

The Impotence of Accountability: The Relationship Between Transparency and Corporate Reform

V Radcliffe, C Spence, M Stein

Contemporary Accounting Research, 2016

Abstract:

This paper explores the role of accounting in the attempted reform of the corporation during the “progressive era” in the United States. Focusing on the activities of three institutional bodies in the early twentieth century, the paper documents how their repeated recourse to “publicity,” which relied crucially on accounting technologies, failed to turn the corporation into an entity more sensitive to the public interest. Specifically, two interrelated contributions are made to existing literature on accounting and corporate governance. Firstly, the paper documents the early historical development of the now taken-for-granted phenomenon of accounting and adjudicating at the entity level (Miller and Power 2013). Secondly, the paper offers a rejoinder to present-day projects of corporate governance which identify better and enhanced accountability as key to the successful reform of the corporation. During the progressive era, accounting expanded and territorialized new spaces, bringing trusts out of a hitherto secretive, private realm and into the view of the public. Yet this was not enough to engender substantive corporate reform.