. Although we call for plurality, it has to be with an intelligence that encourages synergy in the contributions that all SEAR can offer. Consequently, we offer our framework as a means by which researchers involved with SEAR can integrate different philosophical and research traditions to collectively contribute to complex global challenges.

This paper embraces the notion of civil society as a theoretical framing for SEAR (and SEA reporting), in particular addressing the problem of corruption. The aim of section 2 was to connect issues of corruption with civil society – it was argued that unregulated accounting and privatised corporate structures were susceptible to self-interested actors. Issues of community and belonging that may create spirit of civility were lost. Civil society research challenges alternative approaches that do not nurture the intricate connections and networks that form society. Section 3 examines free-market environmental reforms, globalisation and corruption. Within the

<sup>5</sup> Another comparable context is in respect to not-for-profit organisations and corruption. For example, within the sector global and state support can be withdrawn through the hint of corruption (Islam et al., 2017). They suggest that voluntary codes are insufficient to ensure transparency and accountability in respect to corruption, noting: "while anticorruption disclosure practices might improve perceptions of improved accountability, they can have deleterious effects on the preparedness of members, supporters, volunteers and donors to participate. Therefore, reporting entities may be choosing not to report so that their supporters retain confidence in the entity and continue their support" (2017: 1).

context of SEAR, with particular focus on < IR > , there is a need to break free from the morass, beyond the organisation-centric focus. As such, seek theoretical framing beyond the corporation – embracing all communities, nation-states and the natural environment. Section 4 criticised the over-reliance on the market in present SEAR. Through a holistic framework, accompanied with a political and social theory combing nature and society, a robust conception of civil society would therefore align the corporation, relevant publics, the state and SEAR with environmental objectives. In addition, the section offered a civil framework for understanding micro-political processes of change – challenging corruption and uncivil free-market research. In particular, the section explored the issues of regulation and corruption. The three sections connect to explore the limitations of free-market technologies such as those that SEAR offer which have generally been afforded through limited theoretical framing.

The paper has sought to detach from the fixation of the internal corporate practice, limited by perspectives from managerial quarters. By considering the greater framework encompassing the civil society, accounting and accountability can better moderate concerns over corruption. Through a civil society theoretical framework, SEAR is no longer constructed on the basis of corporations being the agent of change. Rather an embracing of the greater context, reflective of corruptions impact on the life of citizens. Therefore, SEAR is arguably well placed within that civil society to resist corruption.

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