

ARTICLE

Accounting, Territorialization and Power

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ABSTRACT: This essay aims to introduce readers to the social studies of accounting, attending in particular to the roles and relevance of Foucault's works for this field. We provide a brief overview of social studies of accounting, discuss recent developments in Foucault oriented accounting scholarship, and position the articles that appear in this special issue in the context of these developments. In the concluding section, we argue that accounting is an inherently territorializing activity. The calculative instruments of accountancy transform not only the possibilities for personhood, they also construct the physical and abstract calculable spaces that individuals inhabit. A focus on territorializing shifts attention to the links between calculating and governing.

Keywords: Accounting, governmentality, calculative practices, power, territorialisation.

Accounting practices have come to play a pivotal role in organizing contemporary economic and social life. Whether in the private or the public sector, activities are increasingly structured around calculations of costs and benefits, estimates of financial returns, assessments of performance and risk, and a plethora of other forms of numerical and financial representation. Yet, despite the influence of this vast yet still growing calculative infrastructure, relatively little attention has been given to the ways in which this economizing of the entire social field alters modalities of governing and forms of personhood and power.

Weber, Sombart and Marx are typically identified as the founding fathers of economic sociology.¹ In different ways, they pointed out the pivotal role that double-entry bookkeeping and capital accounting played in the emergence of capitalist modes of production. Yet, the new economic sociology of recent decades has remained largely silent on this topic, albeit with some notable exceptions.² Somewhat ironically, the rediscovery of accounting as an object of

¹ Peter Miller, "Calculating Economic Life," *Journal of Cultural Economy*, vol. 1, no. 1 (2008), 51-64.

² See for example Bruce G. Carruthers & Wendy N. Espeland, "Accounting for Rationality: Double-Entry Bookkeeping and the Rhetoric of Economic Rationality," *American Journal of Sociology*, vol. 97, no. 1 (1991), 31-69. Luc Boltanski & Eve Chiapello, *The New Spirit of Capitalism* (London: Verso, 2007). Wendy N. Espeland & Michael Sauder, "Rankings and Reactivity: How Public Measures Recreate Social Worlds," *American Journal of Sociology*, vol. 113, no. 1 (2007), 1-40. Marion Fourcade, "Cents and Sensibility: Economic Valuation

critical and social scientific enquiry has occurred largely outside the disciplinary boundaries of sociology, and more particularly within the discipline of accounting itself.³ Notwithstanding the attention of accounting researchers to such issues, it remains the case that relatively few studies have examined the intrinsic links between calculative infrastructures and modes of governing individuals and social relations. Equally, and despite the increasing number of studies examining the roles of calculative models in framing socio-technical interactions in the particular setting of financial markets, little attention has been paid in such studies to the ways in which these models alter or shape modalities of governing and forms of political power.⁴ This is a pity, for a much wider phenomenon than financial markets and the models that animate and operationalize them is at issue here. Put differently, performativity can be an empty notion unless we pay attention to *both* the conditions and consequences of metrics and models.⁵ With this special issue, we call for greater attention by social scientists to the conditions and consequences of the contemporary calculative infrastructures that shape the world in

and the Nature of 'Nature'," *American Journal of Sociology*, vol. 116, no. 6 (2011), 1721-77. Michael Sauder & Wendy N. Espeland, "The Discipline of Rankings: Tight Coupling and Organizational Change," *American Sociological Review*, vol. 74, no. 1 (2009), 63-82.

³ The irony here, as Foucault once remarked with respect to *Madness and Civilisation*, resides in the sense of discomfort some disciplines display for the conditions and consequences of their own practice. See Michel Foucault, "Prison Talk", Interview with Jean-Jacques Brochier, in Colin Gordon (ed.), *Power/Knowledge: Selected Interviews and Other Writings 1972-1977* (Brighton: Harvester Press, 1980).

⁴ See for example Daniel Beunza & David Stark, "Tools of the Trade: The Socio-Technology of Arbitrage in a Wall Street Trading Room," *Industrial and Corporate Change*, vol. 13 (2004), 369-401. Michel Callon (ed.), *The Laws of the Markets* (Oxford: Blackwell, 1998). Michel Callon, Yuval Millo & Fabian Muniesa (eds.), *Market Devices* (Oxford: Blackwell, 2007). Herbert Kalthoff, "Practices of Calculation: Economic Representation and Risk Management," *Theory, Culture and Society*, vol. 22, no. 2 (2005), 69-97. Karin Knorr Cetina & Alex Preda (eds.), *The Sociology of Financial Markets* (Oxford: Oxford University Press, 2005). Donald MacKenzie, *An Engine, Not a Camera: How Financial Models Shape Markets* (Cambridge, Mass.: MIT Press, 2006). Donald MacKenzie & Yuval Millo, "Constructing a Market, Performing Theory: The Historical Sociology of a Financial Derivatives Exchange," *American Journal of Sociology*, vol. 109, no. 1 (2003), 107-145. Fabian Muniesa, "Market Technologies and the Pragmatics of Prices," *Economy and Society*, vol. 36, (2007), 377-395. Alex Preda, "Brief Encounters: Calculation and the Interaction Order of Anonymous Electronic Markets," *Accounting, Organizations and Society*, vol. 34, no. 5 (2009), 675-693.

⁵ Donald MacKenzie has argued consistently for addressing the "dual" nature of technical change, that analysis of the "social shaping of technology" should be paired with analysis of the changes to social relationships that technologies can produce. See e.g. Donald MacKenzie, *Knowing Machines: Essays on Technical Change* (Cambridge, Mass., MIT Press, 1996), 13-14. See also Donald MacKenzie, "The Credit Crisis as a Problem in the Sociology of Knowledge," *American Journal of Sociology*, vol. 116, no. 6 (2011), 1778-1841. Donald MacKenzie, "The Big, Bad Wolf and the Rational Market: Portfolio Insurance, the 1987 Crash and the Performativity of Economics," *Economy and Society*, vol. 33, no. 3 (2004), 303-334. Johnna Montgomerie, "Bridging the Critical Divide: Global Finance, Financialisation and Contemporary Capitalism," *Contemporary Politics*, vol. 14, no. 3 (2008), 233-252. Julie Froud, Sukhdev Johal, Johnna Montgomerie & Karel Williams, "Escaping the tyranny of earned income? The failure of finance as social innovation," *New Political Economy*, vol. 15, no. 1 (2011), 147-164. Grahame F. Thompson, "'Financial Globalisation' and the 'Crisis': A Critical Assessment and 'What is to be Done?'" *New Political Economy*, vol. 15, no. 1 (2011), 127-145. Michael Lounsbury & Paul M. Hirsch (eds.), *Markets on Trial: The Economic Sociology of the U.S. Financial Crisis*, Research in the Sociology of Organizations, vol. 30 (Bingley: Emerald, 2010).

which we live and the types of persons we are or are expected to become. We call in particular for increased attention to the field of sociologically oriented accounting research that has emerged over the past two decades or so.⁶ We suggest that much can be gained from increased exchanges between this body of work and those studies that have drawn on the writings of Foucault, his co-workers, and the notion of governmentality more generally.⁷

Accounting, as the studies in this special issue show, is both inherently administrative and political. It is at the heart of what Foucault so aptly called the "calculated management of life."⁸ Not only does it depend on administrative practices of recording and bookkeeping, but also that the calculative technologies of accounting are mobilized by a variety of political programmes for intervening in economic and social life.⁹ We thus endorse the increasing attention to the technological infrastructures of calculation in financial markets, but call for equal attention to the political ideas and programmes that require and inspire them.¹⁰ This special issue, we hope, demonstrates the importance of attending to both instruments *and* ideas of calculation, together with the interplay and interdependence between them.¹¹ For it is through their interplay that each finds its conditions of possibility and productivity.

Foucault's analyses of power, of disciplinary mechanisms, and of governmental rationalities are immensely helpful here, for they encourage us to draw out the inherently political character of technologies of calculation.¹² With Foucault, we can see the conjoint disciplining effects of accounting numbers, their involvement in the production of neoliberal subjectivi-

⁶ For overviews see Anthony G. Hopwood & Peter Miller (eds.), *Accounting as Social and Institutional Practice*. (Cambridge: Cambridge University Press, 1994). Christopher S. Chapman, David J. Cooper & Peter Miller (eds.), *Accounting, Organizations and Institutions* (Oxford: Oxford University Press, 2009). But see also Donald MacKenzie's "ethnoaccountancy" of profit, referring to the processes of the construction of corporate earnings figures. Donald MacKenzie, *Knowing Machines: Essays on Technical Change* (Cambridge, MA: MIT Press, 1996), 59-61.

⁷ See also Ian Hacking, "Between Michel Foucault and Erving Goffman: Between Discourse in the Abstract and Face-to-Face Interaction," *Economy and Society*, vol. 33, no. 3 (2004), 277-302.

⁸ Michel Foucault, *The History of Sexuality, Volume I: An Introduction* (Harmondsworth: Penguin Books, 1981), 140. First published as *La Volonté de savoir* (Éditions Gallimard, 1976).

⁹ Nikolas Rose & Peter Miller, "Political Power Beyond the State: Problematics of Government," *British Journal of Sociology*, vol. 43, no. 2 (1992), 172-205. Peter Miller, "Accounting and Objectivity: The Invention of Calculating Selves and Calculable Spaces," *Annals of Scholarship*, vol. 9, no. 1/2 (1992), 61-86. Peter Miller & Nikolas Rose, "Governing Economic Life," *Economy and Society*, vol. 19, no. 1 (1990), 1-31. Peter Miller & Nikolas Rose, *Governing the Present: Administering Economic, Social and Personal Life* (Cambridge: Polity Press, 2008).

¹⁰ For overviews see Karin Knorr Cetina & Alex Preda (eds.), *The Sociology of Financial Markets* (Oxford: Oxford University Press, 2005). Michel Callon, Yuval Millo & Fabian Muniesa (eds.), *Market Devices* (Oxford: Blackwell, 2007).

¹¹ See e.g. Miller, "Accounting and Objectivity," Rose & Miller, "Political Power Beyond the State," Miller & Rose, "Governing Economic Life," and Miller & Rose, *Governing the Present*.

¹² Michel Foucault, *Security, Territory, Population. Lectures at the Collège de France, 1977-1978*, edited by Michel Senellart, translated by Graham Burchell (New York: Palgrave Macmillan, 2007). Michel Foucault, *The Birth of Biopolitics. Lectures at the Collège de France, 1978-1979*, edited by Michel Senellart, translated by Graham Burchell (New York: Palgrave Macmillan, 2008). Michel Foucault, *Discipline and Punish: The Birth of the Prison* (London: Tavistock, 1979).

ties,¹³ and their contribution in a particularly personal way to the economizing of the entire social field. Accounting technologies, such as standard costing and budgeting, have helped bring about a significant shift in how power is exerted in advanced industrial societies.¹⁴ Initially, this was within the factory and on the shop floor, but, over time, the idea of efficiency to be achieved through standard costs, and the instruments of standard costing and budgeting, made their way up the corporate hierarchy. More recently, they have spread beyond the industrial world and into an ever-increasing array of public services.¹⁵

Accounting numbers have a distinctive capacity for acting on the actions of others, one that goes far beyond the abstract injunctions of economic theory.¹⁶ Through their ability to produce certain forms of visibility and transparency, accounting numbers both create and constrain subjectivity. This can be achieved at the level of the individual worker, manager, patient, schoolteacher, social worker, surgeon, and so on. By linking decisions to the supposedly impersonal logic of quantification rather than to subjective judgement, accounting numbers configure persons, domains, and actions as objective and comparable. This, in turn, renders them governable. For the objects and subjects of economic calculation, once standardized through accounting, are accorded a very particular form of visibility. As the contributions to this special issue show, this creates distinctive possibilities for intervention while potentially displacing others.

A focus on accounting technologies thus helps us get to grips with what we might call the inner workings of governmentality,¹⁷ in particular neoliberal modalities of governing. As the studies gathered in this special issue show, accounting technologies are key components in a still ongoing economization of the entire social field. Accounting technologies make it possible to articulate and operationalize abstract neoliberal concepts, such as notions of competitiveness, markets, efficiency and entrepreneurship. Accounting numbers constitute firms, organizations, and sub-units as competing, market-oriented entities, which can be analysed, compared and acted upon. Accounting makes the incomparable comparable, by distilling substantively different kinds or classes of things into a single financial figure (the Return on Investment of a Division, the Net Present Value of an investment opportunity, the financial ratios of a company).¹⁸ Accounting figures can also turn qualities (e.g. the quality of health-

¹³ See also Jason Read, "A Genealogy of Homo-Economicus: Neoliberalism and the Production of Subjectivity," *Foucault Studies*, no. 6 (February 2009), 25-36.

¹⁴ Peter Miller & Ted O'Leary, "Accounting and the Construction of the Governable Person," *Accounting, Organizations and Society*, vol. 12, no. 3 (1987), 235-265. Peter Miller & Ted O'Leary, "Governing the Calculable Person," in Anthony G. Hopwood & Peter Miller (eds.), *Accounting as Social and Institutional Practice*, 98-115.

¹⁵ Liisa Kurunmäki & Peter Miller, "Modernising Government: The Calculating Self, Hybridisation and Performance Measurement," *Financial Accountability and Management*, vol. 22, no. 1 (2006), 65-84. Liisa Kurunmäki & Peter Miller, "Regulatory Hybrids: Partnerships and Modernising Government," *Management Accounting Research*, vol. 22, no. 4 (2011), 220-241.

¹⁶ Peter Miller, "Accounting for Others," in Madeleine Akrich, Yannick Barthe, Fabian Muniesa & Philippe Mustar (eds.), *Débordements: Mélanges offerts à Michel Callon* (Paris: Presses des Mines, 2010), 317.

¹⁷ Graham Burchell, Colin Gordon & Peter Miller (eds.), *The Foucault Effect: Studies in Governmentality* (London: Harvester Wheatsheaf, 1979/1991). Michel Foucault, "Governmentality," in Burchell, Gordon & Miller (eds.), *The Foucault Effect: Studies in Governmentality* (London: Harvester Wheatsheaf, 1979/1991), 87-104.

¹⁸ Miller, "Accounting for Others", 318. Miller, "Accounting and Objectivity."

care or the decency of imprisonment) into quantities, through devices such as patient satisfaction questionnaires, rankings (of schools, universities, care homes, and so on), balanced scorecards, and much else besides. These, in turn, can then be subjected to a variety of further calculations and comparisons through audits and other forms of more or less public assessment.¹⁹

In so doing, accounting numbers are not only involved in the “making up”²⁰ of economic entities (corporations, profit centres, strategic business units, hospitals, universities); they also help construct the type of persons or identities that inhabit these entities.²¹ As the articles by Giraudeau, Graham, and Lambert and Pezet in this special issue demonstrate, accounting technologies are inextricably linked to the making of “calculating selves,”²² whether this takes the form of entrepreneurs (Giraudeau), the retired person (Graham), or managers (Lambert and Pezet). Viewed in this way, accounting technologies are perhaps one of the clearest examples of technologies of the self, devices that encourage or require individuals to act on their own actions, although in this instance to attain efficiency rather than happiness or wisdom. To know oneself here means to know the costs of one’s actions, or the extent to which one has achieved a particular financial result or norm.²³ Accounting technologies such as standard costing thus help foster the calculated management of life. The rise of standard costing and budgeting in the 1930s, for instance, provided a new way of thinking and intervening that promised to render visible the inefficiencies of the individual within the enterprise, supplementing traditional concerns with the fidelity or honesty of the person.²⁴

The contributions gathered in this special issue, and accounting studies that draw on the notion of governmentality more generally, share a concern with the practices or instruments through which “calculating selves” are produced. In this, they have much in common with what Meyer and Jepperson have termed the fabrication of “modern actorhood.”²⁵ They help, as Giraudeau formulates it in his article, to provide empirical substance to Foucault’s propositions concerning the late reconstitution of the modern subject.²⁶ For it is not only

¹⁹ Espeland & Sauder, “Rankings and Reactivity.” Kurunmäki & Miller, “Modernising Government: The Calculating Self, Hybridisation and Performance Measurement.” Kurunmäki & Miller, “Regulatory Hybrids: Partnerships and Modernising Government.” Michael Power, *The Audit Society: Rituals of Verification* (Oxford: Oxford University Press, 1997).

²⁰ Ian Hacking, “Making Up People,” in Thomas Heller, Morton Sosna & David E. Wellberry (eds.), *Reconstructing Individualism* (Stanford: Stanford University Press, 1986), 222-236.

²¹ Miller, “Accounting for Others.”

²² Miller, “Accounting and Objectivity.”

²³ Foucault, *Discipline and Punish*. Miller & O’Leary, “Accounting and the Construction of the Governable Person.” Miller & O’Leary, “Governing the Calculable Person.”

²⁴ Miller & O’Leary, “Accounting and the Construction of the Governable Person”; Miller & O’Leary, “Governing the Calculable Person.”

²⁵ John W. Meyer & Ronald L. Jepperson, “The ‘Actors’ of Modern Society: The Cultural Construction of Social Agency,” *Sociological Theory*, vol. 18, no. 1 (2000), 100-120. See also John W. Meyer, “Myths of Socialization and of Personality,” in Thomas C. Heller, Morton Sosna & David E. Wellberry (eds.), *Reconstructing Individualism: Autonomy, Individuality, and the Self in Western Thought* (Stanford: Stanford University Press), 1986, 208-221.

²⁶ See in particular Foucault, *The Birth of Biopolitics*.

through economic theory that the “governable person” is made up.²⁷ Equally important are the instruments and devices that allow for the measurement and constitution of managerial performance (see the article by Lambert and Pezet in this issue), the devising of business plans (Giraudeau in this issue), the installation of pension schemes (Graham in this issue), or the production of mass wearable fast fashion (Jeacle in this issue).

Accounting technologies thus facilitate the interrelations between the economy as a thing and economics as discipline.²⁸ Accounting has the capacity to act as a “mediating instrument.”²⁹ It operates as both means of representation and means of intervention,³⁰ linking up discrete domains and activities. For instance, in the case of the microprocessor industry, “Moore’s Law” embeds within it both a cost function and a technological trajectory, allowing a vast array of agents distributed across firms and continents to cooperate in the timing of product and process development.³¹ In the domain of healthcare, new forms of management control practices allowed service delivery to be understood and framed in terms of larger political ideals related to the “Modernising Government” initiative as well as in terms of localised concerns for service delivery.³² In the case of post-Soviet economic reforms, international auditing standards allowed for the connecting of local audit practices with wider programmes of market-oriented transition.³³

However, governmentality studies of accounting focus not only on the technical devices of calculation that allow actors to intervene and link up different domains. As we have suggested above, equally important are *ideas*, the rationalities and programmes of government³⁴ which require and inspire particular modes of calculation (for example the idea of fast fashion, as analysed by Jeacle in this issue, or aspirations of the US government to stimulate economic growth and entrepreneurship after World War II, as studied by Giraudeau in this issue). Or, as Michael Power has shown elsewhere, the “audit explosion” is not only an avalanche of checking on checking. It is also the explosion of an idea, which has become embodied in a wide range of neoliberal programmes for accountability and control. Auditing is constitutive of a particular style of seeking to act on individuals and organizations, and it shapes public conceptions of the problems for which it is proposed as a solution.³⁵

²⁷ Miller & O’Leary, “Accounting and the Construction of the Governable Person.”

²⁸ Miller, “Accounting for Others.”

²⁹ Peter Miller & Ted O’Leary, “Mediating Instruments and Making Markets: Capital Budgeting, Science and the Economy,” *Accounting, Organizations and Society*, vol. 32, no. 7/8 (2007), 701-734. Margaret Morrison & Mary S. Morgan, “Models as Mediating Instruments,” in Mary S. Morgan & Margaret Morrison (eds.), *Models as Mediators: Perspectives on Natural and Social Science* (Cambridge: Cambridge University Press, 1999), 10-37. Norton M. Wise, “Mediating Machines,” *Science in Context*, vol. 2, no. 1 (1988), 77-113.

³⁰ Ian Hacking, *Representing and Intervening* (Cambridge: Cambridge University Press, 1983).

³¹ Miller & O’Leary, “Mediating Instruments and Making Markets.”

³² Kurunmäki & Miller, “Modernising Government: The Calculating Self, Hybridisation and Performance Measurement.” Kurunmäki & Miller, “Regulatory Hybrids: Partnerships and Modernising Government.”

³³ Andrea Mennicken, “Connecting Worlds: The Translation of International Auditing Standards into Post-Soviet Audit Practice,” *Accounting, Organizations and Society*, vol. 33, no. 4/5 (2008), 384-414.

³⁴ Miller & Rose, “Governing Economic Life.” Colin Gordon, “Governmental Rationality: An Introduction,” in Burchell, Gordon & Miller (eds.), *The Foucault Effect*, 1-51.

³⁵ Power, *The Audit Society*, 7.

There is nothing natural or inevitable about the centrality of economic calculation and economic reasoning to contemporary social relations. Following Foucault, the articles gathered in this special issue show that the boundary between what counts as calculable and what does not is constantly redefined. This occurs not only in the traditional market for goods and services, but is complemented and buttressed by a more general recasting of the interface between state and society as a sort of second order quasi-market for governmental goods and services which requires a complex calculative infrastructure to make it operable.³⁶ This is a process of assembling and linking up of various calculative competencies and concepts. As we set out in more detail below, Foucault's notions of apparatus (*dispositif*)³⁷ and problematization,³⁸ together with Deleuze's notion of assemblage,³⁹ have informed a number of contributions to the accounting literature. As the contributions in this issue show, emphasis is placed on the implication of accounting in "a network of intersecting practices, processes and institutions."⁴⁰ Or, as Collier has put it more recently: attention is drawn to the implication of accounting in "topologies of power," "patterns of correlation in which heterogeneous elements—techniques, material forms, institutional structures and technologies of power"—are configured and transformed.⁴¹

Accounting and Foucault

This way of understanding and analysing the roles of accounting and its imbrication in a more general economizing of the entire social field is relatively recent. From the 1950s to the 1970s, the social scientific understanding of accounting remained dominated by behavioural, micro-oriented studies of budgeting and management control systems.⁴² In the 1980s this changed. Inspired to a significant extent by Foucault's writings, Anthony Hopwood, who in 1976 had founded the now internationally reputed journal *Accounting, Organizations and Society*, set out the coordinates of what was to become—over the following decades—an important and novel research programme.⁴³ In his articles "On Trying to Study Accounting in the Contexts in

³⁶ Colin Gordon, "Governmental Rationality: An Introduction," in *The Foucault Effect*, 36.

³⁷ Foucault, *Security, Territory, Population*.

³⁸ Michel Foucault, *Politics, Philosophy, Culture. Interviews and Other Writings 1977-1984*, edited by Lawrence Kritzman (London: Routledge, 1988), 257. Peter Miller & Nikolas Rose, *Governing the Present*, 14-15. Roger Deacon, "Theory as Practice: Foucault's Concept of Problematization," *Telos*, vol. 2000, no. 118 (Winter 2000), 127-142. Robert Castel, "'Problematization' as a Mode of Reading History," in Jan Goldstein (ed.), *Foucault and the Writing of History* (Cambridge, Mass.: Blackwell, 1994), 237-252.

³⁹ Stephen Legg, "Assemblage/apparatus: Using Deleuze and Foucault," *Area*, vol. 43, no. 2 (2011), 128-133. See also Peter Miller & Ted O'Leary, "The Factory as Laboratory," *Science in Context*, vol. 7, no. 3 (1994), 469-496, 474.

⁴⁰ Stuart Burchell, Colin Clubb & Anthony G. Hopwood, "Accounting in Its Social Context: Towards a History of Value Added in the United Kingdom," *Accounting, Organizations and Society*, vol. 10, no. 4 (1985), 381-413, 225.

⁴¹ Stephen J. Collier, "Topologies of Power: Foucault's Analysis of Political Government Beyond 'Governmentality'," *Theory, Culture and Society*, vol. 26, no. 6 (2009), 78-108, 78.

⁴² Chris Argyris, *The Impact of Budgets on People* (New York: Controllershship Foundation, 1954).

⁴³ See also Michael Power, "Foucault and Sociology," *Annual Review of Sociology*, vol. 37 (2011), 35-56, 43-44, and Yves Gendron & C. Richard Baker, "On Interdisciplinary Movements: The Development of a Network

Which It Operates”⁴⁴ and “The Roles of Accounting in Organizations and Society,”⁴⁵ Hopwood outlined a research programme that placed the study of the wider social and political aspects of accounting practices at its heart. He argued for the need to link micro- and macro-research levels, and opened up research agendas for questions related to the different economic, social and political roles that accounting plays in organizations and society. Hopwood urged researchers to place particular attention on the constituting—rather than mirroring—roles that accounting plays in economic life:

Although accounting plays a role in mapping into the organization [...] managerial, task and external environments, it also has the power to shape and influence organizational life on its own accord. [...] Modes or organizational decentralization are defined in terms of cost, profit and investment centres; organizational units have accounting as well as managerial boundaries; and accounting mechanisms for the monitoring of sub-unit performance help to make real the powerful potential that is reflected within the organization chart.⁴⁶

Developments on the borders between economics and sociology gave support for Hopwood’s alternative research programme. A preoccupation with the constitutive capacity of particular ways of calculating had already emerged among post-Marxist researches, in a manner that complemented those working within the discipline of accounting.⁴⁷ Research was conducted on the historical nature of the categories of economic discourse, and attention paid to the formative effects of particular techniques of calculation and their link with economic policy.⁴⁸

Drawing lightly on Foucault’s work on the interrelations between knowledge and power,⁴⁹ Hopwood and his co-authors argued that “formalized accounting knowledge can be seen as a condition for the possibility of the professionalization of accounting, and that professionalization in turn changes the conditions underlying the elaboration and development of accounting knowledge.”⁵⁰ This concern with identifying “conditions of possibility” led Hopwood to suggest analysing the regimes governing the production, distribution, and use of accounting statements. In 1985, for instance, Hopwood and his co-authors outlined “a three branched genealogy” of the specific social space within which ideas and techniques of

of Support Around Foucaultian Perspectives in Accounting Research,” *European Accounting Review*, vol. 14, no. 3 (2005), 525-569.

⁴⁴ Anthony G. Hopwood, “On Trying to Study Accounting in the Contexts in Which It Operates,” *Accounting, Organizations and Society*, vol. 8, no. 2/3 (1983), 287-305.

⁴⁵ Stuart Burchell, Colin Clubb, Anthony G. Hopwood, John S. Hughes & Janine Nahapiet, “The Roles of Accounting in Organizations and Society,” *Accounting, Organizations and Society*, vol. 5, no. 1 (1980), 5-27.

⁴⁶ Hopwood, “On Trying to Study Accounting in the Contexts in Which It Operates,” 300-301.

⁴⁷ Anthony Cutler, Barry Hindess, Paul Hirst & Athar Hussain, *Marx’s Capital and Capitalism Today, Volume Two* (London: Routledge, 1978).

⁴⁸ Keith Tribe, *Land, Labour and Economic Discourse* (London: Routledge & Kegan Paul, 1978). Grahame Thompson, *Economic Calculation and Policy Formation* (London: Routledge & Kegan Paul, 1986).

⁴⁹ Foucault, *Discipline and Punish*.

⁵⁰ Burchell, Clubb, Hopwood, Hughes & Nahapiet, “The Roles of Accounting in Organizations and Society,” 8.

value added accounting appeared and developed.⁵¹ Drawing on Foucault's early writings (in particular *Discipline and Punish*), and at a time when others were starting to speak in terms of different types of complexes or assemblages,⁵² Hopwood et al. described this social space as an "accounting constellation," "a particular field of relations which existed between certain institutions, economic and administrative processes, bodies of knowledge, systems of norms and measurement, and classification techniques."⁵³

In 1987, Hopwood developed his neo-Foucauldian approach to the study of accounting further, by explicitly utilizing Foucault's notion of archaeology.⁵⁴ Highlighting that accounting is "a fluid and emergent craft" he argued that "accounting continually has had a tendency to become what it was not."⁵⁵ Analysing the birth of cost accounting systems at the pottery manufactory of Josiah Wedgwood in late eighteenth century England, and contemporary accounting practices in two firms named Q and M, Hopwood urged people to attend to the constitutive as well as the reflective roles of accounting, and the ways in which accounting change can shift the preconditions for subsequent organizational changes. As Hopwood stated in the concluding remarks to this paper:

Although the present investigations have been both more focused and constrained than the inquiries undertaken by Foucault, they nevertheless have provided an appreciation of some of the ways in which accounting can both be transformed by and serve as a vehicle for the transformation of the wider organisation. Both a fluidity and a specificity have been introduced into our understanding of accounting in action. The significances attached to accounting have been shown in the process of their reformulation. The craft has been seen as becoming embedded in different organisational configurations and serving very different organisational functions in the process of its change. The mobilising vehicles for these changes have been seen as residing in a very diverse number of organisational processes and practices and, not least, in accounting itself.⁵⁶

In the same year, this time building on Foucault's histories of medicine, psychiatry and the prison, together with his analyses of disciplinary power,⁵⁷ Miller and O'Leary spoke of the involvement of accounting in constructing the "governable person."⁵⁸ Examining "the construction of theories of standard costing and budgeting in the first three decades of the twentieth century," they sought to position accounting within "a much wider modern apparatus of

⁵¹ Burchell, Clubb & Hopwood, "Accounting in Its Social Context: Towards a History of Value Added in the United Kingdom."

⁵² Jacques Donzelot, *The Policing of Families* (London: Hutchinson, 1980). Nikolas Rose, *The Psychological Complex: Psychology, Politics and Society in England, 1869-1939* (London: Routledge and Kegan Paul, 1985).

⁵³ Ibid., 400.

⁵⁴ Anthony G. Hopwood, "The Archaeology of Accounting Systems," *Accounting, Organizations and Society*, vol. 12, no. 2 (1987), 287-305. Michel Foucault, *The Archaeology of Knowledge* (London: Routledge, 1972/2002).

⁵⁵ Hopwood, "The Archaeology of Accounting Systems," 207.

⁵⁶ Ibid., 231.

⁵⁷ Foucault, *Discipline and Punish*. Michel Foucault, *Madness and Civilisation* (London: Tavistock, 1967). Michel Foucault, *The Birth of the Clinic* (London: Tavistock, 1973).

⁵⁸ Miller & O'Leary, "Accounting and the Construction of the Governable Person."

power” that emerged in the early years of the twentieth century.⁵⁹ Exploring the connections between standard costing and budgeting on the one hand, and scientific management and industrial psychology on the other, they showed how accounting practices had made it possible to subject the individual person to calculable norms and efficiency standards. This placed accounting alongside other practices for managing individual lives, whether within “closed” institutions or beyond, and demonstrated how at times accounting may reinforce such projects.⁶⁰

In a similar vein, Hoskin and Macve examined in their study of “The Genesis of Accountability” how the emergence of managerialism in the US in the nineteenth century was connected to broader shifts in power-knowledge relations.⁶¹ They traced how the US Military Academy at West Point contributed to the production of a meticulous “grammatocentric” and “panoptic” system for human accountability giving rise to US managerialism in the nineteenth century. Drawing in particular on Foucault’s concept of disciplinary power, they examined its origins in educational institutions. In a related study, they utilized Foucault’s writings on power-knowledge to show how the late medieval development of accounting technologies, including double-entry bookkeeping, grew out of advances in new disciplinary techniques for organizing texts and retrieving information and the use of formal examination techniques that were first developed in the medieval universities.⁶²

This shift in the use of Foucault’s work among accounting scholars in the early 1990s signalled a more explicit use of his work on governmentality.⁶³ Even though Foucault’s lecture on governmentality had been published in English over a decade earlier—in the journal *I&C* in 1979—the notion of governmentality only received widespread attention following the publication of *The Foucault Effect* in 1991. This contained not only a revised translation of Foucault’s lecture on governmentality, but also a typically erudite and informative introduction to the notion of governmentality by Colin Gordon.⁶⁴ Around the same time, Miller and Rose set out some of the contours of what they described as the study of modes of governing economic life, while the study of governmentality more generally began to flourish through a number of

⁵⁹ Ibid., 235.

⁶⁰ See also Miller & O’Leary, “Governing the Calculable Person.” Peter Miller, “Psychotherapy of Work and Unemployment,” in Peter Miller & Nikolas Rose (eds.), *The Power of Psychiatry* (Cambridge: Polity Press, 1986). Miller, “Accounting and Objectivity: The Invention of Calculating Selves and Calculable Spaces.”

⁶¹ Keith Hoskin & Richard Macve, “The Genesis of Accountability: The West Point Connection,” *Accounting, Organizations and Society*, vol. 13, no. 1 (1988), 37-73.

⁶² Keith Hoskin & Richard Macve, “Accounting and the Examination: A Genealogy of Disciplinary Power,” *Accounting, Organizations and Society*, vol. 11, no. 2 (1986), 105-136.

⁶³ Foucault, *Security, Territory, Population*. Michel Foucault, “Governmentality,” in Burchell, Gordon & Miller (eds.), *The Foucault Effect: Studies in Governmentality*, 87-104.

⁶⁴ Colin Gordon, “Governmental Rationality: An Introduction,” in Burchell, Gordon & Miller (eds.), *The Foucault Effect: Studies in Governmentality*, 1-51.

forums, including the loosely formed History of the Present group.⁶⁵ With these developments, accounting began to be analysed as a technology for the “conduct of conducts.”⁶⁶

A number of studies appeared that analysed accounting in these terms, linking its instrumental aspirations to act on the actions of individuals with attempts to exercise political power over an entire population or nation. This was, to put it in somewhat awkward terms, a matter of seeking to draw together the “micro” and the “macro” aspects of power. If Foucault’s earlier work had suggested a primacy of practices over institutions, particularly those practices pertaining to individuals, this shift in perspective encouraged an exploration of the ways in which political rule addressed itself to the government of human collectivities understood as populations. Yet this did not mean effacing the importance of modes of individualising power. It was, rather, a question of considering the government of all and each, *omnes et singulatim* as Foucault put it.⁶⁷ Miller, for instance, in his article “Accounting Innovation Beyond the Enterprise,” showed that the development and spread of discounted cash flow accounting in the UK in the 1960s was closely linked to a general problematization of economic growth and the individual investment decisions of firms and managers that were held to have contributed to its decline.⁶⁸ Through the promotion of discounted cash flow methods, the British government sought to expand its (indirect) influence on investment choices made within firms. In another study, Miller and O’Leary examined how accounting expertise was fundamentally implicated in the “politics of the product.” They showed how attempts to reform calculative technologies of accounting in American industry in the 1980s were intrinsically linked to attempts to foster a new form of “economic citizenship,” where “workers and managers alike are to have an active and engaged relationship with the productive machine.”⁶⁹ In a subsequent study, Miller and O’Leary analysed the reordering of manufacture at Caterpillar to explore “the dynamics of a specific attempt to govern the economic and personal dimensions of an enterprise.”⁷⁰

Power investigated the roles of auditing in the rise of a neo-liberal regulatory style. Examining the audit explosion in the 1980s in the UK, he argued that the rise and expansion of auditing from the corporate sector to the public sector was inextricably linked to “a commit-

⁶⁵ Peter Miller & Nikolas Rose, “Introduction. Governing Social and Economic Life,” in Peter Miller & Nikolas Rose, *Governing the Present* (Cambridge: Polity Press, 2008), 1-25. Miller & Rose, “Governing Economic Life.” Burchell, Gordon & Miller (eds.), *The Foucault Effect: Studies in Governmentality*.

⁶⁶ Michel Foucault, “The Subject and Power,” in James D. Faubion (ed.), *Essential Works of Foucault 1954-1984, Power*, Vol. 3 (London: Penguin, 1982/2000), 326-348, 341.

⁶⁷ Michel Foucault, “Omnes et Singulatim: Towards a Criticism of ‘Political Reason’,” *The Tanner Lectures on Human Values*, Lectures delivered at Stanford University, October 10 and 16, 1979 (Cambridge: Cambridge University Press, 1981, reprinted in 2011).

⁶⁸ Peter Miller, “Accounting Innovation Beyond the Enterprise: Problematizing Investment Decisions and Programming Economic Growth in the U.K in the 1960s,” *Accounting, Organizations and Society*, vol. 16, no. 8 (1991), 733-762.

⁶⁹ Peter Miller & Ted O’Leary, “Accounting Expertise and the Politics of the Product: Economic Citizenship and Modes of Corporate Governance,” *Accounting, Organizations and Society*, vol. 18, no. 2-3 (1993), 187-206, 199.

⁷⁰ Peter Miller & Ted O’Leary, “Accounting, “Economic Citizenship” and the Spatial Reordering of Manufacture,” *Accounting, Organizations and Society*, vol. 19, no. 1 (1994), 15-43, 15.

ment to push control further into organizational structures, inscribing it within systems which can then be audited.”⁷¹ He stated further: “In this respect governance is not to do with policing or surveillance in the normal sense of external observation, although elements of this may exist; it has more to do with attempts to re-order the collective and individual selves that make up organizational life.”⁷² Drawing on Power’s analysis of the audit society, together with studies of governmentality more generally, Radcliffe examined how a reconfiguration of political rationalities in terms of performance-oriented “management” stimulated the development of efficiency auditing in the local government of Alberta.⁷³

The authors cited above have drawn explicitly on Foucault’s writings, particularly his remarks on governmentality. They have also drawn fairly extensively on concepts borrowed from elsewhere, including social studies of science, the philosophy of science, actor-network theory, and New Institutionalism, to name just the most obvious.⁷⁴ They always studied “events,” characterised by their singularity and a principle of “causal multiplication,” as Foucault put it when arguing for the importance of “lightening the weight of causality.”⁷⁵ As Miller and Rose remarked recently, reflecting back on their work in the 1990s:

We began with Foucault’s own scattered comments on governmentality. But our aim was to generate from them a set of conceptual tools that characterized the sort of work that we had been doing in our empirical analyses, and that would make the link more directly with the problem space of political power and its various forms. [...] We borrowed concepts and approaches from many places.⁷⁶

The above studies, and the studies gathered in this special issue, use Foucault’s writings to generate a heuristic for empirically rich and historically sensitive descriptions of the multifaceted roles that accounting plays in the governing of economic and social life. As Miller and Rose have put it, more important than a quest to faithfully replicate a particular concept or method was something rather more elusive, a mode of analysis, an ethos of investigation that was opened up by his writings—“the who and what one should study in the critical investigation of the relations of knowledge, authority and subjectivity in our present.”⁷⁷

⁷¹ Power, *The Audit Society*, 42.

⁷² Ibid.

⁷³ Vaughan S. Radcliffe, “Efficiency Audit: An Assembly of Rationalities and Programmes,” *Accounting, Organizations and Society*, vol. 23, no. 4 (1998), 377-410.

⁷⁴ See e.g. Michel Callon, John Law & Arie Rip (eds.), *Mapping the Dynamics of Science and Technology* (Houndmills and London: Macmillan Press, 1986). Michel Callon, “Struggles and Negotiations to Define What Is Problematic and What Is Not: The Socio-Logic of Translation,” in Karin Knorr, Roger Krohn & Richard Whitley (eds.), *The Social Process of Scientific Investigation* (Dordrecht: Reidel Publishing Company, 1980), 197-219. Bruno Latour, *Science in Action: How to Follow Scientists and Engineers through Society* (Cambridge, Mass.: Harvard University Press, 1987). Bruno Latour, “Drawing Things Together,” in Michael Lynch & Steven Woolgar (eds.), *Representation in Scientific Practice* (Cambridge and London: MIT Press, 1990), 19-68. Meyer & Jepsen, “The ‘Actors’ of Modern Society: The Cultural Construction of Social Agency.”

⁷⁵ Michel Foucault, “Questions of Method,” in Burchell, Gordon & Miller (eds.), *The Foucault Effect: Studies in Governmentality*, 76-77.

⁷⁶ Miller & Rose, *Governing the Present*, 10.

⁷⁷ Ibid., 5.

This did not mean writing an epistemological blank cheque, however. In the development of such a new mode of analysis, accounting scholars drew particular attention to Foucault's notion of problematization, and Miller and Rose's distinction between "rationalities," "programmes" and "technologies" of government,⁷⁸ which they developed on the basis of Foucault's writings on governmentality.⁷⁹ With this tripartite distinction, Miller and Rose sought to "indicate the intrinsic links between a way of representing and knowing a phenomenon, on the one hand, and a way of acting upon it so as to transform it, on the other."⁸⁰ The notion of rationalities refers to the moral grounding that political rationalities typically have (the ideals or principles to which government should be directed, whether these be freedom, justice, responsibility, rationality or whatever), their epistemological character (their articulation of some conception of the nature of the objects and persons to be governed), and the distinctive idiom through which they are articulated and which acts as a kind of intellectual machinery for rendering reality thinkable and amenable to political deliberation and intervention. The notion of programmes, or the realm of the programmatic, refers to all those designs put forward in a wide range of more or less formal documents by those who seek to configure specific locales and relations in ways thought desirable. Philosophers, political economists, philanthropists, government reports, committees of enquiry and so on all seek to represent the real as something programmable, susceptible to diagnosis, prescription, improvement, and even cure. The realm of technologies refers to the complex of heterogeneous mechanisms and instruments through which political rationalities and programmes of government are made operable. This did not mean the "implementation" of ideal schemes in the real. Rather, it was a matter of drawing attention to the multiple and often humdrum mechanisms through which authorities seek to instantiate government, whether through notation, computation, calculation, or the multitude of other mechanisms for rendering the decisions and actions of individuals, groups, organizations and populations amenable to regulation according to authoritative criteria.

Together, these concepts proved very fruitful for analysing the ways in which accounting problems came to be articulated and accounting practices accorded significance. As both Robson and Miller have highlighted, the notion of problematization draws attention to the conditions under which techniques and practices of government, such as accounting and auditing, assume certain roles.⁸¹ As Foucault put it in an interview:

⁷⁸ Miller & Rose, "Governing Economic Life." Nikolas Rose & Peter Miller, "Political Power Beyond the State: Problematics of Government," 178-184.

⁷⁹ Here, again, Colin Gordon's reflections were immensely helpful. See in particular Gordon, "Governmental Rationality: An Introduction."

⁸⁰ Miller & Rose, *Governing the Present*, 15.

⁸¹ Keith Robson, "Inflation Accounting and Action at a Distance: The Sandilands Episode," *Accounting, Organizations and Society*, vol. 19, no. 1 (1994), 45-82. Peter Miller, "Accounting Innovation Beyond the Enterprise: Problematizing Investment Decisions and Programming Economic Growth in the U.K in the 1960s."

Problematization is not the representation of a pre-existing object [...]. It is the totality of discursive and non-discursive practices that brings something into the play of truth and falsehood and sets it up as an object for the mind.⁸²

Drawing on Foucault, Robson defined problematization as “a way of inquiring as to how certain accounting methods or techniques come to be seen as problems at particular points in time and in relation to what institutions and questions.”⁸³ In his study of the rise of inflation accounting in the UK, he used the notion to emphasise that inflation accounting techniques emerged when inflation issues became closely related to wider industrial conflicts, wage negotiations and governmental concerns for national economic growth.⁸⁴ Miller used the concept to show that, in the UK, discounted cash flow techniques emerged in close association with wider debates about taxation, depreciation, economic growth, and investment rates.⁸⁵

More recent studies have sought to continue and further develop the governmentality theme in accounting research. Neu and Graham have investigated the roles played by accounting and funding relations within the process of nation building in Canada, across the period 1860-1900.⁸⁶ Neu, Ocampo Gomez, Graham, and Heincke have studied the reporting practices of the World Bank, focusing in particular on how accounting technologies embedded within lending agreements have influenced the governing of education in Latin America.⁸⁷ Mennicken has traced how Western images and instruments of auditing came to be incorporated in post-Soviet politics of transition.⁸⁸ Graham described the constitutive role played by accounting in the social safety net for the elderly, and its effects on the individual preparing for retirement (see also Graham’s article in this issue).⁸⁹ Lambert and Pezet analysed the construction of the management accountant as a knowing subject and producer of “truthful knowledge” (see also Lambert and Pezet in this issue).⁹⁰ Brivot and Gendron utilized Foucault to study transformations in systems of surveillance in a Parisian tax/law firm, focusing in particular on the “ambiguities, complexities and unpredictability of human institutions in digitalized environments.”⁹¹

⁸² Michel Foucault quoted in Robert Castel, “‘Problematization’ as a Mode of Reading History,” in Jan Goldstein (ed.), *Foucault and the Writing of History* (Cambridge, Mass.: Blackwell, 1994), 237-252.

⁸³ Robson, “Inflation Accounting and Action at a Distance: The Sandilands Episode,” 48.

⁸⁴ Ibid.

⁸⁵ Miller, “Accounting Innovation Beyond the Enterprise.”

⁸⁶ Dean Neu & Cameron Graham, “The Birth of a Nation: Accounting and Canada’s First Nations, 1860-1900,” *Accounting, Organizations and Society*, vol. 31, no. 1 (2006), 47-76.

⁸⁷ Dean Neu, Elizabeth Ocampo Gomez, Cameron Graham & Monica Heincke, “‘Informing’ Technologies and the World Bank,” *Accounting, Organizations and Society*, vol. 31, no. 7 (2006), 635-662.

⁸⁸ Mennicken, “Connecting Worlds: The Translation of International Auditing Standards into Post-Soviet Audit Practice.”

⁸⁹ Cameron Graham, “Accounting and the Construction of the Retired Person,” *Accounting, Organizations and Society*, vol. 35, no. 1 (2010), 23-46.

⁹⁰ Caroline Lambert & Eric Pezet, “The Making of the Management Accountant: Becoming the Producer of Truthful Knowledge,” *Accounting, Organizations and Society*, vol. 36, no. 1 (2011), 10-30.

⁹¹ Marion Brivot & Yves Gendron, “Beyond Panopticism: On the Ramifications of Surveillance in a Contemporary Professional Setting,” *Accounting, Organizations and Society*, vol. 36, no. 3 (2011), 135-155.

These studies amount to a “zone of research,” rather than a “fully formed product,” to borrow Colin Gordon’s apt way of characterizing governmentality research over two decades ago.⁹² This applies equally to the contributions gathered in this special issue. They do not form a “school,” and different authors have posed different questions and taken different paths in trying to answer them. Yet they none the less share a sort of family resemblance. They should be viewed, as Michael Power has put it elsewhere, as “an informative exemplar of a wider Foucault effect.”⁹³

In spite of their diversity, accounting studies inspired by Foucault have made a distinctive and important contribution to understanding the ways in which economic life is governed and made governable. First, they have helped in posing “how”-type questions with regard to the economic domain, and all the attempts made to shape the conduct of the individuals and groups that make it up. In asking not “why” but “how,” there has emerged a nuanced and differentiated understanding of the multiple processes and calculative practices that populate the socio-economic domain. A wide variety of disciplines, ranging from operational research, engineering and statistics, in addition to accounting, have been shown to play their roles in the multiple encounters, plays of force, ambitions and strategies that characterize the making up of the economic domain. The calculative practices that have played such a pivotal role in these processes are, at times, derivative of economics and its sister disciplines, but, at times, this is not the case (see, for instance, Giraudeau in this issue). Those accounting scholars who have drawn on the writings of Foucault have not set out with a sort of historical *a priori* that always seeks to trace the economy back to economic theory. Instead they have simply examined the multiple and varied surfaces of emergence through which our contemporary ways of representing the economic domain and intervening in it have appeared.

Second, a closer engagement with governmentality approaches to accounting has enhanced our understanding of the ways in which particular types of calculation are implicated in shifting modes of power, regulating, and governing. Reflecting on the programmatic and discursive character of economic calculation, and the linkages between this and the calculative practices that make it operable, has enabled us to rethink the “politics of quantification” in ways that place it firmly in the political domain.⁹⁴ “Governing by numbers,” for instance, suggests a constitutive interrelationship between quantification and democratic government, to the extent that democratic power is both a calculated and calculating power. Put differently, numbers, and increasingly financial numbers, are integral to the ways in which democracy is justified and operationalized as a particular set of mechanisms of rule.⁹⁵ Kurunmäki and Miller have shown, for instance, how accounting can mean a sort of “democratization” of performance assessment, as appeals to the single figure become increasingly prevalent in assess-

⁹² Gordon, “Governmental Rationality: An Introduction.”

⁹³ Power, “Foucault and Sociology,” 35.

⁹⁴ Neil Fligstein, “The Politics of Quantification,” *Accounting, Organizations and Society*, vol. 23, no. 3 (1998), 325-331.

⁹⁵ Nikolas Rose, “Governing by Numbers: Figuring out Democracy,” *Accounting, Organizations and Society*, vol. 16, no. 7 (1991), 673-692. Peter Miller & Nikolas Rose, *Governing the Present*.

ments of public services.⁹⁶ Yet, within this democratizing process, accounting achieves not only a somewhat distinctive and binding authority. New forms of “hybridized” expertise emerge also, which in turn creates new problems of accountability. Numbers and calculations are never simply technical solutions to allocation and accountability problems, never unproblematic vehicles of transparency.⁹⁷

Third, governmentality studies of accounting have provided valuable insights into what might be called the inner workings of accountability regimes, their changing nature, the emergence of new regulatory spaces and practices. Studies of accounting, including the studies gathered in this issue, underline the importance of attending to the modalities and operations of accounting techniques themselves, their ability to reform practices, reinvent identities, reconfigure interests and redefine possibilities of economic action. Studies of “the messy actualities of governance”⁹⁸ have contributed much here, overcoming or at least vitiating the charge that governmentality studies have focussed too much on texts and abstract programmes, and have accordingly tended to depict modes of governing as more homogeneous than is the case. Across the past decade or so, accounting researchers have done much to address these issues, offering us a better understanding of the tensions and conflicts that exist between and within different rationalities and programmes of government, and the drifts in practice that can happen during their operationalization.⁹⁹ Indeed, as has been argued: “Calculative technologies of accounting provide financial norms around which complex processes of negotiation of domains and outcomes can take place.”¹⁰⁰ Put differently, the interplay between rationalities, programmes, and technologies is not one that takes place between the purity of the ideal and the disorderly impurity of the real.¹⁰¹ Similarly, problematizing is not something that happens just once. Instead, it is something that takes place in both local and non-local settings, and is an ongoing process. The suppleness of the resulting assemblages is what gives them much of their strength, allowing the play of forces and strategies to result in something that none the less appears self-evident, necessary, and stable.

⁹⁶ Kurunmäki & Miller, “Modernising Government: The Calculating Self, Hybridisation and Performance Measurement.” Kurunmäki & Miller, “Regulatory Hybrids: Partnerships and Modernising Government.”

⁹⁷ Ibid., and Liisa Kurunmäki & Peter Miller, *The Failure of a Failure Regime: From Insolvency to De-Authorisation for NHS Foundation Trusts*, CARR Discussion Paper No. 67 (London: London School of Economics and Political Science, 2011).

⁹⁸ Pat O'Malley, Lorna Weir & Clifford Shearing, “Governmentality, Criticism, Politics,” *Economy and Society*, vol. 26, no. 4 (1997), 501-517, 504.

⁹⁹ See e.g. Mennicken, “Connecting Worlds: The Translation of International Auditing Standards into Post-Soviet Audit Practice.” Kurunmäki & Miller, “Regulatory Hybrids: Partnerships and Modernising Government.” Neu, Ocampo Gomez, Graham & Heincke, ““Informing” Technologies and the World Bank.”

¹⁰⁰ Peter Miller & Michael Power, “Calculating Corporate Failure,” in Yves Dezalay & David Sugarman (eds.), *Professional Competition and Professional Power: Lawyers, Accountants, and the Social Construction of Markets* (London: Routledge), 51-76.

¹⁰¹ Foucault, “Questions of Method,” in Burchell, Gordon, Miller (eds.), *The Foucault Effect*, 80.

Accounting, Territorialization and Power

Accounting is an inherently territorializing activity.¹⁰² Put differently, the forming of calculative assemblages is itself a type of territorializing, for there is no assemblage without territory.¹⁰³ The calculative instruments of accountancy transform not only the possibilities for personhood, they also construct the calculable spaces that individuals inhabit within firms and other organizations. As Deleuze has remarked, the unity of an assemblage is nothing other than the co-functioning of its components. A particular instrument remains marginal until there exists a social machine or a collective assemblage that is capable of animating it. Just as the stirrup gave the knight lateral stability and made possible a new military unity, which in turn was integral to the complex assemblage of feudalism, which linked the granting of land to the obligation to serve on horseback, so too with the accountant's toolkit. For the multiple calculative practices that make it up, and that subsequently appear necessary and inevitable, help to link an ideal image of the market with the aspiration to make people behave as market participants, or at the very least as individuals concerned with costs and costliness, profits and profitability. This in turn equips the manager, the board member, the regulator, or increasingly the general public, with a set of metrics for assessing and comparing the performance of others.

There are two principal ways in which accounting territorializes. First, it does so by making *physical* spaces calculable. This could mean a factory floor, a hospital ward, an office, a shop, or even a sub-area of a shop, and much else besides.¹⁰⁴ Second, it does so by making *abstract* spaces calculable. Examples here could be a "division" of a firm, a "profit centre" or a "cost centre" of an organization, or even an idea such as failure, public service, or personal identity.¹⁰⁵ These are of course not mutually exclusive aspects or processes, and there is often reciprocity between the making of calculable physical spaces and calculable abstract spaces. The papers in this special issue demonstrate both processes. Jeacle, for example, shows how accounting facilitates and perpetuates the phenomenon of fast fashion by enabling the faster flow of both fashion product and information across space. Here, accounting plays a crucial role in organizing a logistical and calculable space that allows for the fast movement of product from the group's Distribution Centre (which in this case is based in Oxford) to retail stores across the UK. Lambert and Pezet investigate how accounting technologies contribute to the construction of an abstract calculable space within a multinational automobile manufacturer, "a cauldron," as the authors put it, in which managers are forged as "*Homo liberalis*." Graham examines how changes in the Canadian retirement income system contributed to the transformation of the "individual-as-citizen" to the "individual-as-entrepreneur." Giraudeau draws attention to the roles of accounting in entrepreneurship guidebooks in the US, 1945-1975. He shows how these books, and the accounting technologies contained in

¹⁰² Thanks are due to Graham Burchell for suggesting this way of viewing accounting, even if it has taken some time to absorb its import.

¹⁰³ Cf. Gilles Deleuze & Claire Parnet, *Dialogues*, translated by Hugh Tomlinson & Barbara Habberjam (London: Athlone, 1987), 72.

¹⁰⁴ See e.g. Miller & O'Leary, "Accounting, "Economic Citizenship" and the Spatial Reordering of Manufacture."

¹⁰⁵ Miller, "Accounting and Objectivity."

them, contributed to the construction of calculable spaces allowing small businessmen to envisage their business not only in abstract economic terms. The guidebooks and accounting technologies made the entrepreneurs-to-be also reflect on the importance of geographical location, seeking to enable a “calculated geographical positioning” of the envisaged business within a town and its community.

This way of understanding the links between calculating and territorializing owes as much to Deleuze as it does to Foucault. Here, territorializing is not confined to states and statehood, and it does not require that “territory” and “population” be viewed as antithetical,¹⁰⁶ an impression that even Foucault himself conveyed at times.¹⁰⁷ Foucault corrects that impression when he describes a governmentalized state as “a state of government that is no longer essentially defined by its territoriality, by the surface occupied, but by a mass: the mass of the population, with its volume, its density, and, for sure, the territory it covers, but which is, in a way, only one of its components.”¹⁰⁸ For Foucault, what occurred was not a substitution of a “territorial state” with a “population state,” but, as he put it in the course summary of *Security, Territory, Population*, “a shift of accent and the appearance of new objectives, and hence of new problems and new techniques. To follow that genesis we took up the notion of government as our leading thread.”¹⁰⁹

Put differently, it is a matter of exploring how the government of children, of souls, of households, of hospitals, of teachers, of managers, of social workers, of retired persons, and much more besides, depends on a series of micro-territorializations. As Senellart has remarked, today this is part and parcel of two distinct forms of the injunction to not govern too much.¹¹⁰ First, the incessant pressure to instantiate pure competition on the existing economic terrain, while supporting and structuring the market through a set of state interventions. Second, the still growing attempts to extend the rationality of the market to domains previously viewed as non-economic. The calculative practices of accounting, and the abstract ideas that animate them, play a vital role here. As Elden has remarked, territory is more than merely land, and it is important to attend to the links between governmentality and calculation.¹¹¹

Accounting is central to this link between governing and calculating. The ever-increasing roles it plays in the still growing economization of the entire social field indicates the importance of understanding territorialization as much more than a matter of physical space and the delineating of the borders of states.¹¹² The territorializing that accounting enacts is a matter of making the previously incalculable calculable, reframing the concerns of others in ways that are amenable to its repertoire of ideas and instruments. The papers included in this special issue, together with the wider literature on the social studies of accounting that draws

¹⁰⁶ Michel Senellart, “Course Context,” in Foucault, *Security, Territory, Population*, 378.

¹⁰⁷ Cf. Foucault, *Security, Territory, Population*, 96.

¹⁰⁸ *Ibid.*, 110.

¹⁰⁹ *Ibid.*, 325.

¹¹⁰ Cf. Senellart, 385.

¹¹¹ See Stuart Elden, “Governmentality, Calculation, Territory,” in *Environment and Planning D: Society and Space*, vol. 25, no. 3 (2007), 562-580.

¹¹² *Ibid.*, 13-20, 29. But see also Miller, “Accounting and Objectivity,” and Wendy Larner, & William Walters (eds.), *Global Governmentality: Governing International Spaces* (London and New York: Routledge, 2004).

on the writings of Foucault, suggest a number of ways in which such explorations of territorialization, of the links between calculating and governing, can be furthered. First, by paying increased attention to the linkages and affiliations between the local and the non-local, the “macro” and the “micro.” For, even if the realm of rationalities exists at some distance from the “everyday doings” of social workers, doctors, teachers, or whatever, the realm of programmes is much more proximate and multiple, even if this has been insufficiently emphasised or noted to date. Programmes are not homogeneous or uniform realms where the play of strategies and conflicting aspirations is effaced.¹¹³ In any event, programmes constantly come into contact with the heterogeneous and impure world of every-day life, populated as it is by a myriad of aspirations, associations, alliances, and activities. Some of these get worked up at aggregate level, such as through professional and proto-professional groupings and enclosures, or other formal associations. However, some of them are made up of the plethora of rivalries and divisions or tensions that beset most social interactions. We need to know much more about how such multiplicities operate, how they are composed, opposed and superposed. This is not, however, in order to capture “reality” or to escape the excessively ordered world of programmes, but in order to better understand the ways in which even the smallest parcels of thought come to be embedded in every day life, and make it governed or at least governable.¹¹⁴

This suggests a second aspect or dimension that subsequent studies could usefully explore further, which is the notion of time. Ever since E. P. Thompson’s emblematic paper on time, work discipline and industrial capitalism,¹¹⁵ we have been aware of the importance of time and timing to the ordering of social life. Yet, and despite the attention to timetables in *Discipline and Punish*, there has been relatively little explicit attention to the category of time by those utilizing the notion of governmentality, including governmentality studies of accounting.¹¹⁶ This is curious, for time is at the heart of so much of the calculative repertoire of accounting. Standard costing is fundamentally a financializing of the units of time suggested by Taylorism and scientific management. Discounted Cash Flow is, at heart, a way of seeking to bring the future into the present by means of discounting practices. As Giraudeau shows in

¹¹³ See also O’Malley, Weir & Shearing, “Governmentality, Criticism, Politics.” Pat O’Malley, “Indigenous Governance,” *Economy and Society*, vol. 25, no. 3 (1996), 310-336.

¹¹⁴ Foucault remarked in this respect: “Thought does exist, both beyond and before systems and edifices of discourse. It is something that is often hidden but always drives everyday behaviours. There is always a little thought occurring even in the most stupid institutions; there is always thought even in silent habits.” (Michel Foucault, “So is it important to think?” in James D. Faubion (ed.), *Michel Foucault: Power - Essential Works of Foucault 1954-1984 Volume Three* (London: Penguin Books, 2002), 456). See also Colin Gordon, “Introduction,” in James D. Faubion (ed.), *Michel Foucault: Power - Essential Works of Foucault 1954-1984 Volume Three* (London: Penguin Books, 2002), xx; and Graham Burchell, “Reflections on Governmentalities and Political Culture (with Italy in mind),” presentation at “The Foucault Effect – 1991-2011.” A Conference at Birkbeck College, University of London, June 2011 (<http://backdoorbroadcasting.net/2011/06/graham-burchell-reflections-on-governmentalities-and-political-culture-with-italy-in-mind/>).

¹¹⁵ E. P. Thompson, “Time, Work-Discipline, and Industrial Capitalism,” *Past and Present*, vol. 38, no. 1 (1967), 56-97.

¹¹⁶ But see e.g. Giddens’ analyses of time-space distantiation in *The Consequences of Modernity* (Anthony Giddens, *The Consequences of Modernity* [Cambridge: Polity Press, 1990]).

this issue, accounting technologies contained in business plans are crucial for the governing of the future, for transforming the future from a “pre-existing condition” into a “methodical project,” a condition that remains to be constituted. And, as Jeacle shows in this issue, calculative practices contribute to processes of acceleration. Jeacle shows how the meticulous recording and the minute surveillance regimes of the apparatus of quick response render the phenomenon of fast fashion knowable and administrable. Calculative technologies operate not only according to a normalizing process that separates the fashionable from the unfashionable. They also perpetuate the phenomenon of fast fashion by facilitating the faster flow of both product and information.

Third, and finally, those interested in the links between modalities of governing and forms of calculation could usefully draw out more explicitly the “personal” dimension to the still ongoing economization of social life that accounting makes possible. As Foucault has so clearly shown, since the mid-1970s the governments of many Western economies have achieved a sort of pedagogical ascendancy by confronting their citizens with the realities and disciplines of the market, and the injunction to observe the duties of economic enterprise.¹¹⁷ Yet invocations to think of oneself as an enterprising self, or as a component or unit of something called human capital, are somewhat empty, or at least lack purchase, without the calculative infrastructure of accounting (see also Giraudeau in this issue). Put differently, if liberalism suggests that to govern well is to govern less, and if neo-liberalism takes this one step further, we need to understand more about how governing through freedom and in accordance with financial or economic norms is made possible. This is perhaps one of the clearest instances of the benefits of a rapprochement between the Foucauldian notion of governmentality and the social studies of accounting. For it is in large part through accounting that individuals come to know, or be told, where they are relative to where they should be, how costly their actions are relative to the actions of others or relative to a standard, or simply the extent to which they have exceeded their budget (which it was for them to allocate “freely”). If human capital theory extends economic analysis into previously unexplored domains, it still lacks a way of instrumentalizing the notion of the worker or the citizen as an active economic subject. It is here that the calculative practices of accounting, including everything from standard costing to Return on Investment, find their true vocation, enabling action at a distance on the smallest actions or objects, while linking such “activities-machines” to an overall assessment of their profitability or productivity.

There is one further aspect to territorializing that is worth remarking on in conclusion. This is the territorializing or partitioning of academic and intellectual life, even in an era when interdisciplinarity is all the rage (at least in principle). Those who have drawn on Foucault’s writings to analyse accounting and other calculative practices have paid little heed to disciplinary boundaries. Those writers who they have drawn inspiration from in turn—including Ian Hacking, Albert Hirschman, Bruno Latour, John Meyer and no doubt many others—have similarly managed to escape the boundaries of their parent disciplines. Yet, Foucauldian research on and around accounting remains surprisingly territorialized. The reception of Fou-

¹¹⁷ Colin Gordon, “Introduction,” in Michel Foucault, *Essential Works (1954-1984)*. Volume 3, *Power*, edited by James D. Faubion (London: Penguin, 1994), xi-xli, xxiii.

cault in the UK among those seeking to understand the calculative practices of accounting was somewhat idiosyncratic, which is no doubt often the case as ideas travel and disciplines expand. There were London-based groups devoted to translating Foucault's works and studying the "history of the present" in the 1980s and early 1990s, although such groups had strong ties with others in Europe and indeed further afield.¹¹⁸ Meanwhile, across the 1970s and 1980s, British business schools expanded and provided important new homes for at least some "displaced sociologists," together with a number of critical management and accounting scholars, such as Anthony Hopwood.¹¹⁹ Yet, as McKinlay points out, governmentality research, including that focusing on accounting, has had relatively limited impact on management and organization studies.¹²⁰ Similarly, accounting research drawing on Foucault's writings has travelled sporadically at best across the social sciences more generally. No doubt some of this is attributable to the curious image that accounting still retains in the popular imagination, but it is also no doubt part and parcel of the still dominant compartmentalization of academic and intellectual life, which makes exchanges of ideas often fruitless and frustrating. This is particularly regrettable in view of Foucault's attentiveness to the multiple centres of calculation and authority that traverse and link up personal, social and economic life, which can only be adequately understood if one steps beyond disciplinary boundaries.¹²¹ Put differently, we need to de-territorialize academic and intellectual enquiry if we are to fully grasp the extent and implications of the territorializations that accounting effects or facilitates. We hope that this special issue contributes to some extent to this process.

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¹¹⁸ Burchell, Gordon & Miller (eds.), *The Foucault Effect: Studies in Governmentality*. Miller & Rose, *Governing the Present*. See also Chris Carter, "A Curiously British Story: Foucault Goes to Business School," *International Studies of Management and Organization*, vol. 38, no. 1 (2008), 14-30. Chris Carter, Alan McKinlay & Michael Rowlinson, "Introduction: Foucault, Management and History," *Organization*, vol. 9, no. 4 (2002), 515-526. Power, "Foucault and Sociology," 43.

¹¹⁹ Power, "Foucault and Sociology," *ibid.* See also Carter, "A Curiously British Story: Foucault Goes to Business School."

¹²⁰ Alan McKinlay, "Book review of Peter Miller and Nikolas Rose: *Governing the Present*," *Organization Studies*, vol. 31, no. 8 (2010), 1155-1159. Peter Miller & Nikolas Rose, "Rejoinder to Alan McKinlay," *Organization Studies*, vol. 31, no. 8 (2010), 1159-1163.

¹²¹ Miller & Rose, *Governing the Present*.