Accounting for the Gift: Theology and Ethics in Accounting

Daniel Sebastian
Southern Methodist University, da.f.sebastian@gmail.com

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ACCOUNTING FOR THE GIFT:
THEOLOGY AND ETHICS
IN ACCOUNTING

Approved by:

Prof. D. Stephen Long
Professor of Ethics

Prof. Jill DeTemple
Professor of Religious Studies

Prof. Rebekah Miles
Professor of Practical Theology and Ethics

Prof. Nimi Wariboko
Professor of Social Ethics
ACCOUNTING FOR THE GIFT:
THEOLOGY AND ETHICS
IN ACCOUNTING

A Dissertation Presented to the Graduate Faculty of the
Dedman College
Southern Methodist University
in
Partial Fulfillment of the Requirements
for the degree of
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with a
Major in Religious Studies
by
Daniel F. Sebastian
B.A., Biblical Studies, Evangel University
B.B.A., Accounting, Evangel University
M.A., Religious Studies, Missouri State University

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Accounting for the Gift: Theology and Ethics in Accounting

Advisor: Professor D. Stephen Long
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Accounting is often assumed to be a neutral presentation of the facts of economic activities and actions. Its double-entry system means that it is always in balance and comports to the rigor of mathematical formulas, and it is taken to be a matter of empirical counting that lends it certainty as well. The dissertation argues that this description of accounting is inadequate. Accounting is better seen as a political tool and technology for producing trust that can help resolve social conflicts. As such, accounting is not value-neutral but carries within it a particular sociality that has moral implications. These moral implications mean that rather than assuming that accounting is neutral, reflection is needed to determine where and when accounting can provide social goods and where its assumptions about relations can have vicious effects.

The dissertation explores accounting through a comparison to language. Rather than assuming that accounting should be considered a universally true and impersonal form of counting that is purely objective, I suggest it is better understood as a form of recounting or storytelling. There are various ways that one can (ac)count (for) things. The project explores historical developments within accounting to note how it has evolved over time. It also considers
the social and moral contexts in which the modern iteration of accounting developed to demonstrate the particular way in which modern accounting arranges individuals.

The project brings the unexpected moral elements of modern accounting into sharp relief by contrasting it to the concept of gift. Gift and the exchanges assumed by modern accounting are rooted in larger moral economies or forms of life in which they are intelligible. In as much as modern accounting has been exported into realms of life beyond business and finance, it creates an accounting imaginary that shapes how people operate in those realms. The project demonstrates this point by delineating the impact of a modern accounting imaginary on Christian theology and ethics. It reveals that discussions of sin, debt, and salvation often are situated within a form of life made intelligible by modern accounting in contrast to the form of life visible in the trinitarian life at creation and Pentecost. Likewise, discussions of humanitarianism and hospitality demonstrate the relational constraints that an accounting framework imposes and its ethical consequences.
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To Meredith, without whom this would not have been possible
1.1 The Tax Collector’s Invitation

“Come and look at the ledger with me,” invites the figure on the right of Quentin Massys’s *The Tax Collectors* with his gaze directed toward the audience and his finger pointing towards the ledger. Count and recount our records, he seems to say. Should the invitation to verify the records, to ensure accountability, inspire trust or concern? The primary tax collector, who is writing, wears spectacles, representing the virtue of temperance. Temperance at this time, in contrast to modern associations with moderation, represents attentiveness to detail and keen observation. The tax collector is undistracted by his companion, giving full attention to his ledgers. Perhaps this is enough to elicit the audience’s trust?

Figure 1: Quinten Massys, *The Tax Collectors*, late 1520s
But the sneering face of the ledger-writer’s companion that beckons us to look closer leads to reflection on not just what is present in the painting but what is absent. The painting is a development of an earlier work by Massys, *The Moneychanger and his Wife*, that also featured two figures at a table with coins strewn about and a book. But this earlier painting does not invite the audience to become auditors or voyeurs. The central element of this earlier oeuvre is a scale, not a ledger, which the moneychanger wields with his hand. Both he and his wife have focused their attention on this sign of justice. In addition, the painting is suffused with religious imagery. The book that it features is not a ledger but a prayerbook from which the wife has momentarily shifted her attention to oversee her husband’s weighing and measuring. More subtly, though perhaps more significantly, a small object on the table displays a reflection of cathedral walls and windows so that the audience knows all of this weighing, counting, and measuring is being done in the shadow of the sacred.

![Figure 2: Quinten Massys, *Moneychanger and His Wife*, 1514](image-url)
Moneychangers, like tax collectors, were not to be trusted in sixteenth century lowlands. A proverb from the time surmised, “a usurer, a miller, a money-changer, and tax-collector are Lucifer’s four evangelists.”¹ It was a time when worldwide trade was booming, and business was roaring. Aided by banking and accounting innovations, the world was increasingly gripped by accumulated capital. There was perhaps no reason at all to trust either the moneychanger and his wife or the tax collectors in Massys’s paintings.

The tax collectors, however, face a dilemma of trust even more daunting than that of the moneychanger and his wife. For the moneychanger can point to the scales of justice and the specter of the transcendent. The tax collectors find themselves in an all-together different situation. It is as if the porous world mixed with the transcendent and the immanent described by Charles Taylor had dissolved, and the authority of the counting must now be demonstrated in a new fashion.² Steven Shapin, in his work *A Social History of Truth*, says that “every culture must put in place *some* solution to the problem of whom to trust and on what bases.”³ This question of authority has reverberated into later developments around accounting, such as cost/benefit analysis, which Paul Scherz suggests did not take hold “because of its accuracy or effectiveness” but “because of a distrust of authority.”⁴ When the work of financiers is no longer done in the shadows of the sacred or justice, how can it be trusted? Are the temperance-spectacled eyes of the ledger-keeper sufficient?

¹ Larry Silver, "Massys and Money: The Tax Collectors Rediscovered," *Journal of Historians of Netherlandish Art* 7, no. 2 (2015), 5. The analysis of these paintings presented here is based on this article.
The invitation for the audience to inspect the ledger offered by the spectacle-wearing tax collector’s companion suggests not. The single set of eyes, spectacled or not, must be augmented. The companion urges the audience to add their eyes and oversight to the ledger. He seems to be bidding, “Come and look at the ledger with me. Count and recount what we have done.” The gaze of the companion to the audience multiplies the gazes directed at the ledger. In counting and recounting together, trust is produced, and the ledgers become true.

This dissertation is likewise an invitation, “Come and look at the ledger with me. Come and see the truth that has been produced.” But rather than simply counting and recounting what has been produced, I will recount the production itself, the practice of accounting, auditing what has been made true. Modern accounting is more sophisticated than the ledger being used by the tax collectors in Massys’s painting, but it is still engaged in the activity of producing trust and truth. The trend already visible in these two paintings points toward the rise of appeals to objectivity as a foundation of authority. I argue throughout this dissertation that modern accounting presents itself as objective, which is the source of much of its authority and also why its impact on realms of life seemingly outside of the scope of a ledger—our relationships, ethics, and even theology—is difficult to see. In training our gazes on modern accounting’s production of trust and truth, we will come to see how our own gazes upon the world have been trained by modern accounting.

Much of the argument that follows is that modern accounting is, in fact, not objective, at least not in the way that it is often assumed to be. The objectivity of modern accounting that is both produced and proved through its production of facts abstracts the information produced from historical, social, or moral contexts. Its ostensible objectivity fosters the assumption that these contexts are irrelevant. Modern accounting is seemingly true everywhere and for all times,
transcending any particular realities. But the significance of modern accounting can only be understood when it is viewed within its historical, social, and moral contexts. What I demonstrate throughout this project is that the practice of accounting has a long history, and modern accounting represents only one particular way of practicing accounting. I use the phrase “practice of accounting” to refer to the generic practice of counting, categorizing, and arranging things and use “modern accounting” to refer to one particular way of carrying out that practice of accounting. Assumptions about modern accounting’s objectivity and universality lead to a conflation between modern accounting as a particular form of accounting and the practice of accounting as a whole. The significance of this conflation is difficult to overstate and is the source of the two fundamental critiques in this dissertation.

1.2 Of Counting the Critiques

1.2.1 Critiquing Objectivity

The first of my two main critiques is that modern accounting is not a neutral or amoral form of counting. It is a social and political tool that can foster trust and cohesion and, therefore, be marked by moral goods, but it can just as easily enact and be oriented towards immoral ends. As I will argue, the practice of accounting is a form of practical reasoning that leads to certain actions. The practice of accounting must always be evaluated and re-evaluated to determine whether its form of counting is situated to the problem at hand and leads to proper action. The implication of this critique is, in part, that accountants must take up the task of determining whether modern accounting is addressing the political and social problems of the moment or whether new ways of solving those problems might be needed. Though the dissertation

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5 Chapter 2 provides a historical overview of the practice of accounting that helps illuminate the distinctive features of modern accounting in contrast to other forms of accounting such as record accounting or double-entry bookkeeping.
demonstrates that the neglect of this task cannot be justified based upon appeals to accounting’s objectivity, it is not the goal of this particular project to pursue technical solutions to this problem or provide correctives to the profession of accounting. I leave the work of providing those kinds of specific proposals for others. For non-accountants, however, this critique demands reflection on what actions and behaviors outside of the field of accounting are justified by modern accounting. While people rarely reflect on the impact of modern accounting on life outside of economics and finance, I suggest that it is profoundly important for shaping relational, ethical, and even theological claims in nearly every realm of life.

The critique of modern accounting’s ascribed objectivity is situated within multiple fields. My discussion of modern accounting, for instance, relies upon a subset of accounting literature known as interpretative-critical accounting. Interpretative-critical accounting is composed of two separate stances, both interpretative and critical, but they share criticisms of mainstream and positive accounting. An interpretative-critical approach questions the mainstream assumptions that modern accounting merely describes social interactions in a neutral fashion. The assumptions of objectivity, as the interpretative-critical approaches point out, shape not only how accounting is practiced but also the domain of mainstream accounting research, which relies heavily upon quantitative methods.

Interpretative-critical approaches explore modern accounting’s attempt “to describe, understand and interpret the meanings that human actors apply to the symbols and the structures of the settings in which they find themselves.”6 The focus on meaning and structures that shape and realize individuals and society bends towards questions such as, how might modern

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accounting be producing particular social effects? This takes seriously “Accounting’s capacity to create and control social reality... to instill values, sustain legitimizing myths, mask conflict and promote self-perpetuating social orders.”\(^7\) The interpretive and critical approaches constantly challenge the presence of a fact/value distinction in accounting.\(^8\) Both assume that modern accounting cannot be reduced to “facts” as it is equally engaged in the tasks typically relegated to “values.” Throughout this project, I call the fact/value, as well as the is/ought, distinction into question. Only through these stark dichotomies can modern accounting be assumed to be neutral or amoral. The interpretative-critical accounting literature is relatively unknown outside, and marginalized inside, of the field of accounting. Bringing this valuable set of literature to new audiences is an important task of the dissertation.

The stark distinction between fact and value has also been pivotal to another set of literature that has deeply informed this dissertation’s discussions of the relational impact of modern accounting. The relational implications of modern accounting fit within larger discussions of the relational impact of economic transactions as well as the connection between “the economy” and personal arenas of life such as relationships or religion. These discussions have played out in the fields of sociology, religious studies, and ethics. The economic sociologist Viviana Zelizer outlines two standard ways that economics has been related to domains such as theology or relationships before proposing her own.

\(^7\) Baker and Bettner, 293.

\(^8\) The distinction between the interpretive and critical approaches is that the interpretive approach is focused upon attempting to illuminate the ways in which certain accounting practices, institutions, etc. have these effects, pointing out the particular perspective assumed. The critical approach not only highlights the assumed vantage point of mainstream accounting like the interpretive approach, but moves a step further attempting to assert its own particular vantage point that should be adopted in the mainstream’s stead. The interpretive approach then is more concerned with bringing to light the often-overlooked value-laden assumptions of modern accounting and the effects. The critical approach attempts additionally a constructive project based upon a differing set of assumptions in hopes of achieving ends other than those of mainstream accounting.
The first common approach is what Zelizer calls the “nothing-but” approach, where all actions can be reduced to an underlying interaction directed by an individual’s self-interest.\textsuperscript{9} Actions, in this model, are “nothing-but” decisions made based on economic calculations. One provocative example of this approach is Richard Posner’s argument that prostitution can function as a substitute for marriage as the difference between the two “is not fundamental.” Marriage functions as a long-term relationship of “reciprocal services,” which makes it unnecessary to “bother with pricing each service.” Prostitution, however, is a relationship where such long-term balancing of “reciprocal services” is more difficult, making it “more efficient for the customer to pay in a medium that the prostitute can use to purchase services from others.”\textsuperscript{10} According to Posner, interactions between spouses and a client and a prostituted individual are functionally the same since they are all rooted in each individual attempting to maximize self-interest. The payment involved with prostitution on its face makes it seem as if that relationship is qualitatively different than one between spouses; however, as Posner argues, spouses are operating in precisely the same kind of transactional framework. Marriage like prostitution can be reduced to “nothing-but” economic rationality. They are simply accounted for differently.

Posner’s colleague and co-author at the Chicago School of Economics, Gary Becker, is one of the most well-known proponents of this approach describing “The Economic Way of Looking at Behavior.” He describes “marriage ‘markets’” that interpret “marriage, divorce, fertility, and relations among family members through the lens of utility-maximizing, forward-looking behavior.”\textsuperscript{11} Unsurprisingly, if something as intimate as marriage can be described in


terms of economic rationality, then religion can be as well. This “nothing-but” approach imagines that all of life, family, law, religion, etc. can be embedded in what Karl Polanyi describes as a “market society.” Keri Day describes, though by no means affirms, this same reality with the term neoliberalism, stating, “Neoliberalism is a market rationale that orders people to live by the generalized principle of competition in all social spheres of life, making the individual herself or himself an enterprise (and reducing social relations to monetary relations).” Given the assumption that economic rationality and the telos of efficiency are at the very core of every action, then no part of life, including religion, is separate from economics.

The second main approach highlighted by Zelizer, rather than conflating the two fields, assumes a sharp distinction between economics and other realms of life, such as religion. These other realms cannot be reduced to “nothing-but” economics like in the first approach. Instead, economics must be prevented from infringing on these other realms in any way for fear that they will be tainted by economic logic. Things such as intimate relations or religion must remain free of contamination from the filthy lucre. Zelizer, thus, calls this the “hostile worlds” approach.

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15 For instance, Max Weber and Karl Marx, while making very different claims about religion and economics, both assume that religion and economics represent distinct fields. Marx is often taken to see economics as a causal force behind religion. Religion is a salve to help ease the pain of the dire economic circumstances of the masses. The Weberian thesis, in contrast, posits the Protestant work ethic as the “spirit” that made the economic development of capitalism in the West possible (whether this is the best reading of Weber’s Protestant Ethic is a debate that has raged since its initial publication though that discussion is beyond the scope of the present argument). Despite different causal directions in these theories, the fields of economics and religion are clearly held to be distinct. For an excellent summary of the historical trajectory of the relationship between religion and economics in sociological literature; see Gregory D. Alles, “Economy,” Revista De Estudos Da Religião 4 (2005): 35–42.
significant amount of the work in Christian theology and ethics that addresses economics can be seen working around a discussion of “hostile worlds.” Many theologians, for instance, have critiqued contemporary economic practices for their detrimental impact upon Christian life and practice. Others have criticized these works as exemplifying the flat assumptions that economics and religion are “hostile worlds” suggesting that such a perspective is insufficient. While I think the arguments in these debates often cut to much deeper disagreements about the nature of theology, they are often framed around whether economics is simply a technology or means for religious ends (a distinct “fact” or “is”) or whether it brings with it its own teleological orientation (“values” and “ought”).

Zelizer finds both of these models, “hostile worlds” and “nothing but,” insufficient, suggesting instead her “connected lives” model where there are multiple factors that work within a matrix to affect and shape the type of relational work that interactions and economic transactions have. According to Zelizer, intimate relationships do include exchanges, reciprocations, and transfers, a clear contrast to the “hostile worlds” approach. She suggests that balking at such a claim is a “failure to recognize how regularly intimate social transactions coexist with monetary transactions.”

However, not all transactions are the same. The way in which people engage in transactions carries significant meaning. Negotiations over interactions, according to Zelizer, are

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17 Zelizer, The Purchase of Intimacy, 27.
not limited to the monetary amount but also include the form that they will take and the relational meaning signified by that form. In other words, there is something more at work than economic rationality measured by units of account. An evaluation of a transaction cannot be reduced to the amount quantified by money. But admitting that value is transferred in an intimate relationship does not necessarily corrupt. Relationships move along a “continuum from intimate to impersonal.” The character of those relationships is defined, negotiated, and maintained through exchanges. In order to assess those relationships, one must consider more than a quantified monetary unit transferred. One needs to, for instance, consider the kind of accounting involved.

If one of the shortcomings of the “nothing-but” approach is the way in which mainstream economics and accounting bifurcate ends and means, the connected lives paradigm reunites them. The connected lives approach draws out the significance of the medium of an exchange for assessing the relational work accomplished by a transaction. To return to the example of the spouses and the client and the prostituted individual, Posner assumes that accounting for an exchange differently has no effect on the interaction itself. The connected lives approach, however, provides the framework to identify the fact that changing the method of accounting within a relationship is a modification of the relationship itself, and the performance of a particular practice of accounting within a relationship does the relational work of maintaining a particular relational status. Transactions, and the way for which they are accounted, cannot simply be limited, or reduced, to the amount exchanged. That is but one piece of the broader

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18 Zelizer, 28.

19 Zelizer, 36.
picture of the interaction that has occurred. The means of the transaction becomes inextricable from what the interaction accomplishes.

The practice of accounting, in that sense, cannot be taken as void of values. Its claims to objectivity are often assumed to mean that it is neutral, that it does not contain any values or ought in it. My argument, however, will reveal that modern accounting is infused with values and ought, which requires careful attention and reflection.

1.2.2 Critiquing Universality

The second main critique in the dissertation relates to how modern accounting’s presumed objectivity leads to the adoption of its view of the world in seemingly every realm of life. If modern accounting is presumed to be an objective description, rather than a particular representation, then there is little reason for this to cause concern.\textsuperscript{20} If, however, modern accounting is representing the world in a particular way, its projection into other realms of life brings with it a specific way of representing ourselves, others, and how we are related. It brings with it its own anthropology, sociality, and, as I will argue, ontology and theology. Modern accounting’s claims shape the way we imagine relating to others and, as a result, ethical demands. The question that persists through this dissertation is what kind of accounting should be done? Is modern accounting’s version of accounting sufficient for all of life? Modern accounting’s claim to objectivity—it’s claim to be simply accounting as if there were no other possible ways of doing it—forecloses the possibility of even asking this question. In so doing, modern accounting militates that its form of counting be applied to every arena of life. To not apply it universally would first require an admission that it is not objective.

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\textsuperscript{20} See Chapter 10.2.1 for further discussion of the distinction between description and representation.
I prove, and pursue the significance of, this critique in two ways. First, I consider the impact of a modern accounting imaginary on Christian theology by exploring the use of accounting language and metaphors in Christian doctrines (Chapter 9). I illuminate how discussions around topics such as sin, debt, and salvation can take up, and be shaped by, the characteristics of modern accounting. I argue this can cause a distortion of the relationship between God and creation. By assuming that modern accounting is objective and the only way of doing the practice of accounting, the possibility of accounting for sin and salvation differently are precluded.

The second arena I address is relationships with neighbors (Chapter 10). Modern accounting summarizes relationships by asking what we owe to others, a question that can be answered objectively. I suggest an alternate way of accounting for others, however, through the concept of gift. While asking what we owe to others provides an unambiguous form of ethical deliberation, it fails to reckon with the variety of ways that we relate to others. Again, modern accounting’s presumed objectivity demands a universal form of accounting for all relations. I highlight, in contrast, the connection between gift and language to offer a proposal for thinking about how we can “go on” with others without relying upon modern accounting’s universalizing assumptions. Both of these discussions demonstrate the limits of modern accounting’s representation of the world. Modern accounting simply cannot properly count all things.21

The aim of this project is to flesh out the potency of modern accounting, specifically highlighting its impact on Christian theology and ethics. For in seeing the role that modern accounting

21 As an immediate clarification, I am not suggesting that we should eradicate the practice of accounting or that modern accounting does not serve an important social function in specific realms. Nor should the reliance upon Pentecostal theology and discussions of glossolalia in later chapters be mistaken as a suggestion that we should try to replace modern accounting with glossographia, as if speaking in tongues would be a better way of conveying the financial reports of publicly traded companies.
accounting has in constructing “an objectified social reality,” I argue that it creates an imaginary that constrains the possibilities for theological and ethical deliberation. If the way in which modern accounting imagines relations has been exported to the framework in which humanity’s relationship with God is imagined, as I suggest it has, the theological consequences of modern accounting become poignant. The question, at that point, becomes whether the relational work carried out by modern accounting comports with Christian views of how persons relate to God. Likewise, in a modern accounting imaginary, relationships between persons are given a specific form and shape that narrows the potential dynamics of the relationship. This way of relating persons to each other is not inherently wrong (to say that would be to fall into the hostile worlds approach). It does, however, constrain potential relational possibilities and demands ethical analysis.

1.3 Of Counting the Chapters

Having introduced the central arguments made throughout the dissertation, I need only to “precount” the chapters before I begin my telling of accounting’s story. Chapter 2 provides an introduction to the practice of accounting by recounting its historical developments. Practices identifiable as accounting have been performed for thousands of years. By historicizing the practice of accounting, I aim to highlight the features of modern accounting that make it unique within this history. In as much as the argument of this dissertation is concerned with modern accounting specifically, it is important to distinguish it as a particular practice arising from specific social and historical circumstances. The chapter, therefore, concludes by articulating the central characteristics of modern accounting, its criteria.

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Chapters 3 and 4 work together highlighting modern accounting as a form of writing that relies upon various genres of writing. Chapter 3 focuses on genres that foreground numbers: mathematics and science. Examining these genres brings to light why modern accounting is so easily considered to be objective. Through a comparison to Mary Poovey’s “modern fact,” I describe how modern accounting contains within it both deductive and inductive reasoning that work together to accrue certainty. Not only does this chapter shed light on why modern accounting is assumed to be objective, it challenges those claims through its discussions of both mathematics and science. It concludes by addressing what exactly is meant by objectivity and what kind, if any, can actually be ascribed to modern accounting.

Chapter 4 explores genres that do not rely on numbers and that are much less likely to be associated with accounting: apologia and rhetoric, fiction, and history and prophecy. What emerges through this analysis is that modern accounting attempts to excise itself from its context, whether that be social, historical, or moral. Modern accounting provides information suited to particular contexts, which means that the information is intended to make a particular argument. Its presumed neutrality often obscures the argumentative nature of the information it presents. Similarly, modern accounting is deeply intertwined with past events and future predictions. Its reporting involves prophecies as well as interpretations of the past. Yet this historical situatedness is masked by modern accounting’s appearance to operate in what I call the abstract present. Finally, modern accounting adheres to a very particular writing structure and conventions that mask the particularity of the recordkeeper and the relational element of the events recorded. This chapter, like the previous, helps to further demonstrate why modern accounting’s writing can so easily be taken as neutral while also highlighting its significance for how it tells its story in particular historical, social, and moral contexts.
Chapters 5, 6, and 7 continue considering modern accounting as a form of writing through evaluations of the three main financial statements: balance sheet, income statement, and statement of cash flows. Each of these chapters continues to highlight that modern accounting is not objective in the way that it claims to be while also highlighting specific features about its writing that move the argument of the dissertation forward. Chapter 5 highlights how the balance sheet imagines and creates monadic agents that can only relate through exchange. This argument, in itself, contains implications about the sociality assumed by modern accounting. The discussion of sociality is furthered in Chapter 6’s discussion of the income statement where all things are made commensurate and reduced to a single number, the bottom line. This abstract form of relating to others, along with the assumption that it can be universally applied, shapes modern accounting’s sociality. Finally, Chapter 7 considers the statement of cash flows in order to illuminate modern accounting as a form of practical reasoning. This chapter explores the categories of data, facts, and truth to suggest that the information furnished in the financial statement is oriented towards particular ends. These chapters demonstrate that not only is modern accounting’s claim to objectivity overstated, but they also bring into focus the particular claims about anthropology and sociality that are embedded within modern accounting that pave the way for explicit discussions of Christian theology and ethics.

Chapters 8, 9, and 10 form the final chapters of the argument. They move from focusing on modern accounting as a form of writing to a form of reckoning, or of defining relationships. Chapter 8 does this by comparing modern accounting with the category of gift. This chapter does not simply propose gift as a panacea in light of the critiques of modern accounting. Rather, it seeks to highlight how interactions, whether defined by modern accounting as exchanges or the category of gift, are connected to certain forms of life that make them intelligible. By drawing on
gift theory, I highlight how the form of interactions is significant for its relational implications. Modern accounting’s potential relational impact, as well as the form of life that makes it intelligible, are, thus, crystallized through the contrast to gift. This chapter functions as a hinge. It is a capstone to the chapters that precede it, making the clearest case for a particular sociality and form of life attached to modern accounting. It is also the springboard for the following two chapters, which rely on a contrast between modern accounting and gift.

Chapters 9 and 10 provide specific examples of realms of life where modern accounting’s view of the world is inadequate. In doing so, they demonstrate the argument that modern accounting is not neutral but that it has its own sociality embedded within it that impacts Christian theology and ethics. Chapter 9 demonstrates this by evaluating the use of accounting language within theological discourses about sin, debt, and salvation. This discussion reveals that some form of accounting is necessary, and the kind of accounting that one uses greatly impacts one’s theology. I contrast theories of atonement rooted in the form of life assumed by modern accounting to a theory of atonement rooted in the form of life that emerges from a discussion of creation. One need not assent to my constructive argument about salvation for it to be clear through this chapter that modern accounting can greatly impact Christian theology.

If Chapter 9’s focus was on how humans are reckoned to God, Chapter 10 turns to the topic of how humans are reckoned to each other. By utilizing a comparison between gift and language, this chapter offers a method for determining how to “go on” with neighbors in a way that is not beholden to a modern accounting imaginary. It proposes instead, based upon a discussion of Pentecost, hospitality as an alternative way of shaping relations. It then considers how reckoning with neighbors through the criterion of hospitality, rather than the criteria of modern accounting, impacts approaches to humanitarianism, stewardship, and environmental
ethics. Modern accounting asks what we owe each other. These explorations of how we are 
“reckoned” to others suggests that the more fundamental question is, “How are we bound 
together?” Only in knowing how we are bound together can we know how to count, reckon, and 
go on with neighbors. As in the discussion of theology, one need not assent to my prescription of 
reckoning with neighbors through the criterion of hospitality to recognize the ethical impact of 
modern accounting’s assumptions infused in the language of stewardship. These two final 
chapters bring to a close the argument of the entire dissertation by giving specific examples of 
the impact of a modern accounting imaginary.

Come and count with me and see what the accountant’s ledger has made true.
CHAPTER 2
Of Counting Accounting

2.1 Accounting’s Counting

The practice of accounting is basically counting, but what counting is is not so basic. Counting is a multivalent term. The question “Which counting counts?” demonstrates that counting can be used in at least two ways. Accounting, undoubtedly, is a numerical practice. That is one of its key features. The historical development of what is known as the cashlike statistic, where accounting reports are oriented toward providing something that takes the form of a numerical representation of money proves that point.23 This feature, along with instances when a merchant or auditor must count, or assign a numeric value to, their inventory, cash-on-hand, or sales are all obvious examples of how the practice of accounting is numerical counting. Yet the practice of accounting is not only, or perhaps even primarily, this kind of counting.

The practice of accounting is also counting in a nonnumerical sense, which the philosopher Stanley Cavell describes as determining what fits, what matters.24 The practice of accounting is always an attempt to summarize, categorize, and present, or perhaps more aptly

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represent, actions that occurred in the past. The historian Hans Derks describes double-entry accounting “as a way of organizing, arranging, registering accounting data of ventures.” Derks’s definition centers not on the numerical form of counting popularly associated with accounting but on the nonnumerical form. What fits in this account? What matters enough to be disclosed? On which report does this belong? The practice of accounting, especially in the modern age of computers, is far less involved in arithmetical counting than it is attempting to discern what matters. The moniker “bean counter” might be replaced by “bean sorter.”

The relatedness of these two forms of counting is illuminated by reflecting on the relationship between the words counting and telling. “All accounting,” as Nimi Wariboko says, “is a narrative” and “story.” Cavell argues that it is not by chance that “telling” describes both covering “the progress of relating a story” and “the progress of counting or numbering.” This suggests that “counting numbers were our original for all further narration.” Numerical counting establishes the framework whereby “recitations have orders and weights and paces.” It measures and separates times and distances. In the same way that a conductor paces the musicians by counting the beats, the practice of counting creates a drumbeat for the narratives of our lives, ordering its pieces, giving weight to certain elements above others, and determining the tempo of its different segments.

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28 Cavell, Disowning Knowledge, 205.
In all of these senses, accounting is counting. It numbers, names, and narrates. It orders, identifies, and orients. The relatedness of these activities was remarked upon by Thomas Hobbes who connected speech, counting, arithmetic, and even reason. His description demonstrates how closely these activities are bound up in each other. The person who cannot count, or properly order and number things “will lose himselfe, and not know [what] he has done.” To be able to name and identify, even oneself, requires that one can properly order things. But the ability to number is bound up with speech or the assignment of names or “Markes,” which aids in signifying the connection and order of different objects to each other. Counting is possible only through telling or naming. “Without words, there is no possibility of reckoning of Numbers.”

One must properly name and number things in order to be orientated rightly to the world. Hobbes states, “the reckonings whereof are necessary to the being, or well-being of man-kind.”

The practice of accounting numbers and orders through its naming and identifying.

The nonnumerical counting accomplished by the practice of accounting (i.e. determining what counts) is obfuscated by its numerical counting. Numbers are the quintessential modern fact. They are easily postured as neutral, objective, or purely descriptive. That the practice of accounting provides such ostensibly numerical forms of telling can render its particular nonnumerical counting difficult to perceive. This point is not dissimilar to Hans-Georg


31 Hobbes, 27.

32 Hobbes, 27.

Gadamer’s description of statistics, which he notes “seems to be a language of facts.” Just as with the practice of accounting, the prominence of numerical counting affords an air of neutrality. Yet, in noting the particularity of these facts, Gadamer points out that these facts are not universal; they answer particular questions and other “facts would begin to speak if other questions were asked.”

Discussing the practice of accounting this way highlights that there is no universal or generic way of counting. One must always count in a particular fashion, perform a particular kind of accounting. The story can always be told another way. Choosing to tell the story in one way is always a decision not to narrate it in another way. This is true, of course, of all practices. One’s perspective is always situated in a limited context that shapes and constrains the boundaries of one’s narrative and the concerns it might address. Naming and numbering determine who and what counts and how the story is told. We see in the field of accounting disagreements over which questions to ask and subsequently what stories to count or recount. These questions, and their answers, are always shaped and limited by a particular perspective situated in a time and a place. The discussion in Chapter 6 of long-standing debates within the

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35 Gadamer, 11.


37 The stakes of these judgments are highlighted by reflecting on Ashon Crawley’s discussion of the epistemic significance of the way that racializing processes have at times determined whose experiences counted and therefore whose claims were rational or irrational, what counts as reasonable; see Ashon T. Crawley, *Blackpentecostal Breath: The Aesthetics of Possibility* (New York: Fordham University Press, 2017), 233–34.

38 For instance, the accountant Dorothy Brown highlights how measuring the black-white wealth gap in the US requires recognizing that prior to 1865 such a wealth gap was nonsense, for black people could not own property but were “property”; see Dorothy A. Brown, *The Whiteness of Wealth: How the Tax System Impoverishes Black Americans—and How We Can Fix It* (New York: Crown, 2021), 17–18.
discipline of accounting over things such as how to count income, which is central to modern accounting, makes this obvious.

When accountants disagree about the results of a report, they have to recount the numbers, tell the story again. Recounting can adjudicate disagreements because it requires doing what Cavell describes, following philosopher Ludwig Wittgenstein, as clarifying criteria. A criterion is shaped by forms of life; it is shaped by the everyday. What counts as a particular thing is “what in the life of everyday language counts.”\textsuperscript{39} Words mean according to the everyday rhythm of life, the underlying meter and counting of life’s conductor. Accountants who are recounting, telling again, or perhaps asking again what counts as this particular thing, are searching for criteria. Cavell describes how this process of “asking for our criteria” works in relationship to thinking about what an opinion is:

If, for example, you know what in the life of everyday language counts as—what our criteria are for—arriving at an opinion, and for holding firmly to an opinion, and for suddenly wavering in your opinion, and trying to change someone’s . . . opinion of someone or something . . . and for having no or a low opinion of something, and for being opinionated, and being indifferent to opinion (that of the public or that of a private group), and similar things; then you know what an opinion is.\textsuperscript{40}

This compares to the way accounting education before the nineteenth century consisted of precisely this form of asking what counts. The training manuals provided “explanations as to which journal entries were appropriate to particular transactions.”\textsuperscript{41} It was a way of asking what each particular transaction counts as. How should this particular action in the world be named and narrated via a journal entry? The practice of accounting requires doing the work of shaping


\textsuperscript{40} Cavell, 334.

criteria, which, as Cavell says, "gives a sense of how things fall under our concepts, of how we
individuate things and name, settle on nameables, of why we call things as we do, as questions of
how we determine what counts as instances of our concepts, this thing as a table, that as a chair,
this other as a human, that other as a god. To speak is to say what counts."  

The connection between the practice of accounting and the use of language will continue
to resurface throughout this project. I use ordinary language philosophy and those following
Wittgenstein to critique many of the assumptions promulgated by modern accounting. What is
worth stating explicitly here is that the practice of accounting functions like language. However,
modern accounting’s claims to objectivity veil this. I repeatedly critique claims of modern
accounting’s ascribed objectivity by drawing on descriptions of the use of language, and I
propose in Chapter 10 that the ethics of relating to others requires accounting for our
relationships in a way that adheres to the flexibility and constraints found in the use of language.

Before we move any further, however, another recounting is in order. The story of
accounting through the course of history needs to be told or retold. As the next section shows,
the practice of economic recordkeeping goes back to antiquity. Some of the oldest writings
extant are those concerned with tracking economic transactions. Those practices, however, have
little in common with current forms of accounting. Telling, or retelling, the history of accounting
is an attempt to determine what counts as accounting. Through the history of the practice of
accounting, I can demonstrate the variety of ways in which accounting has counted. I will also be
able to identify specific criteria that characterize modern accounting, which are central to the
concerns I raise in later chapters.

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42 Cavell, Disowning Knowledge, 204–5.
2.2 What Type of Counting Counts as Accounting?

The historical record of tracking economic exchanges extends back as far as historical writings have been recovered. The Sumerians had already developed a highly organized system of recordkeeping by 3500 BCE.\(^{43}\) Though this recordkeeping was largely a matter of recording receipts and disbursements and did not involve “accounts at all in the modern sense of data accumulation categories.”\(^{44}\) Financial records, however, preceded even written recordkeeping, which marked an improvement on earlier forms using tokens, stones, bones, etc.\(^{45}\)

Tallies, for instance, were a common technique of early recordkeeping that utilized notches carved into objects such as wood. The wood was then split with each of the parties of the transaction taking one piece.\(^{46}\) The longer of the two pieces was referred to as the stock and marked the beginning of the development of the phrase “stock market.”\(^{47}\) The tally functioned as a receipt, and both parties would have to bring their half of the tally together to show their matching notches in order for the debt to be discharged. This simple form of accounting proved highly useful as it was comprehensible to the illiterate and literate alike.\(^{48}\) It retained its use even into the Middle Ages and was a crucial piece of recordkeeping in Britain. Tallies would

\(^{43}\) David Graeber, Debt: The First 5,000 Years, 3\(^{rd}\) ed. (Brooklyn: Melville House, 2014), 39.

\(^{44}\) Chatfield, A History of Accounting, 5.


\(^{46}\) For diagrams of how tallies were shaped and an example of the notches that were made on them, see Williard E. Stone, "The Tally: An Ancient Accounting Instrument," Abacus 11, no. 1 (1975), 49–57.


\(^{48}\) Rudolph Robert, "A Short History of Tallies," in Studies in the History of Accounting, eds. A. C. Littleton and B. S. Yamey (Homewood, IL: Richard D. Irwin, 1956), 75–85. Along with the tallies, checkerboards, or the Exchequer table, were used as a form of an abacus to make the entire recordkeeping process accessible to the illiterate; see Baxter, “Early Accounting,” 53–68.
eventually be used to signify things other than just receipts, such as payables, future taxes, or a form of currency. They would even in time become a speculative investment.\textsuperscript{49}

No shortage of evidence exists for forms of recordkeeping by the Egyptians, Phoenicians, Persians, Greeks, and Romans as well.\textsuperscript{50} Greek and Roman accounting has often even been touted as having reached an advanced system of accounting, though nowhere in the ancient world could a system like modern accounting be found. Greek and Roman accounting was not a unified system that employed accounts or debits and credits. Rather it was a form of recordkeeping that gathered different individual documents, such as “records of debts and of receipts and payments, and miscellaneous inventories.”\textsuperscript{51} Thus, while Jacob Soll notes the extensive use of audits and recordkeeping, the system “did not focus on profit and future earnings, the principal function of double-entry accounting.”\textsuperscript{52} One practical impediment to the Roman’s system was its reliance upon Roman numerals. In fact, one of the key pieces of technology that would aid in transforming the practice of accounting in the Middle Ages were Arabic numerals.\textsuperscript{53}

In the centuries following the fall of the Roman empire the closest parallel to Roman accounting was the Catholic Church’s tracking of receipts and disbursements as it levied and

\textsuperscript{49} Chatfield, \textit{A History of Accounting}, 24. In England, the tallies were kept long after they fell out of use. When they finally decided to destroy them, they set them on fire, which led to the burning of the Parliament building in 1834; see Baxter, “Early Accounting,” 43.


\textsuperscript{53} Soll, 10; Chatfield, \textit{A History of Accounting}, 14–15.
collected taxes. Charlemagne also tracked income and expenditures and made an annual inventory during his reign in the eighth and ninth centuries. In Britain, some of the oldest surviving documents in English are the tax rolls and manorial audits from the early medieval period. Early seeds of modern accounting can be seen in the system of manorial accounting that relied upon the charge and discharge method of accounting. The manor was conceived of as a business entity that was stewarded by an employee. The crucial “agency relationship” where the owner and operator of an entity are no longer the same person was a feature of these manors, which prompted the need for an annual audit where the financial records were reviewed for accountability. Manorial accounting thus benefited the lord by verifying that the steward was not stealing or mismanaging the manor, while for the steward the recordkeeping could avouch that their duty was well discharged. It was not until the end of the fifteenth century that the first published account of double-entry bookkeeping (DEB) appeared, written by the Italian mathematician Luca Pacioli.

Pacioli’s role in accounting history cannot be overestimated. For those unfamiliar with accounting history, it may be surprising that some of its most significant roots are found in a Franciscan friar who held the title of “Doctor of Sacred Theology and Philosophy” while teaching at Perugia. He was later appointed by Pope Leo X as a mathematics professor at the

54 Chatfield, 20.

55 Soll, The Reckoning, 105. For an overview of the charge and discharge system, see A. C. Littleton, Accounting Evolution to 1900 (New York: American Institute Publishing Co., 1933), 123–27. Yannick Lemarchand provides a description of how the charge and discharge accounting system was used in France for audit purposes and why it was eventually replaced by the double-entry system; Yannick Lemarchand, "Double Entry Versus Charge and Discharge Accounting in Eighteenth-Century France," Accounting, Business and Financial History 4, no. 1 (1994), 119–45.

56 Chatfield, A History of Accounting, 24–27.

Sapienza in Rome. He even wrote a book that was a collaboration with his friend Leonard da Vinci who provided the illustrations for Pacioli’s text. The accountants Gregory Waymire and Sudipta Basu suggest that accounting history can be divided into two different eras: that which precedes Pacioli and that which follows. Waymire and Basu describe everything pre-Pacioli as simply recordkeeping. The significant leap forward marked by Pacioli’s work is indicated by A. C. Littleton’s description of the nearly 150 accounting books that followed Pacioli’s publication in Europe as being little more than revisions of Pacioli’s work. The work itself has all of the essentials of modern-day DEB. As Littleton says, “outside of the technique of auditing, cost finding and budgeting, moderns have contributed relatively little on the practical side.” It should be noted that Pacioli’s work does not mark the beginning of the use of DEB. Rather his 1494 work, *Summa de Arithmetica, Geometria, Proportioni et Proportionalita* that included the historic chapter devoted to bookkeeping entitled, *Tractatus de Computis et Scriptura*, or *Of Reckonings and Writings*, is the first codified version of the system that was published. DEB, in its fully developed form, had already been practiced for at least 150 years before this publication. Pacioli himself notes that his work is a compendium, which is deeply

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59 Waymire and Basu, “Accounting is an Evolved Economic Institution,” 18.


61 Littleton, 86.

indebted to, among other sources, a work by Leonardo da Pisa from around the year 1200. In fact, it appears that Pacioli’s work relied heavily upon another document that was circulating Venice at the time. As R. Emmett Taylor says, “One must not think of Pacioli so much as an originator than as an adapter.”

Given the significance of Pacioli’s work, it is worth considering what provoked the need to provide a written account of DEB at that time. Littleton describes all of the “antecedents” necessary for the existence of DEB including writing, arithmetic, private property, money, credit, commerce, and capital had existed for quite some time before the Italian Renaissance, and yet, DEB had not yet been contrived. Littleton takes this as an indication that the particular context of Pacioli’s moment in history is critical for understanding accounting’s development. This “evolution” of accounting is one of the main interests of Littleton’s seminal history of accounting. Recognizing the historical progression of the practice of accounting highlights the importance of historical context for understanding the practice. As Littleton says, accounting is “progressive and relative,” coming from “definite causes.”

Modern accounting often presents itself as an objective practice unaffected by any contextual realities, such as history. By historicizing the practice of accounting, I draw out the impact of historical and social developments on accounting.

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65 Taylor, “Luca Pacioli,” 183. See also Chatfield who compares Pacioli’s work to a contemporary book “on accounting fundamentals” that would serve those who were “untutored” and lacking in significant detail. Chatfield likewise concludes that Pacioli’s “influence and deserved importance were those due to the disseminator of a basic new idea”; see Chatfield, A History of Accounting, 42.

66 Littleton, Accounting Evolution, 362. For an example of an argument that challenges the thesis that accounting developed in response to the needs of a business that previous forms of accounting were unable to meet; see Yamey, “Notes on the Origin,” 263–72.
It is unsurprising, given the classical status of Littleton’s work, that accounting historians widely recognize how the practice of accounting is shaped by its economic and social context. Yet, the field of accounting history was embroiled in debate during the twentieth century over the proposal by Werner Sombart that inverted this claim, arguing that DEB was the cause of capitalism. The frequently quoted refrain from Sombart is his assertion that, “capitalism and double entry bookkeeping are absolutely indissociable; their relationship to each other is that of form to content.” For Sombart, the rational and calculative approach facilitated by accounting allowed for the creation of wealth and profit orientation. Sombart’s declarations about the direct connection between the rise of DEB and the development of economic rationality were similar to Max Weber’s own claims about the relationship between DEB and capitalism though Weber’s were much softer. Sombart’s thesis has faced significant criticism and has, as the result of considerable historical work in the last century, been proven, at least in part, incorrect. For instance, Michael Chatfield says, “It is wrong, as Sombart does, to read great economic significance into the advent of double entry bookkeeping. Its early users were the progressive minority of firms and at first it did little to methodize business life.” Historical ambiguities—the delayed adoption of DEB by profit-oriented “capitalists” or the lack of DEB systems being used by those engaged in “capitalist” activities even before Pacioli—make drawing such a direct

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68 For a helpful summary of Sombart’s proposals as well as some criticism of it, see Kenneth S. Most, "Sombart's Propositions Revisited," *The Accounting Review* 47, no. 4 (1972), 722–34.

69 Chatfield, *A History of Accounting*, 41, 60–61
line between DEB to the rise of capitalism untenable. A more moderate, and in my opinion convincing, approach is to recognize the formative effect of economic environments on the practice of accounting as well as the impact of the practice of accounting on economic realities. The practice of accounting seems to respond to the needs of its economic context and in turn shapes the realities possible.

The rise of DEB in the Italian Renaissance was deeply intertwined with the shifts in economic practices taking place. The increase in ship trading in the Italian port cities had led to a greater influx of capital, which crucially was now coming more and more frequently from silent partners. This new scenario, where the owners and providers of the capital were distanced from the management of operations, but needed to be informed on their returns, is what Littleton suggests instigated the development of DEB.

Three specific changes, therefore, took place from previous historical economic contexts that provided the impetus for DEB. First, ownership was separated from management. This is

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70 For example, Yamey notes that even by the end of the eighteenth century the use of DEB in England was limited to wholesalers, and even then, not all of them; see B. S. Yamey, "Introduction," in Studies in the History of Accounting, eds. A. C. Littleton and B. S. Yamey (Homewood, IL: Richard D. Irwin, 1956), 11.

71 This is the tack taken, for instance, by Previts and Merino, The History of Accountancy, 4–5.

72 Littleton, Accounting Evolution, 37; Chatfield, A History of Accounting, 36–37. The economic prominence of the Italian port cities, in particular came as a result in increased long-trade and political consolidations in the West, which had largely foundered since the fall of the Roman empire. Some of this can be seen in the Crusades that would help provide the capital that was beginning to accumulate in Italy at this time. Concomitantly during this renewal of Italy, there was a retreat away from the Mediterranean Sea by both Byzantium and the Islamic caliphate. As Eric Wolf states, “The real beneficiaries of the Crusades were the Italian port-cities.” The connection between the increase in capital and the Crusades is something that is infrequently mentioned in accounting histories. Those histories are usually told by following the world’s leading economies, beginning with Italy in the Middle Ages, traveling up Europe to the UK leading up to the Industrial Revolution before crossing the Atlantic to the United States in the twentieth century. While this method is understandable and is replicated in part here, it leaves to the side the way in which economic environments were shaped by the interconnectedness of the world economies. The British economy developed differently than the US economy given various events, such as the South Sea Bubble of 1720 where speculative investments on trade led to an economic crash. All of this seems to be an example of what Wolf laments as the tendency towards a division that precludes seeing the relationship between different segments and systems; see Eric R. Wolf, Europe and the People Without History, 2nd ed. (Berkeley, CA: University of California Press, 1982), 104–6, 19.
discussed in accounting as an “agency relationship” and continues to be one of the core arguments for financial statements, particularly with publicly traded corporations.\(^7\) Second, there was an increase in the amount of capital being employed by the Italian merchants and the complexity of tracking it. The continuity and continuous nature of the commerce was a change from ships previously being contracted for one trip. The calculation of the return on capital had previously been more straightforward. With the scale of the new ongoing business, however, capital needed to be much more closely tracked.\(^7\) The final component is embedded within the first two. In fact, Littleton calls this the *sine qua non* of accounting, which is proprietorship.\(^7\) It is the enterprising orientation where profits must be calculated that creates the need for DEB and, in Littleton’s opinion, leads to the creation of DEB itself.\(^7\)

In the nineteenth century, the economic environment evolved again, leading to further advancements in the practice of accounting. Chatfield goes so far as to say that “It was the Industrial Revolution, not the bookkeeping innovations preceding it, which drew out


\(^7\) Chatfield, *A History of Accounting*, 80. The inability to track capital and revenue with the manorial system is what Chatfield attributes to the widespread usage of DEB in place of the charge and discharge method used under the feudal system; see Chatfield, 92.

\(^7\) Littleton, *Accounting Evolution*, 27.

\(^7\) De Roover suggests his own three factors that led to developments in the practice of accounting leading up to Pacioli: partnership, credit, and agency. These relate to the three points of emphases I have raised. Credit was significant in the increase of capital. De Roover’s discussion of partnership, rather than focusing on agency which is its own category for him, notes how this business feature led to conceptually detaching the actions of the venture from the proprietor. No longer were the business and the proprietor identical. The business existed as its own entity, which had significant ramifications, for example in the development of nominal accounts. It also demonstrates a bent towards the entity theory of accounting, whereas, Littleton is a proponent of the proprietary theory of accounting; de Roover, “The Development of Accounting,” 115. The distinction between entity and proprietary theories will be addressed more fully in Chapter 5 on the balance sheet. In brief, the proprietary theory sees a business entity as an agent working on behalf of the proprietor (or owners such as stockholders). The entity theory sees the business entity as more distinct from the owners meaning that equity, in this approach, resembles credit.
accountancy’s analytic potential.” New technological advances in communication and transportation led to a massive increase in economies of scale. Corporations were structured in hierarchical fashions that were previously not possible, leading to greater volumes of sales, expenses, and capital. Labor was acquired through long-term employees rather than day-hires to avoid the costs of turnover. Massive amounts of assets were acquired and held, such as those by railroad companies that owned railroad cars and tracks that spanned continents. The established structure of DEB articulated by Pacioli did not change, but incredible amounts of nuance and detail were added to the system in order to meet the needs of these new economic challenges.

Many of these nineteenth century developments were intensifications of the initial circumstances that led to the development of DEB in medieval Venice. If the development of the agency relationship due to an increase in “silent partners” was instrumental in the Venetian shipping business, the distance between the actual business practices and not only the supply of capital but also of the business managers increased exponentially in the nineteenth century. With the development of large-scale corporations, no longer were top managers in the same building or even state or country as the business operations being managed. Managerial and cost accounting took on further significance, particularly in the second half of the nineteenth century.

77 Chatfield, A History of Accounting, 61.


79 Johnson and Kaplan, Relevance Lost, 8–12. It should be noted that while the standard narrative of accounting history tracks this change in accounting through the industrial revolution and the rise of factories in the North in the United States, Caitlin Rosenthal’s work, Accounting for Slavery, challenges the neatness of that historical telling. According to Rosenthal, much of the accounting that would be implemented for managerial purposes was in use on slave plantations decades before they came into wide spread use in factories. Rosenthal argues that accounting functioned as a way of controlling slaves that can be seen as a precursor to Taylorist management theory; see Caitlin Rosenthal, Accounting for Slavery: Masters and Management (Cambridge, MA: Harvard University Press, 2018).
Even with all of the increases in technology and communication that made large scale operations from broad geographic acquisitions of raw materials to wide distribution of products, “these organizations would not have been able to capture the full potential of gains from increased scale of operations” without cost accounting.\textsuperscript{80} Cost accounting developed around the goals of trying to determine which business lines, products, and locations were generating which revenues and requiring which expenses.

With the proliferation of these new large-scale, multi-national corporations came a consolidation of capital that again reflected the implications of the economies of scale.\textsuperscript{81} The increase in size and the combination of multiple activities within one corporation demanded close management of every product line for internal analysis that could ensure maximum efficiency.\textsuperscript{82} The development of trusts such as Standard Oil Trust, which was formed in 1882, only continued the trend in the increased scale of corporations. Individual corporations were set up in each of the various states in which a company operated. These corporations were all wholly owned by such trusts. Trusts were thus a “corporation of corporations.”\textsuperscript{83}

Even into the final decade of the 1800s in the United States, companies did not need to publicize financial statements, however, scrutiny put on these corporations made it more typical

\textsuperscript{80} Johnson and Kaplan, 8.

\textsuperscript{81} Corporations not only marked increased scale of operations, but they were also indicative of three specific features: 1) each was its own distinct entity able to own property, 2) the individuals that comprised the corporation had limited liability for its actions, and 3) the life of a corporation was not bound to that of its owners, but rather continued in perpetuity. As Chatfield notes, these were characteristics that had previously been reserved for the church, cities, and craft guilds; see Chatfield, \textit{A History of Accounting}, 77.

\textsuperscript{82} Previts and Merino, \textit{A History of Accountancy}, 97–98.

\textsuperscript{83} Previts and Merino, 106–9. The use of trusts would give way to consolidated holding companies, which functioned similarly but were more well suited given some of the political developments following the panic of 1884.
that they would voluntarily provide unaudited financial statements. This trend corresponded with a shift in the source of capital. Companies through much of the nineteenth century had largely relied upon debt or loans from banks. Equity, in the form of publicly traded stocks, took on more importance in England at the end of the nineteenth century and in the US at the beginning of the twentieth century. This led to standard filing of uniform financial statements by publicly traded companies in the twentieth century. Audited financials were crucial for investors to determine the value of a company and to ensure a proper dividend was issued. These developments led to the presentation of “dividend value,” and “fair return” became solidified in the form of the “cash statistic.” In other words it became crucial that “accounting information should be contained in a cashlike statistic if it is to be useful for measuring return on investment.” And so, Return on Investment (ROI) was born. The time between when accounts were closed and profits were calculated became shorter and shorter. If the profits of a trading ship were calculated one time upon the completion of a voyage, with the “dividend” being essentially a liquidation of the firm, the continuous business process that was now typified by the

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84 The secrecy around a company’s financial record keeping can be seen in the keeping of a “private ledger.” Whereas a standard employee would record the majority of the transactions, some transactions were only kept by “a partner or trusted employee,” ensuring the secrecy of important accounts such as capital expenses, officers’ salaries, or other cumulative information; see Previts and Merino, 117.

85 For a description of the difference in development of stock exchanges in London and New York and the effect of that on the timing of the role of accountants as auditors; see Mathews, Anderson, and Edwards, The Priesthood of Industry, 244.

86 The issue of fair return developed in relation to the regulation of companies, such as railroads, that were providing public services where it became necessary to determine what constituted a “fair return” for the private company; see Previts and Merino, A History of Accountancy, 123–25.

87 Previts and Merino, 125.
factories in North America meant that accounts needed to be closed continuously. Profits transformed into “earnings” and “income” as an indication of this continuous calculation.

The emergence of cost management accounting to meet the economies of scale of the nineteenth century led to the further development in the late-nineteenth and twentieth century of auditing techniques to provide assurance for the reliability of the now serpentine accounting systems in place. The prominence of auditors in Britain increased in the final decades of the nineteenth century. In the US, following the stock market crash of 1929, focus shifted to financial audits to ensure that financial statements were “true and fair.” The technique that developed moved away from testing individual transactions for correct arithmetic to “assessing the internal control and then sampling.” It was no longer the records that were being double-checked, the accounting system itself was being analyzed. The need for this new form of assurance, beyond the obvious market crash that led to the depression in the 1930’s, could be linked to the development of complex accounting systems, which a century earlier had not existed.

The complexity of modern-day audits makes it hard to imagine how one might look at the early notches on sticks as “of a piece” with modern accounting. Perhaps this is why an

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88 Most, “Sombart’s Propositions,” 727.
89 Littleton, Accounting Evolution, 85.
90 Littleton suggests that there have been two significant additions to the practice of accounting since Pacioli: auditing techniques and cost accounting; see Littleton, 86. Johnson and Kaplan argue that cost accounting was not the result of the increased economies of scale, or “big business,” but more likely its cause. In accurately accounting for the divisions of labor made famous by Adam Smith, these businesses recognized the potential for increased profit through increased size; see Johnson and Kaplan, Relevance Lost, 20–21.
91 Chatfield, A History of Accounting, 113–19.
93 Power, 20.
accounting education rarely, if ever, includes any historical training in accounting. One can easily earn a degree in accounting and pass all of the qualifying exams to be a Certified Public Accountant without ever broaching the topic. The “whence” of the accounting system rarely enters the intellectual space of accounting education as it is not necessary to practice the skill adeptly.\(^94\) When snippets of history do appear, they are often justified by arguing that they give context to rules that otherwise seem abstract and difficult to grasp for students.\(^95\) Of particular concern to my argument is that this ahistorical approach can intimate that the current manner of practicing accounting is the only way that the practice can be carried out. It loses sight that accounting is a practice that is historically, as well as socially, embedded. This makes it easy to imagine that modern accounting is simply accounting as if no other way of accounting is possible. This is the conflation between modern accounting and the whole of the possibilities represented within the practice of accounting that is bound up with claims of objectivity.

This present historical outline highlights some of the basic trends and inflection points of the practice of accounting. Having this in mind makes it easier to count particular practices of accounting, or determine what counts as different kinds of accounting. The final section of this chapter categorizes three stages of the practice of accounting that culminate in what I call modern accounting. Clearly outlining these stages emphasizes my point that modern accounting is one particular way of counting; there are otherwise possibilities. It also articulates the key


\(^95\) For example, Thomas King tells accounting history by focusing each chapter around a particular accounting issue, such as depreciation, and then uncovering the origins of that particular accounting technique; see Thomas A. King, *More Than a Numbers Game: A Brief History of Accounting* (Hoboken, NJ: John Wiley and Sons, 2006).
features, or criteria, of modern accounting, which will be helpful as my argument unfolds since modern accounting is the primary target of my concerns about the impact of accounting on theology and ethics.

2.3 Counting the Criteria Accounting

In retelling the history of accounting, it is clear that there is no such thing as a general form of accounting. It always takes a particular shape, oriented to providing specific solutions, naming certain agents, and representing particular aspects of reality. Saying that one accounts for something, always requires asking, account in what way? What is it about the practice that one is undertaking that counts as accounting? The answer to the latter question, I believe, differs drastically over the history that has just been recited. It is easy to miss the way that various practices bound up in this history are all telling their own stories or telling stories in their own way. Part of what makes accounting appear so mundane is the ubiquity of our description of activities as “taking account” as if that names unambiguously what action is being taken.

I identify three different stages within the evolution of the practice of accounting over its long history that are worth defining and describing. I call the first stage record accounting or recordkeeping. The second period is referred to as DEB or double-entry accounting, and the third I describe as modern accounting. As this project is not primarily one of accounting history, I do not claim these divisions as definitive, but as I describe each below, the features that distinguish them are evident and significant when thinking about the impact of the practice of accounting. The titles also help distinguish these historically bound manners of counting from the “practice of accounting,” the phrase I use, as mentioned above, to refer to the generic practice of counting, organizing, arranging, representing, etc.
This task of counting the particular stages of accounting history could be described in terms of what Cavell calls giving criteria for something. As Cavell says, "Criteria are the terms in which I relate what's happening, make sense of it by giving its history, say what 'goes before and after'. What I call something, what I count as something, is a function of how I recount it, tell it. And telling is counting."96 Thinking of the practice of accounting in this fashion makes sense, as naming the criteria in discussions of language requires attending to the form of life in which language is intelligible. By historicizing the practice of accounting, we can likewise heed the historical, social, and economic forms of life that make particular ways of accounting intelligible.

There is a widespread tendency toward viewing the world through a lens of modern accounting. When modern accounting gets mistaken for generically practicing accounting, its criteria get exported to various realms of life with little reflection given the assumption that it is neutral. But modern accounting is a very particular kind of counting. Identifying characteristics of modern accounting then can help illuminate the particular kind of accounting that is taken for granted as, and often simply referred to as, accounting. This highlights the particular way in which modern accounting names, numbers, and narrates life’s story as well as the form of life in which it is embedded and that it in turn enacts and performs. In later chapters, I will ask whether there are aspects of our lives that modern accounting cannot name, number, or narrate well. By beginning to identify and articulate here the criteria of modern accounting, its significance will be clearer in later discussions.

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2.3.1 Record Accounting

The early history of accounting falls into a category that I consider recordkeeping or record accounting. It is remarkable that some of the earliest written documents were notations of economic activities. This kind of recordkeeping occurred for millennia from the Ancient Near East extending to the empire of Charlemagne, yet they were merely ways of tracing sources and destinations of payments. If this is all that modern accounting is, I would be hesitant to set out to argue that it impacts Christian theology and social ethics. This kind of recordkeeping is qualitatively different than modern accounting.

It is significant to note that even during this period of history of recordkeeping one of its key functions was accountability. This was clearly the case in the Roman context as well as the English manorial audits. The English manorial audits were geared towards ensuring proper stewardship of the lord’s estate. Imagining the estate as a distinct entity foreshadowed conceptualizing corporations as entities existing entirely distinct from any human person. These are early concerns raised by “agency relationships.” Stewardship and accountability are often identified as central features of modern accounting. Yet I note them here to remark that they are not features that are particular to modern accounting. Stewardship and accountability can exist outside of modern accounting. This may seem like a small or technical point, but it is significant because it demands asking what type of accountability is being provided. Accounting is after all, etymologically and otherwise, very closely related to accountability. And accountability is a good thing. I do not want my critiques of modern accounting to be taken as dismissive of the need for accountability. Accounting is often justified through its furnishing of accountability.

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97 See for example Soll’s description of both Roman recordkeeping habits and English manorial audits as he gives particular emphasis to their role in creating a culture of accountability; see Soll, The Reckoning, 4–8.
Yet, what kind of accountability does modern accounting provide in contrast to record accounting? If recordkeeping is sufficient for enacting systems of accountability, must modern accounting be used? We must be cognizant that modern accounting leads to counting stewardship and agency in a particular way.  

2.3.2 Double-entry Accounting

The major leap from recordkeeping, of course, happened with the invention of DEB. This marks what I see as the second phase in the history of accounting, double-entry accounting. Yamey notes three significant advantages that DEB offered over the early forms of recordkeeping that can be considered essential criteria. First, it was “more comprehensive and orderly.” This orderliness derived in large part due to the use of accounts. Rather than merely having a chronological record of all the transactions that had been made, transactions were related to particular accounts depending on their nature, which could be summarized. One did not need to review every transaction in order to get a picture of the status of a single account. Littleton describes accounts by saying, “The idea that the grouping of related occurrences (supplementing merely chronological memoranda) would add to the information contained in the record is so fundamental that without it there would be no ledger; and without the ledger there

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88 This point raises questions about Soll’s *The Reckoning*. Soll’s book is perhaps one of the best introductions to the history of accounting. It identifies important figures and events in the development of what would become accounting crafted around the narrative of the importance of accountability for society and governing institutions. Soll also develops important descriptions of the relationship between Christian theology and accountability and accounting that are both intriguing and important. Yet, the “fall of nations” in most of Soll’s accounts seems to be a literal bankruptcy, with the exception of the French Revolution, where accountability was finally violently enacted. It is striking the extent to which colonizing is intertwined into Soll’s narrative and is always deeply imbricated in the potential for financial prosperity and, just as frequently, financial demise. The lack of adequate accounting seems to run governments aground in their finances, but it seems that the examples of those nations that do keep adequate records demonstrate perhaps less accountability in the sense of a government to their people but rather of a government able to operate in a financially profitable manner, which, as I suggest, is a particular form of accountability.

would be no bookkeeping, as we understand the term.\textsuperscript{100} Another part of this orderliness came from the “translation” of every action into a standard unit of measurement. This ensured that all accounts and transactions were eventually summarized in a way that their commensurability was not only assumed but also a prominent feature of how it was displayed.\textsuperscript{101}

Second, the double-entry feature allowed for easy verification of accuracy and completeness.\textsuperscript{102} With this feature, the accountant only needed to ensure that the two sides of the ledger, debit and credit, were in balance. As Poovey notes, however, this attribute is not as significant as it appears. Confirming that debits and credits are in balance only confirms that entries were recorded in a balanced fashion, not that the entry itself was accurate or that all entries have been included.\textsuperscript{103} Finally, the double-entry accounting system had all the accounts necessary to produce financial statements. Yamey suggests that this third advantage is not as significant as the first two.\textsuperscript{104} This feature undoubtedly reflects the potential of DEB, yet historically financial statements were uncommon for several centuries following the development of DEB. Thus, while it does reflect an advantage of DEB over previous systems, it was not one that was immediately needed.

One of the much remarked upon features of DEB is its balanced, two-sided approach. This would come to be exemplified by Sprague’s accounting, or the balance sheet, equation: \textit{Assets = Liabilities + Equity}. Some prominent accounting historians have criticized what they

\begin{itemize}
\item \textsuperscript{100} Littleton, \textit{Accounting Evolution}, 88.
\item \textsuperscript{101} See, for example, Poovey's description of the process of DEB, where the initial recordings made in the “memorial” book would be transcribed into the “journal.” It was at this point that “all the moneys were to be translated into a single currency, the money of account”; see Poovey, \textit{A History of the Modern Fact}, 43.
\item \textsuperscript{102} Yamey, “Introduction.”
\item \textsuperscript{103} Poovey, \textit{A History of the Modern Fact}, 54–56.
\item \textsuperscript{104} Yamey, “Introduction.”
\end{itemize}
see as an overemphasis on this element. For instance, Chatfield is critical of Sombart for considering the form of DEB rather than its substance. Likewise, Littleton criticizes the focus laid upon the form of DEB arguing that “The form of complete bookkeeping is the duality and equilibrium which derive from early record-keeping precedents.” In other words, Littleton is suggesting that the “duality and equilibrium” of DEB are not unique compared to prior forms of recordkeeping. He continues, “the substance consists of proprietary calculations of the gains (or losses) from ventured capital.” This was new. Double-entry accounting was “simply methodology.” Littleton explains, "The double posting and opposition of debit and credit are merely incidental to a test of mechanical accuracy. They produce an equilibrium of amounts, it is true, but the true virtue of bookkeeping does not consist in this weak insurance against errors. Its real essence lies far deeper.” What is at the heart of DEB, according to Littleton, is a “consciousness of the proprietor and of proprietorship.”

While Sombart made much of the form of accounting and Littleton took issue with such focus, Sombart’s summary of bookkeeping overlaps with Littleton’s assessment about the centrality of the proprietor. Chatfield summarizes Sombart’s assessment, saying that bookkeeping “defined the entrepreneur's goals, rationalized his activities, and summarized for judgment the results of his operations.” In addition to this rationalizing effect Sombart also saw bookkeeping as depersonalizing given its reliance upon accounts leads to "substituting an abstract concept of capital for the notion of personal ownership.”

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107 Littleton, 78–79.
109 Chatfield, 105.
DEB provides a system of ordering that makes its completeness readily visible but also depersonalizes in a fashion to draw things into the system. The inchoate characteristics of modern accounting are already in double-entry accounting. The story that DEB is telling is the story of the proprietor, which is being replaced by capital, and is ordered in a fashion where accounts are made commensurate and comparable via numerical representation. This commensurability is drawing new things into the system, which is oriented to the ends of the proprietor’s capital. There are additional features that will be layered on top of these characteristics in the practice that I denote as modern accounting, but these features are foundational. The revolution of recordkeeping that led to DEB transformed the nature of the activity.

2.3.3 Modern Accounting

Modern accounting, as I refer to it here, builds upon and intensifies some of the key features that began to become visible during the DEB phase. It becomes a totalizing form of counting through abstraction that is oriented towards the efficient maximization of capital through an emphasis on possession and use of control. It is modern accounting’s abstraction that intensifies the depersonalizing trend of DEB that is at the heart of modern accounting’s claim to objectivity, the claim which makes it seem like a neutral form of counting. The brief history that I have provided makes these criteria visible, and the chapters that follow, which focus on accounting as a form of writing, provide further support to the descriptions that I give here.

Abstraction is what makes modern accounting seem capable of accounting for everything everywhere at any time. For instance, the focus on profit through the proprietary element of DEB would lead to the eventual emphasis upon ROI in modern accounting. Everything necessary for ROI was in place (profit orientation, orderly accounts, capital investiture, etc.). Modern
accounting intensifies the calculation of returns on capital investment with the advent of the corporation that operated in perpetuity. The assumption of an indefinite term of operation, or the “going concern” principle of modern accounting transformed the way that profits were imagined. No longer were gains on particular ventures, or literal voyages, central. Rather continuous and constant earnings took precedence. In the UK, the “continuous audit” whereby verification and inspection for irregularities took place monthly, quarterly, or bi-annually was already taking place by the end of the nineteenth century.\textsuperscript{110} ROI must be continuously calculated, assessed, and reported. The efficiency of ROI is demonstrated in its ability to reduce the effectiveness of all activities into one figure. In doing so, it makes commensurate all things abstracting them from their particular contexts, and it orients them to the ends of capital. All things become commodified—possessions—and reduced to the cashlike statistic.

This commodification highlights the criteria of both possession and control.\textsuperscript{111} One way of highlighting the control feature is looking at the management of labor. Given the priority of the proprietor and capital, the management and control of labor becomes essential. There is a form of antagonism between labor and capital which is built into the very practice of accounting. Management of workers may be taken as a form of accountability, but the management practices that come out of modern accounting seem to be more than just accountability in the fashion of something like recordkeeping.

\textsuperscript{110} Matthews, Anderson, and Edwards, \textit{The Priesthood of Industry}, 104.

\textsuperscript{111} The etymological connection of accounting to control is quite strong. The title comptroller, which has now largely been replaced by controller, is clearly related to the notion of accounts, or in French \textit{accompts}, or counting. In fact, in the fifteenth century the word used was “countrollour” which was someone who was a “counter-roller” or who tracked, took roll, of incoming and outgoing goods and money. In the British context, this caused confusion as the first syllable was mistaken as a title. The title thus shifted to “comptroller” or comptroller; see F. A. Mansfield, "Company Controller," \textit{Journal of Accountancy} 43, no. 4 (1927), 275.
The roots of cost management accounting demonstrate the significance of modern accounting’s control feature. Caitlin Rosenthal argues that to find the origins of cost management accounting, one needs to look not at the large factories in the northern states of the United States in the nineteenth century, but rather, slave plantations that through their meticulous accounting were squeezing maximum efficiency out of their slaves. Both Rosenthal and other histories of accounting note that this early form of cost accounting was a precursor to what would become Taylorist management philosophies that have dominated twentieth century corporate culture.\textsuperscript{112}

The supervision of labor’s time, functions, and productivity with a constant and careful comparison to their cost highlights this control feature and the way that it is rooted in imagining laborers as commodities, or possessions, to be maximized.\textsuperscript{113} The control exerted through modern accounting over employees is well captured by Johnson and Kaplan’s quotation of Alfred Chandler’s description of the environment within Carnegie Steel Company. “The minutest details of cost of materials and labor in every department appeared from day to day and week to week in the accounts; and soon every man about the place was made to realize it. The men felt and often remarked that the eyes of the company were always on them through the books.”\textsuperscript{114}

One interesting dynamic of this control through the books is the degree to which it is intertwined with the abstract nature of modern accounting. This is evident, for example, in the

\textsuperscript{112} Rosenthal, \textit{Accounting for Slavery}. There is also a connection between accounting and indentured servants that can be seen in the nomenclature of “indentured,” which is a carryover from early practices of recordkeeping. The expression derives from the practice of creating identically matching or indentured copies of contracts, which was a way of transferring the notching mechanism of tallies to new forms of writing such as parchment and paper deeds, contracts, etc.; see Stone, “The Tally,” 55. And while indentured servitude is not slavery per se, in many contexts it “differed little from slavery”; see Wolf, \textit{Europe and the People}, 202.


\textsuperscript{114} Alfred Chandler in Johnson and Kaplan, \textit{Relevance Lost}, 33; emphasis added.
fact that when audited financials became mandatory in the US in the early decades of the twentieth century, cost management accounting fell by the wayside. Financial accounting (used to produce financial statements for auditors’ review) took precedence. The information for the financial accounting system was adopted and used to make management decisions despite the fact that the information provided was typically not the information that was actually needed to make management decisions. It is a strange sort of irony that managing “by the numbers” became widespread during the period of time when the “numbers” were being produced for auditors rather than managers. Yet, the sense that managing by these particular numbers resulted in increased efficiency makes perfect sense, as it was during this time that accounting theory began to align very closely to neoclassical economics, which championed efficiency. \(^{115}\) Control became a feature attached to the abstract and universal way of modern accounting’s counting.

One can already begin to consider the theological and ethical implications of these features of modern accounting by considering the correlation to Jonathan Tran’s critique of racialized capitalism, where “the creature is no longer seen as a creaturely thing connected to others in God's deep economy but a bare thing to be used, the product of an enclosure mentality that cordons off possibilities beyond use justified by racial identification.” \(^{116}\) The control feature, in tandem with the propensity towards abstraction, highlights the way in which modern

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\(^{116}\) Tran, *Asian Americans*, 209–10. Tran’s work would also suggest that modern accounting’s impact might also be seen through a racializing process. I do not spend extended time exploring that route, though my references to those such as Rosenthal, Dorothy Brown, and colonial practices more broadly points to avenues that, had I more space to explore, would highlight the ways in which modern accounting and race are intertwined.
accounting focuses on possessions and possessing. Other objects and persons become measured as commodities and, therefore, must be managed and controlled just as one would any other possession. This possession can take extremely different forms, as the connection between practices as varied as chattel slavery and Taylorist management practices that might take place in a high-end office building or complex demonstrate. Yet the fundamental relational structure is determined, or counted, in a particular way, one oriented toward the ends of capital. Even the replacement of the proprietor by capital is significant in this regard. The proprietor is abstracted and lands on the balance sheet being imagined as something that can be possessed, used, and maximized. This control feature that sees objects and people as things carries with it a way of viewing people as individuals, always discrete and separate. Possession makes sense as a fundamental criterion because persons are imagined as monadic entities.

The features of abstraction and control are further highlighted by the modern accounting practice of auditing. The shift in the purpose of audits in the twentieth century is telling. During the 1930s and 1940s, when audits became a requirement in the United States, the purpose of audits shifted away from detecting fraud to attempting to determine whether financial statements were “true and fair.” This, as noted above, reflected a way of testing systems rather than the actual entries, indeed a form of abstraction. But Power describes a more recent shift in the form that audits have taken, which I suggest again is indicative of a form of accountability that is quite unlike the kind of accountability recordkeeping might have provided. Describing the role of audits in governance, Power states, “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.”¹¹⁷ This reorientation is significant, particularly if selves are imagined to be commodities that are possessed and controlled. This type of accountability reshapes the relational networks of groups and the orientations of individuals.

What is striking both about this discussion of control, but also for this project’s wider concern about the influence of modern accounting, is what Power calls the “ready exportability” of financial auditing into other realms of society.¹¹⁸ Power describes an “audit explosion” in society that took place in the 1980s and 1990s.¹¹⁹ In other words, financial audits built the mechanism that became the framework by which a certain form of control is implemented in various forms of life. It carries with it the mask of neutrality that is typically afforded to modern accounting due to its abstractness. If it were not abstract, how else might it be so readily exported? Yet Power’s description reveals the audit explosion to be anything but neutral. He states, “the audit explosion represents a decision to shift evaluative cultures away from social scientific towards managerial knowledge bases…. And yet in allocating problems to auditing institutions not only are the boundaries between instrumental assurance and policy evaluation constantly breached but audit and inspection are also seen to constitute the conduct of politics by other means, a characteristic they share with war.”¹²⁰

This is a cursory sketch based upon the brief history that outlines some of the criteria of modern accounting. Namely, it is an abstract practice that uses control of possessions for the ends of capital. The chapters that follow will continue to explore and articulate more fully the

¹¹⁷ Power, The Audit Society, 42.
¹¹⁸ Power, 10.
¹¹⁹ Power, 22.
¹²⁰ Power, 67.
features of modern accounting that allow it to seem neutral and objective while being quite clearly a form of naming, numbering, and narrating that is oriented towards particular ends, goals, and values. It is not my goal to create a pristine category in my counting or determining what counts as different forms of counting in this section. One aim is simply to identify that the practice of accounting must always take a particular shape. Imagining accounting, as modern accounting’s propensity to abstraction often leads it to, as objective does not take into account the history of accounting. I have provided specific labels to differentiate between what I consider to be distinct ways of counting, or accounting, that are commonly just lumped together as a generic practice of accounting. The articulation of criteria here brings to the fore some of the aspects of modern accounting that warrant reflection for their impact on theology and ethics.

2.4 Conclusion

If modern accounting, as I have claimed here, counts in such a particular fashion, why is it perceived to be neutral? In other words, why are we so prone to imagining a generic form of accounting that is an objective and neutral way of viewing and representing the world? The next two chapters explore this further by unpacking accounting as a form of writing that is constituted by multiple genres. I demonstrate that modern accounting’s reliance upon numbers gives it the air of “the modern fact.” This facticity imbues it with neutrality, but even the numerical foundation of modern accounting is not objective in the way it is often assumed. Other genres that I draw out show the way that modern accounting disembeds itself from context. Modern accounting is excised from historical, social, and moral particularities that make it intelligible. Exploring these features of modern accounting will continue to identify the features and criteria particular to the modern practice of accounting, which will lay the groundwork for thinking about the normative anthropological and social claims imbricated in modern accounting’s
framework. These aspects are the driving force behind modern accounting’s impact on theology and ethics.
CHAPTER 3
Of Writing Numbers

3.1 Of Writing Numbers and Letters Introduction

Marieke de Geode says, “Money, credit, and capital are, quite literally, systems of writing.”121 The same is true of the practice of accounting. This is a counterintuitive claim, however, because writing has a deeply linguistic connotation that does not comport with the “numerical view of reality” that is the “overarching metaphor” for modern accounting.122 Cutting through the indirectness of words and language, a numerical view is exemplified by the most basic and concise piece of information in modern accounting, the bottom line. It is a clarion pronouncement without any ambiguity or subjectivity. It is a simple, objective number. Its numerical status makes naming its objectivity nearly redundant. By thinking about the practice of accounting as a form of writing over the following five chapters, I identify features and characteristics that are often masked by modern accounting’s forward-facing numbers.

If we want to understand what type of counting modern accounting is doing, we must unpack the genres within modern accounting’s writing that tell its story. The next two chapters focus explicitly on the genres within modern accounting’s writing. Some of the genres that are


explored are readily visible, which veils and obfuscates other genres. I have broken these genres into two categories. The first group are those genres that foreground the importance of numbers, mathematics and science. The second group of genres I call letters, which includes *apologia* and rhetoric, history and prophecy, and fiction(s).

Two parallel, but distinct, points surface in this chapter and the next through the analysis of these genres. First, accounting’s numerical focus privileges the features of the genres of numbers over the genres of letters. It is far more expected to suggest that modern accounting’s knowledge is composed of mathematics and science rather than prophecy and fiction. The genres of letters rarely come into plain view. The naming and narrating features of modern accounting are overshadowed by its numbering. The second main point, however, is that even the genres which revolve around numbers are constructed in ways that name and narrate just as much as they number. The genres of numbers both provide a proof of modern accounting’s claimed objectivity while at the same time also telling the world through a particular lens. Parsing modern accounting’s knowledge requires understanding how these genres come together and produce statements that are taken as valid and authoritative. This chapter and the next help to explain why modern accounting is perceived as objective as well as pointing to different social and ethical implications hidden by modern accounting’s ascribed objectivity.

### 3.2 Of Writing Numbers Introduction

Theodore Porter describes accounting as a “technology of trust” and highlights how other disciplines, such as engineers and scientists, employ the trust granted to accounting.¹²³ Modern accounting is, in other words, an exemplar of the production of trusted information and

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knowledge. This trust is, in part, contingent upon the objectivity attributed to modern accounting. The present chapter explores the efficacy of the genres of numbers as demonstrations of this objectivity. While objectivity is nearly assumed in modern accounting, it must be carefully constructed in order to produce the characteristics of what Mary Poovey calls “the modern fact.” Poovey describes DEB as a “prototype of the modern fact,” and its reliance on numbers makes it especially well-suited to appeal to for validity.\textsuperscript{124} She argues that numbers “have come to seem preinterpretive or even somehow noninterpretive at the same time that they have become the bedrock of systematic knowledge.”\textsuperscript{125} There are two distinct elements of the certainty provided by numbers that Poovey draws out. Numbers produce information that seems “to consist of both apparently noninterpretive (numerical) descriptions of particulars and systematic claims that were somehow derived from those particularized descriptions.”\textsuperscript{126}

Poovey’s work is illuminating for the way it traces the development of numbers as an epistemological technology that can hold these two mechanisms together. These two mechanisms parallel the epistemological commitments of forms of scientific naturalism grounded in movements like logical positivism. For instance, those such as A. J. Ayers claim that there are only two kinds of propositions—analytic and synthetic. Analytic claims are verified through the use of logic or mathematics. They are what Poovey described above as systematic knowledge. Synthetic claims, by contrast, are proven empirically.\textsuperscript{127} Modern accounting benefits

\textsuperscript{124} Poovey, \textit{A History of the Modern Fact}, xvi.

\textsuperscript{125} Poovey, xii.

\textsuperscript{126} Poovey, xii.

\textsuperscript{127} For a brief introduction to the philosophical movement of logical positivism and how it fits into the larger trend of naturalism that is a theme running through my discussion of accounting; see Jason Blakely, \textit{Alasdair MacIntyre, Charles Taylor, and the Demise of Naturalism: Reunifying Political Theory and Social Science} (Notre Dame, IN: University of Notre Dame Press, 2016), 10–14.
from this two-fold objectivity that is held together by numbers. In that regard, modern accounting comports to a form of scientific naturalism, which has a “tendency to reduce distinctly human aspects of reality to purportedly objective and verifiable facts.”

This chapter explores how the genres of mathematics and science in modern accounting contribute to this naturalistic posture as the modern fact. The genre of mathematics shows how modern accounting builds upon formulaic models of logic to produce systematic knowledge. The genre of science on the other hand demonstrates how modern accounting is ostensibly rooted in empirical claims. Not only does this particular way of producing knowledge give modern accounting epistemic heft, it also presents it as a value-neutral endeavor. It appears to be only concerned with facts, carefully separated from values in the fact/value divide. I conclude with a discussion about objectivity, identifying precisely the way in which modern accounting is not objective and the ways in which it is. This analysis relates modern accounting to the practice of language and demonstrates how it can be both objective and ethically inflected. The genres of numbers in modern accounting create a form of knowledge with powerful appeal to trends of naturalism that give it authority based upon an apparent objectivity as a quintessential modern fact. At the same time, this very epistemic certitude obfuscates how modern accounting is deeply implicated in creating an ethically inflected description of the world.

3.3 Of Writing Mathematics

No discipline so purely relies upon numbers as mathematics. Philip Mirowski intimates how closely they are bound together when he states that “number and/or mathematics…are

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128 Blakely, 13.
endowed with transcendent epistemic significance.”129 But modern accounting’s connection to mathematics is not just a matter of the prevalence of numbers in each. Modern accounting comes out of the mold of universal mathematic logic. Early double-entry manuals were often a chapter within a larger work on mathematics. Pacioli’s Summa was an example of this, and the early connection between the two fields was a harbinger of things to come. As Chatfield says, “In making explicit the mathematical logic underlying double entry, [Pacioli] touched the roots of modern accounting theory.”130 The “rigor and universality” that Theodore Porter ascribes to mathematical logic is superimposed onto modern accounting through ostensible adherence to universal rules.131 Porter states that “in accounting, objectivity means first of all rules.”132 Thus, both the number- and rule-centric dimensions of modern accounting, which draw on the genre of mathematics, help furnish it with objectivity.

Explicit connections of modern accounting and mathematics were popular going back to the final decades of the nineteenth century and the beginning of the twentieth century. Charles Sprague is an obvious exemplar of this approach in his lectures entitled, “Algebra of Accounts” in 1880. Sprague’s equation of Assets = Liabilities + Owner’s Equity is the foundation for balance sheets to this day (see Chapter 5.3 for a full discussion of the balance sheet formula). Based upon this foundational equation, accounting practitioners will sometimes do what they call “squeezing” or “plugging” information into an entry when necessary. This means that often

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130 Chatfield, A History of Accounting, 49.

131 Porter, Trust in Numbers, xxi.

determining the profit recognized due to certain transactions is a matter of algebra that coheres to the logic of Sprague’s equation rather than a record of an identifiable economic reality.\textsuperscript{133}

For example, with the sale of a partially depreciated piece of equipment, the amount of profit to be shown on the books can vary wildly, and the actual value of that equipment is largely unrelated to the book value. The calculation for the profit requires aligning all of the information known about the equipment: purchase price, accumulated depreciation, and sales price. Only by aligning these items into their respective debit and credit columns can the missing amount be squeezed out or plugged. This plug is, however, the most important number, yet is a product of equation solving based upon universal mathematic formulas rather than specific economic realities. Chatfield recounts how Hugli and Johann Friedrich Schar explain the use of “equations and algebraic symbolizations” for showing how “accounting equilibrium is maintained and how transactions affect capital.”\textsuperscript{134} In other words, the balanced approach to DEB is best demonstrated by using mathematical logic. Squeezing profit out of a transaction is precisely what the Schars had in mind when suggesting that mathematical equations can show “how transactions affect capital.”\textsuperscript{135}

E. G. Folsom describes a similar approach, which he denotes as “an exact science,” but the real key to his “logic of accounts” is its formulaicness. Folsom states, “We begin with value as a generic or universal term applicable alike to all things and divided, first into two distinct classes; then each class into species of its own, until simply values are reached, as shown by the

\textsuperscript{133} Previts and Merino, \textit{A History of Accountancy}, 154; Chatfield, \textit{A History of Accounting}, 223.

\textsuperscript{134} Chatfield, \textit{A History of Accounting}, 223.

\textsuperscript{135} The significance of nominal accounts in contrast to real accounts is highlighted by this use of formulas for plugging certain numbers, particularly profit. See Chapter 5.2 for further discussion of nominal and real accounts.
analysis.”¹³⁶ Folsom’s suggestion is that value can be applied to all things universally. There are no constraints on the things for which one might account. One only needs to maintain the balanced formula governed by algebraic logic. By deriving information from universal mathematical laws, modern accounting can reach beyond and across particular communities. Porter describes how this feature of numbers is useful suggesting that "since the rules for collecting and manipulating numbers are widely shared, they can easily be transported across oceans and continents and used to coordinate activities or settle disputes. Perhaps most crucially, reliance on numbers and quantitative manipulation minimizes the need for intimate knowledge and personal trust."¹³⁷

The reliance upon numbers as a substitute for trust closely relates to Michael Power’s descriptions of the explosion of audits since the 1980’s. This explosion led to what Power suggests is a tendency towards a society obsessed with verification. In his estimation, this is not necessarily a good thing as it is connected to a loss of trust. If accountability functions alongside trust, as he argues it does, then demanding too much verification and relying too much upon mechanisms of accountability both indicates and results in the loss of trust. Higher levels of accountability are required when trust is lower. Audits, which he calls “rituals of verification,” preclude the need for trust.¹³⁸

What is striking about modern audits is their shift away from primarily being focused on detecting fraud up until the 1930’s to assessing whether financial statements were “true or

¹³⁶ E. G. Folsom quoted in Previts and Merino, A History of Accountancy, 158.
¹³⁷ Porter, Trust in Numbers, xxi.
fair.”139 It was around this time that financial auditing techniques shifted away from reviewing individual transactions at an arithmetic level to assessing internal controls and then sampling transactions for verification. Audits verify the systems rather than the actual accounting. This derives from the mathematical logic, which suggests that adhering to universal rules will lead to objective results. Thus, auditors need not even review the actual counting so long as they can affirm that the accounting system has been established according to proper rules and is carrying out those rules.

Reliance upon quantification and numbers as well as the mathematical structures of universal laws afford accounting writing with a mechanical objectivity that is capable of overcoming lack of trust. As Porter says, “Mechanical objectivity serves as an alternative to personal trust.”140 Accounting’s connection to mathematics is one of its most powerful claims to neutrally recording facts. Chatfield, however, laments the lack of a unified theory when it comes to accounting stating, “The ideal would be a single general rule—a categorical imperative which applied to all business events without exception.”141 Despite the lack of such a categorical rule, the preference for rules as foundational in modern accounting is clear. Take for instance the passage of the Sarbanes-Oxley Act (SOX) in 2002, which was an attempt to rehabilitate public trust following several scandals, such as Enron and WorldCom leading to the demise of the largest public accounting firm in the world, Arthur Anderson. In the same way that modern audits had moved away from verifying specific transactions to the system itself, Miranda Joseph notes how SOX "strengthened the rules for corporate auditing and accounting controls—
effect, the rules for following rules."

The appeal to mathematics in modern accounting is a form of mechanical objectivity. The intense focus on rule following eschews any sense of particularity instead bestowing an air of universality and impersonality. Mathematics is central to these rules and universal laws providing the mechanism to arrive at conclusions and remain detached from a particular decision maker. The genre of mathematics in modern accounting is reflective of its criteria of abstraction and depersonalization. Rule following is a way of removing subjectivity from decision making.

Yet universals and rules are not the only way to make an appeal to objectivity. Within the history of the practice of accounting, there have been appeals to different forms of objectivity. Porter outlines a second form of objectivity in contrast to rule-following mechanical objectivity. The other is disciplinary, or professional, objectivity, which arises from consensus among experts in a discipline. Porter suggests that this form of objectivity becomes most apparent when absent. Its absence is often indicated by a move to reliance upon mechanical objectivity or a rules-based approach.  

Could there be a clearer example than SOX’s implementation of “rules for following rules” as a response to the declining public trust?

However, a lack of universal rules has not always been taken as a lack of objectivity in the field of accounting. Thomas Jones made a defense in 1842 comparing accounting principles to grammar saying, "It is not disputed, that however well the principles of bookkeeping may be taught, each student in applying it to practice, will exhibit some peculiarity in the disposition of the details... but if two men were to write on the same subject with the same sentiments, would they not construct their sentences differently?... Both may write grammatically, yet one may

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greatly excel the other." Jones’s appeal to grammar can be seen as a proto-argument for professionalism that would begin to harden in the early twentieth century. An echo of Jones can be heard, for example, in a quote from the *Journal of Accountancy* in 1912 reported by Previts and Merino: “Accountancy never was nor could be an exact science and every profit and loss to which he is asked to certify is in a very substantial measure an expression of opinion and therefore subject to honest divergence of views as to both substance and form.” This stance came under significant scrutiny following the stock market crash of 1929, where the responsibilities and obligations of auditors were the site of significant debate and marked a real crisis of trust and authority in for modern accounting.

Those outside of the field of accounting wanted something more nearly approaching the mathematical ideal of universal rules to be a modern accounting reality, but accountants resisted the push toward uniformity at this time. Previts and Merino note this was somewhat of a self-interested position for accountants. They desired to be perceived as professionals and were concerned that rule-centered processes would lead to their replacement by technicians (foreshadowing current debates around artificial intelligence). Knowing what, how, and when to count was the prerogative of the professional accountant, so they surmised. The ambiguity of professional judgment is enshrined in the audit standard that financial statements must be presented “fairly.” And nowhere is that ambiguity quite as evident than in a judge’s statement that attempts to clarify what is meant by “fairly” saying, “‘fair’ means ‘fair.’” The professional accountant will decide what counts as “fair.”

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145 Previts and Merino, 207.

146 Previts and Merino, 208, 257, 275, 338.
Disciplinary objectivity is visible in its dispute in these arguments over auditing. Yet this form of objectivity at some point lost total sway. In 1965, John Wagner describes the tension between the appeals to rules and professionalism by saying, “The accounting profession’s prime asset is an attribute known as professional judgment. Judgment, professional or otherwise, is a product of the mind. If judgment must be made synonymous with subjectivity, we cannot have objectivity and a profession at the same time.” Wagner does not think that objectivity necessarily conflicts with professional judgment, yet his recounting of this neat paradox befuddling accountants reflects the growing voices of those inclined towards rules and mathematical universality for fear that any alternative would mark subjectivity. Wagner’s comment portends the contemporary reality that trust in modern accounting is primarily contingent upon accounting’s mechanical objectivity. The accountants follow the rules, and their following of those rules is audited by those following the rules for how to verify the implementation of the rules.

Porter rightly summarizes modern accounting’s objectivity as reliant upon rules though, as has been shown, this was not always the case. Despite the long-standing connection of accounting and mathematics, professional judgment had its own appeal at times in the nineteenth and twentieth centuries. On the one hand, there were those in accounting vying for a posture where it presents itself as a pure form of mathematics, functioning according to algebraic precision, rigor, and universality. On the other hand, there were those who preferred the metaphor of language where accounting principles and standards function like a grammar and structure within which accountants must exercise professional judgment based upon their expertise.

147 John W. Wagner, "Defining Objectivity in Accounting," The Accounting Review 40, no. 3 (1965), 600.
The mathematical impulse towards universal logic and systematic logic demonstrates how modern accounting produces a knowledge that conforms to the characteristics of the modern fact. The appeal to mathematics as a form of mechanical objectivity seen so clearly in something like Sprague’s description of accounting as algebra is one of the most prevalent views of accounting. It foregrounds numbers as a mechanism of universal laws rigorously applied regardless of context. Modern accounting’s connection to mathematics thus provides it with an air of authority and objectivity that can overcome a lack of personal trust. Yet, as this section has shown, there have been intradisciplinary debates suggesting that objectivity within the practice of accounting can be constructed otherwise. Imagining objectivity in the practice of accounting as only possible through a universal rule-following mechanism conflates modern accounting with the larger practice of accounting.

3.4 Of Writing Science

The previous section that connected modern accounting to mathematics illuminated how modern accounting’s use of numbers pulls upon algebra to create a form of systematic and universal knowledge. Some sciences are mathematically based, such as physics. Other sciences, however, are more empirically driven, which brings us to the other side of Poovey’s modern fact and the focus of this section, empiricism. It is the aim of scientists to describe the world that they observe accurately. Accountants, likewise, are tasked with representing fairly what they have “seen” or what happened. Emphasizing this element of science, I suggest, illuminates how modern accounting’s presentation as a science helps develop numbers as particulars that are preinterpretive. By identifying the empiricist bent within the knowledge produced by modern accounting, I continue to highlight how the genres of numbers embedded within modern accounting allow it to be perceived as neutral and objective. In addition, I identify how even
those genres rooted in numbers are significant for their particular way of telling, or recounting, stories. This section explores those dynamics by considering the debates in the second half of the twentieth century over the relationship between the practice of accounting and science.

In the 1970s, debates about whether the practice of accounting should be understood as a science became central to the field. For example, Robert R. Sterling published the article “Toward a Science of Accounting” in 1975, which was the basis for a book of the same title published in 1980.148 Doubts about Sterling’s optimism in the potential of linking modern accounting and science are visible in a review of Sterling’s book by Edward Stamp entitled, “Why Can Accounting Not Become a Science Like Physics?”149 The back and forth exchanged between these two scholars became known as the Sterling-Stamp debate.150 Much of the debate is indicative of a shift away from a priori reasoning built on universal assumptions that typified an accounting as mathematics approach towards the need for empirical testing which ties modern accounting as closely as possible to science.151 For instance, Sterling’s definition of modern accounting reads, “as ‘accounting’ seems to imply, the principal objective ought to be to account for empirical phenomena.”152

Before outlining some of the key arguments of this specific debate, it is worth highlighting the fact that many of the debates within the accounting literature are derivatives of,


and lag behind chronologically, wider debates in science or philosophy (references to Popper and Kuhn abound!). For instance, one of the most significant works to come out of the Rochester School in 1986 by Ross Watts and Jerold Zimmerman is called *Positive Accounting Theory*. Much of the debate over positive accounting employs arguments from logical positivism within philosophy to the field of accounting. Watts and Zimmerman’s reliance upon science as an archetype for positive accounting is visible from the outset in their assertions that “The objective of accounting theory is to explain and predict accounting practice.” Both of these tasks, explaining and predicting, are rooted in an empirical approach. Explaining requires developing a unified theory out of the particulars that one has observed. Predicting is the development of a theory that will forecast particular events and whose accuracy can be tested. The emphasis in both of these tasks falls on empirical studies. Watts and Zimmerman conclude this description of theory by noting that this “view of theory, explicitly or implicitly, underlies most empirical studies in economics. It is also the view of theory in science.”

153 Marilyn Neimark summarizes this point well noting Popper, Kuhn, and the French postmodernists; see Marilyn Neimark, "The King is Dead. Long Live the King!" *Critical Perspectives on Accounting* 1, no. 1 (1990), 103.


155 Whittington calls Watts and Zimmerman’s empirical evidence for their own theory “weak and inconclusive”; see Whittington, "Positive Accounting,” 328. Likewise, Charles Christenson’s criticism on this point is scathing suggesting that not only does Watts and Zimmerman’s work lack significant empirical evidence, but that its empirical evidence often falsifies their claims, which they then rationalize away. Christenson suggests that Watts and Zimmerman’s coverage of a wide range of topics, each with its own problems, can be interpreted as an attempt to claim ownership of particular fields of research. Watts and Zimmerman then encourage others to come behind them and “repair the deficiencies in their program, while acknowledging that they will be the main beneficiaries of this activity”; Charles Christenson, "The Methodology of Positive Accounting," *The Accounting Review* 58, no. 1 (1983), 18, 20.

156 Watts and Zimmerman, *Positive Accounting Theory*, 2. Whittington concludes that Watts and Zimmerman’s theory is practically, though not articulated as such, consistent with a combination of empirical and deductive approaches in the development of accounting theory; see Whittington, “Positive Accounting,” 329–30. M. Humayun Kabir provides a helpful review of the way in which positive accounting appeals to science as a way “to legitimate and promote” itself, as well as a thorough comparison of positive accounting to three accounts of science (Popper, Kuhn, and Lakatos). Kabir concludes that positive accounting does not adhere consistently to any of those
Watts and Zimmerman argued for positive accounting against “normative theory,” which they saw as unscientific. The distinction that is made between normative and positive theory is another example of a long-standing debate being worked out in the accountant’s register. Positive accounting assumes an is/ought distinction. It holds that there is a clear difference between the kind of normative work that was dominating the field in the 1960s and the positive theory that began to take hold in the 1970s and 1980s. Contemporary debates within accounting literature still hinge upon assumptions around this debate. Interpretative and critical forms of accounting reject the is/ought distinction, which sets them immediately at odds with the mainstream accounting tradition that comes out of the positive accounting tradition.  

Tony Tinker summarizes the relevance of this distinction for accounting and how it relates to the present discussion of accounting’s accuracy, objectivity, and even truth, stating, "If one assumes (as many empiricists do) that theories can be divided into 'normative' and 'positive' frameworks, and that the verity of the latter can be established by merely consulting factual evidence, then the scrutiny of underlying values slips from explicit attention, returning covertly in the disguise of 'facts' to participate in deciding what passes as 'truth'."  

Fitting well with this description of accounting and science, William Davies describes science by saying, "scientists seek our trust and respect because they promise to represent things accurately. Their data is a valid representation of nature. Their publications are a valid representation of that data . . . To trust in science is to trust in the capacity of people to report and accounts, though borrows from each at different times, leaving its methodology inadequate; M. Humayun Kabir, "Positive Accounting Theory and Science," *Journal of Centrum Cathedra* 3, no. 2 (2010), 136–49.


record things in an adequate fashion, and to leave their own biases and emotions at the door.”

This could just as easily be written of accountants whose financial statements are expected to be “a valid representation” of “empirical referents,” as Sterling calls them. Porter says, “It is in large measure for broadly political reasons that a positivistic rhetoric of impersonal facts prevails in accounting. Seemingly rigorous standards are at least as valuable as claims to represent real realities in securing the faith of outsiders in accounts.” If a firm is losing money, the statements should indicate as much. Of course, trusting science or modern accounting, as the last section suggests, is more of an indication of a lack of personal trust requiring objectivity than it is of the presence of trust. Abstraction from the person counting becomes essential.

Advocating for modern accounting as a science was controversial and examining the debates that ensued reveals the inner workings of how modern accounting produces a certain kind of knowledge. Stamp, for instance, criticized Sterling’s comparison of science and modern accounting. He identifies at least two distinctions between the subject matter of science compared to modern accounting, saying,

It is important to recognize that scientific method assumes that nature has laws which are inviolate. The task of the scientist is to discover these laws, and it follows that if experiment should disprove a scientific 'law' it is assumed that it was the scientist who was in error in propounding the law, not the nature which had changed in the interim…The world of physics is concerned with universal statements (called scientific laws) which are entirely general with respect to both space and time. Its laws, such as that of gravitation, are held to be obeyed always, at all times and in all places in the universe. The laws of physics operate because of some unknown, unseen and non-human agency that we cannot begin to understand but which many people regard as divine. Physical laws, unlike the 'laws' of accounting (or of law itself), are self-enforcing. We discover them, but we cannot make them… If a 'law' of accounting is found to be unacceptable it does not necessarily follow that the accountants were wrong in propounding it...

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161 Porter, "Quantification and the Accounting Ideal," 638.
conditions of the real world may have changed in the interim to make the law no longer applicable, or people may simply be refusing to obey it. Accounting, like the law but unlike natural science, deals with a system created by people.\textsuperscript{162}

For Stamp, accounting laws are not natural but constructed, which makes them fundamentally different than laws of physics. Positivists, however, lean upon the connection between modern accounting and economics as a way of identifying economic realities as existing independent of human action. The connection between the Rochester School of Accounting and the Chicago School of Economics cannot be overemphasized on this point. The development of positive accounting is deeply indebted to the prior establishment of positive economics. Reading positive accounting theory reveals constant appeals to, and echoes of, positive economics.\textsuperscript{163}

Stamp’s second criticism is closely connected to the first. Not only are the laws of modern accounting not natural, but there is a fundamental difference between modern accounting and physics when it comes to “what is to be measured, what is measurable, the objectivity of the measurements, the nature of the measuring instrument, and the relevance of the measures obtained.”\textsuperscript{164}

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\textsuperscript{163} For example, Christenson points this out in relationship to the nature of prediction in positive accounting that echoes Milton Friedman; see Christenson, “The Methodology of Positive Accounting,” 7. For an example of positive economics; see Milton Friedman "The Methodology of Positive Economics," in Essays in Positive Economics (Chicago, IL: University of Chicago Press, 1953), 3–43.
\textsuperscript{164} Stamp, “Why Can Accounting Not,” 23. This point about the mutability of laws was taken up by proponents of modern accounting resembling science. For instance, R. J. Chambers highlights this by making a distinction between laws and conventions. Chambers thought that it was an error for accountants’ approach to be one that relied on “myths” rather than science. He states, “The significant difference between myth and science lies, not in their form or source, but in their effects on inquiry. Scientific knowledge is deemed, at least by scientists, to be corrigible; the processes of science are self-correcting...A myth, by contrast, is a fiction, having no premises, no argument and no conclusions... a mythology, as long as it persists, is not self-correcting. If it is deemed to be an inadequate ‘explanation’ of some phenomena, additional myths are invented.” For scientists themselves do not see laws as immutable. Rather, laws are those hypotheses which have been confirmed through empirical testing but could always be falsified. Modern accounting, in order to move towards becoming a science, needed to define itself in a way where it can establish hypotheses which can be tested and either confirmed or falsified; see R. J. Chambers, "The Myths and the Science of Accounting," Accounting, Organizations and Society 5, no. 1 (1980), 168; Robert Sterling, Toward a Science, 9–15, 75–80. The distinction, of course, is that Sterling thought laws needed to be revised when they poorly described reality, whereas Stamp suggests that reality is constructed and could be changed.
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It should be noted here that the development of positive theory also coincided with a shift in what was being counted. Christenson describes the shift here as a distinction between focusing on a problem and a metaproblem.\textsuperscript{165} Watts and Zimmerman, for example, are not discussing counting inventory; they are discussing counting which firms are using LIFO (last-in, first-out) methods of counting inventory compared to FIFO (first-in, first-out) methods. Power describes the same phenomenon by outlining how “The emergence of quantitative programs for the \textit{explanation} of practice has displaced the question of scientificity from practice to research. Scientificity is no longer a question of legitimacy for accounting \textit{practitioners} but for a growing body of \textit{researchers}.”\textsuperscript{166} Many of the debates following this period then encapsulate arguments over approaches to not only accounting practices but also how accounting research should be done.

Yet the arguments work at the level of both accountancy (accounting thought and theory) and accounting practice. The argument for a particular method in developing accounting theory is also an argument about a preferred accounting practice because both share the same assumptions and model of the world that directs or predicts actions. It is, of course, this view towards defining the world in a particular fashion that in turn predicts and guides actions that


\textsuperscript{166} Power, “Introduction,” 7.
makes modern accounting ethically inflected. The assumptions that are made about accounting
theory shape the assumptions that accountants make about the purpose of their practice. In this
sense, mainstream accounting is just as likely to be inventing the reasons for which accountants
practice in a particular way, quite literally influencing and shaping behaviors, as it is to be
discovering certain patterns of behavior. Despite the fact that most accounting practitioners will
have never read, heard of, or even be aware of Watts and Zimmerman’s book—let alone that a
thing such as the Rochester School exists—their practice of accounting performs positivist
theory in the world. For modern accounting to have an ethic and a theology, it need not have an
erudite description. Ethics and theology are performed in the practices supported by modern
accounting thought. Modern accounting represents the world in a particular way that if inhabited
and performed long enough removes from sight the many other ways in which the world can be
represented, imagined, or, more basically, numbered.

At both levels of accounting practice and research, however, the connection between
modern accounting and science is crucial. Returning to Stamp’s argument that accounting and
science have different forms of measurement, this seems to put accounting’s objectivity in
question. Accounting and science both try to avoid appearing that they have a particular way of
representing the world. Standard measurements are key to accomplishing this. An objective
representation of the world is directly opposed to particularity. Thus, while the empirical
dynamic of a scientific approach to modern accounting provides a preinterpretative dynamic, this
way of counting also ostensibly adheres to a universal way of counting.

Accounting’s appeal to mathematics and science provides it with an epistemic authority
rooted in the tradition that Poovey calls the “modern fact” and the tradition of logical positivism.
Positive accounting theory is a way of attributing authority to the information produced by
accountants. It pulls upon the universality of mathematical laws while simultaneously constructing those laws out of its scientific empiricism. Foregrounding modern accounting as numerical counting aids in constructing this mechanism of objectivity. Yet, as was visible in considering modern accounting’s relationship to mathematics, the objectivity afforded to modern accounting as a science only makes sense under certain conditions. Creating a profession with shared assumptions about what counts is necessary to project its objectivity and maintain its authority.

3.5 Of Writing Objectivity

The previous two sections have emphasized the way that modern accounting presents itself as exemplary of the modern fact. The twin movement of mathematics’ universal logic and science’s empiricism coupled with the focus on numbers gives modern accounting an air of pure objectivity. In Chapter 7, I will consider how this objectivity relates to other elements, such as facts, data, and truth, but given how closely modern accounting’s objectivity is tied to the genres of numbers, it is worth reflecting here on how objectivity is tied to one of the central criteria of modern accounting, abstraction. Clarifying what is meant by the term objectivity will also make my own argument clearer. I criticize modern accounting for not being objective in the way that it purports to be, but this does not mean that I think modern accounting is void of all objectivity or is entirely subjective. In fact, by carefully parsing modern accounting’s objectivity, it becomes even clearer how modern accounting can be a valid form of counting at times but also only one particular way of counting that should not be applied universally.

The philosopher Alice Crary makes a helpful distinction between two forms of objectivity, which she calls “narrow” and “wide” conceptions of objectivity. Identifying these two separate conceptions of objectivity is crucial to grasp the significance of objectivity in
modern accounting. The key characteristic of narrow objectivity is “a requirement to abstract from our subjective endowments.” Abstracting from subjectivities could be thought in terms of two characteristics: universality and impersonality. Narrowly objective claims are assumed to be true in all times and places (universal) and unaffected by the person making the claim (impersonal). This resonates with the objectivity often ascribed to modern accounting. The abstraction requirement has been lying underneath, to return to Porter’s nomenclature, mechanical objectivity or categorical rules. The debate over objectivity in modern accounting positioned professional objectivity (with the metaphor of language and grammar) against mechanical objectivity (as rule following according to a universal logic), which could meet the abstraction requirement.

Calling upon Crary, however, makes visible that modern accounting’s failure to meet the criteria of narrow objectivity does not mark a deficit in its method. Rather, Crary rejects even the possibility of a narrow objectivity that relies upon an “abstraction requirement.” She states that Wittgenstein “demonstrates that the idea of an abstraction requirement has no purchase on mathematical thought—and given that mathematics and perception represent the best cases for realizing such a requirement—we can credit him with showing that we lack any coherent image at all of what it would be for an abstraction requirement to be satisfied.” If mathematics is the quintessential genre of numbers and even it cannot achieve the abstraction requirement, then neither can modern accounting.


168 As Porter says, the aim of objectivity in thinking about science is that “knowledge [is] independent of the particular people who make it”; see Porter, Trust in Numbers, xxi.

169 Crary, Inside Ethics, 54–55.
In Wittgenstein’s *Lectures on the Foundations of Mathematics* he suggests that “mathematical propositions containing a certain symbol are rules for the use of that symbol.”\(^{170}\) Yet despite Wittgenstein’s appeal to “rules” here, there is neither the universality attached to this rule in the same way that Sprague’s description of modern accounting suggests nor the impersonality required for narrow objectivity. Instead, thinking about rules, Wittgenstein argues that in teaching a series of constructions of polygons, specifically that pentagons can be constructed but heptagons cannot be, what is taught is a particular technique. In order to determine if the technique has been absorbed, one considers whether an individual can use this technique in a new context in an “analogous” way.\(^{171}\) In other words, having learned the mathematic principle or rule, it does not simply apply universally. The technique has demonstrated how to construct a pentagon but not a heptagon. To apply the rule to the construction of an octagon requires applying the same technique in a new context. Something new has been, something which the establishment of the rule had not previously, created. Yet the rule, or technique, has now been applied “analogously” in the construction of an octagon. Determining whether the new meaning is applied correctly requires asking whether it is recognized by those trained within mathematics as an analogous deployment of the technique of constructing polygons. In this regard, rules are not universal absolutes but criteria which are applied to different situations in the same way that criteria are applied when words are projected into new contexts. This is the process that Wittgenstein gives in his account of language and that I use when describing ethical action in Chapter 10. Accountants operate in this fashion assessing transactions according to techniques which they have learned, understood, and employed. They


\(^{171}\) Wittgenstein, 62.
ask themselves if a particular transaction matches the criteria to be counted in a particular way. Accountants do not spend the whole day counting; they spend it asking, “does this count?”

In Wittgenstein’s telling, there is no way of encountering the world in “an absolutely unmediated manner or, in other words, in a manner not informed by the sorts of subjective responses characteristic of us as participants in particular linguistic practices.”\(^\text{172}\) Crary suggests that “Wittgenstein here is inviting us to take seriously the possibility that all our modes of thought are essentially informed by subjective responses, and he is thereby rejecting the idea of an abstraction requirement.”\(^\text{173}\) In Wittgensteinian terms we can say that the practice of accounting, even modern accounting, is a linguistic practice, one whereby the experience of events is constrained by the possibility of how to describe them.

Following Wittgenstein’s discussion of language and mathematics is helpful for highlighting that modern accounting cannot be objective if objectivity is defined by attaining an abstraction requirement. Modern accounting, like all forms of counting, is an agreed upon method that changes over time. An accountant must interpret and apply the principles and methods in ways similar to other accountants. This is far from universal given the different principles in different locations and times, and it is far from impersonal as it relies, quite heavily, upon having an individual trained in a very particular manner.

Just as calling upon mathematics has been shown not to satisfy the abstraction requirement, neither does calling upon science. There is a striking parallel here to a point that Porter makes about the development of science and its ability to extend geographically, which he notes is one of the key reasons for quantification; consistent mechanisms of measuring had to be

\(^{172}\) Crary, *Inside Ethics*, 55.

\(^{173}\) Crary, 56.
developed. This, in the context of science, requires laboratories that are operated according to the same stringent practices. Porter describes just how difficult and arduous of a process establishing these laboratories is, requiring individuals to physically visit other laboratories in order to learn the practices necessary to generate measurements consistent with other labs. Laboratories are thus very closely networked as knowledge passes from individuals in one lab to another. It is only within this network that one can expect scientific measurements to adhere to the standard of objectivity.\textsuperscript{174} Porter’s point about the specificity of practices needed in order to have a successful lab belies any notion that any person could easily replicate the objective facts produced in these labs. The counting in those labs is not impersonal. In fact, it requires personnel trained in very specific techniques in order to be able to count properly.

Science thus does not provide a way to achieve the unreachable abstraction requirement. What comes into clear focus is that science requires the very specific conditions of these finely tuned laboratories in order for it to be objective. There are no accounting labs, but the training that accountants receive shapes and molds the practices of measurement to create a similar circumstance where accounting measurements can be presented as objective. They learn a technique to be projected and applied analogously to new situations. As Power summarizes, “the greater agreement among accounting measurers, the greater the objectivity of the measure. Accounting objectivity is an administrative rather than an ontological product.”\textsuperscript{175}

There are two important implications to this clarification of modern accounting as objective in a wide sense but not a narrow one. First, in following the core of Crary’s own argument, “Once we abandon an abstraction requirement and equip ourselves with a conception

\textsuperscript{174} Porter, \textit{Trust in Numbers}, 17–18.

\textsuperscript{175} Power, “Introduction,” 9.
of objectivity that accommodates the possibility that some subjective qualities count as objective, we are obliged to construe the concept of objectivity so that it is in principle capable of incorporating values.” Crary continues, “the aspects of mind are irreducibly ethical and … we have no reason to deny that they belong to the objective fabric of the world.” Crary’s point applied to accounting is that, while accounting can be considered to function according to a (wide) objectivity, that objectivity does not preclude value-laden or ethical claims in modern accounting. In fact, rejecting the possibility of narrow objectivity and pointing to a wide objectivity instead makes the is/ought distinction untenable. I can claim that modern accounting is able to produce objective writing and reports and still claim that it has profound theological and ethical implications. Crary is not concerned with accounting, but her argument following Wittgenstein is crucial for establishing that we are bound by linguistic practices and can only work within those parameters. The very descriptions we give, which of necessity bear the subjective marks (of at the very least our linguistic bounds) is already ethically inflected. Modern accounting, as a linguistic practice and form of writing, cannot furnish descriptions of economic events that are not already shaped by values and ethics.

Second, this restrains the implications of my criticism of accounting. Rejecting the possibility of a narrow objectivity based upon the abstraction requirement does not amount to jettisoning objectivity wholesale. Rather, as Crary identifies, there is a wider conception of objectivity that does not rely upon an abstraction requirement. In other words, despite the fact

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177 Crary, 61.
178 Crary compares and contrasts her own position to the ethical naturalism of Philippa Foot. The details of the distinction between the two are not essential for my own argument. Crary, in her account, thinks she overcomes shortcomings of Foot’s project, though both are bent towards highlighting the point that I am emphasizing here, the ethical significance and inflection of descriptions of the world.
that one can never count in the abstract—counting is shaped and inflected (inevitably) by the
subjectivities of the person counting—that does not mean that counting should be dismissed as
subjective. Calling modern accounting entirely subjective would be an overreach that misses the
importance built into the distinction between narrow and wide objectivity. Accountants are all
trained to follow the same principles, and, thus, should indeed arrive at (materially) the same
outcome. This echoes not only Porter’s description of professionals creating disciplinary
objectivity but also Wittgenstein’s appeal to trained mathematicians who can determine whether
a technique has been properly deployed.

To imagine modern accounting as impartial or abstract is to ignore all of the subjectivities
that are buried in the constraints that one needs an accountant to know how to follow the rules.
For instance, Stamp provides a definition of objectivity in modern accounting that comports with
a wide objectivity saying, “if an accounting measurement is objective then its value is
reproducible with a high degree of precision by different observers, of sufficient skill and
experience, working quite independently of each other.”¹⁷⁹ The key to Stamp’s definition is the
caveat that the accountants are individuals of “sufficient skill and experience.” In other words,
accounting is objective in so far as accounting professionals produce the same representation of
economic realities. Those who operate within a certain form of life count in the same, and, thus,
an objective, way.¹⁸⁰

The kind of objectivity at work in modern accounting then is not one that meets the
abstraction requirement, but it is objective in a wider sense. Because of its objectivity though, I


¹⁸⁰ Even Sterling might not disagree with this. For in his description of laws, he suggests that it still requires
an accounting professional to understand when and how to apply those laws to particular cases; see Sterling, Toward
a Science, 77.
recognize modern accounting’s helpfulness and useful in particular domains, specifically as a
technology of trust. I do not want to dismantle modern accounting or reject its ability to aid in
achieving certain ends. I want to illuminate, however, the implicit bent within modern
accounting towards certain ends and identify the ethical implications of relying upon modern
accounting’s description of the world that are illuminated through the comparison to a linguistic
practice. In Crary’s terms, modern accounting is, even if objective, inside ethics.

3.6 Conclusion

The genres of numbers within modern accounting are easily visible and perform modern
accounting’s presumed status as what Poovey has called the “modern fact.” The genre of
mathematics assumes that modern accounting functions according to universal laws making it
possible to derive critical information by manipulating partial data in algebraic ways. This gives
the information provided by modern accounting a universal and objective quality. Accountants
themselves have attempted to temper this emphasis though for fear that their profession would be
taken over by technicians (and now AI) who rotely apply rules. To say accountants are
professionals, is to suggest they are familiar with a form of life that gives them authority for
determining how, when, and what should be counted. Similarly, the objectivity of science is
empirically based upon quantifications and measurements. This counting of particulars gives
numbers a preinterpretive ethos. Though just as with the genre of mathematics, with the genre of
science the ascribed objectivity is not as straightforward as it is often assumed. Measuring
requires the development of certain spaces, such as labs, and techniques where empirical
findings can be reproduced and made objective.

The final section of the chapter explored how universality and impersonality characterize
an abstraction requirement that is used within a narrow objectivity. Modern accounting is not
narrowly objective though I argue that it is widely objective. The distinction made on this point moderates the implications of my critiques of modern accounting. For the wide objectivity identifies modern accounting’s ability to provide significant social goods. It also highlights an important element of my argument about modern accounting’s ethical significance. Positive and mainstream accounting present the field as adhering to an abstraction requirement, and, thus, being narrowly objective and functioning within an is/ought distinction. In other words, these forms of modern accounting take the counting within modern accounting to be value-neutral. Yet, Crary’s discussion highlighted that wide objectivity does not foreclose moral significance. The descriptions of the world disseminated by modern accounting bring with them their own social and relational assumptions. These assumptions which are taken to be universal and impersonal appear capable of being applied into any and all realms of life in morally neutral ways. As the dissertation progresses, however, I will draw out how the application of some of modern accounting’s relational assumptions shapes Christian theological and ethical discourses.

The next chapter explores a different set of genres. Modern accounting also employs genres that are not number-centric. They are genres associated with the humanities or letters. In exploring modern accounting’s writing through the lens of these genres of letters, I will highlight how modern accounting’s appeal to mathematics and science veils the importance of the genres of letters. The chapter thus highlights how modern accounting is deeply embedded within moral, social, and historical contexts. At the same time, however, modern accounting’s use of these genres tries to present itself as excised from any context. It desires to count from nowhere even though we have seen that such abstract counting is not possible. The chapter thus illuminates further features of the embedded nature of modern accounting’s counting that can help shed light on the impact that its particular description of the world has.
CHAPTER 4
Of Writing Letters

4.1 Of Writing Letters Introduction

This chapter explores three different genres that are employed in modern accounting’s writing. Unlike the previous chapter, where each of the genres foregrounded numbers, the genres explored in this chapter are grouped together in a category I describe as letters. These genres feature many of the same criteria of the genres of numbers and are employed toward many of the same ends, such as creating objective knowledge. The genres of letters do so, however, by remaining hidden. As such, the genres explored in this chapter—apologia, fiction(s), and history and prophecy—are rarely associated with the writing of modern accounting.

The degree to which modern accounting’s writing in letters is barely visible is due to two factors. First, the numerical genres of modern accounting are immediately evident. As the previous chapter argued, the centrality of numbers obfuscates important elements of mathematics and science at play within modern accounting, and it hides almost completely those genres which do not rely upon numbers. Second, the long period of development of the genres of letters since the advent of DEB has polished off many of the edges or indicators of these genres’ presence making them almost indiscernible.

In Chapter 2, I provided a historical overview of the practice of accounting to identify the historical contingencies that determine different forms of counting. In the previous chapter, I likewise showed how even the numerical genres of mathematics and science are not completely
abstract. This chapter continues to provide a description of modern accounting that highlights its deeply contextual nature. What is striking about the genres of letters as employed by modern accounting is how they attempt to abstract accounting from a particular context. Modern accounting’s situatedness is rarely discernible. Highlighting these genres illuminates why the contextual aspects of modern accounting are so easily missed while also clearly identifying just how deeply enmeshed modern accounting is in moral, relational, and temporal contexts. As James Aho states, the practice of accounting is “socially contrived, culturally relative, and historically contingent.”

Recognizing these contexts, and the way that modern accounting eschews them, is essential for understanding the theological and ethical implications of accounting.

### 4.2 Of Writing Apologia and Rhetoric

Accountants in the modern context are tasked by the public to serve as referees for the largest corporations. Corporate financial statements can be trusted because of the “rituals of verification” offered by accountants as we have seen. Scandals, of course, negatively affect the trust afforded to both corporations and accountants, but on the whole the accounting profession is seen as serving the public good. They are third-party arbiters ensuring that individual investors have someone who is looking out for their interest. When the practice of accounting developed, however, it was not practiced by accounting professionals as its own industry. There was no accounting guild. The field of accounting did not develop in the United States until the early 20th century. Up until that point, accountants were part of the businesses themselves.

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181 Aho, *Confession and Bookkeeping*, xii.

182 Power, *The Audit Society*. 
In the medieval context, it was the merchant that was doing the accounting. And while medieval Venice, and other places in Europe, marked a moment in which there was much profit to be made, the social perspectives of those profits were heavily influenced by the Catholic Church’s teaching on usury. As such, profits were tainted with suspicion as were the merchants who made them. As Jacob Soll notes, “Although it is hard to imagine today, guilt weighed heavily on medieval bankers and merchants.”\textsuperscript{183} The extent to which usury was a chief concern for the medieval Italian economy is reflected by Chatfield’s description of early Italian ventures as an inchoate form of corporations. The presaging of later corporate legal structure took shape in order to limit the liability of the silent partners in Italy. Silent partners risked nothing more than what they invested while the active partners continued to hold liability for all of the venture’s debts, even beyond their initial investment.\textsuperscript{184} This sophisticated legal structure was devised not so much out of legal concerns in society, but as a way to avoid running afoul of the parameters of what constituted usury.

Aho suggests that this “moral milieu of the late Middle Ages” is fundamental for understanding the ascendancy of accounting.\textsuperscript{185} It was not assumed that merchants simply had the right to earn a profit. The social and moral imagination led society to see each person, merchants included, as indebted “toward creator, church, and commune. Burdened with this debt, they felt compelled to certify in writing that for everything they earned something of equal value had been returned, and that for everything meted out something else was deserved.”\textsuperscript{186}

\textsuperscript{183} Soll, \textit{The Reckoning}, 21. Of course, this is the context that makes the lingering antisemitism that centers around the trope of the wealthy, miserly Jew tragically ironic and detached from historical realities of Christianity’s influence in shaping this context.

\textsuperscript{184} Chatfield, \textit{A History of Accounting}, 77–78.

\textsuperscript{185} Aho, \textit{Confession and Bookkeeping}, 1.

\textsuperscript{186} Aho, xiii–xiv.
Viewed from this perspective, Aho argues that “DEB was devised by modern Europe’s first bookkeepers *expressly* to serve rhetorical ends.”\(^{187}\) It was, in short, an *apologia* for merchants and their profits.\(^{188}\) Presenting the practice of accounting as a form of rhetoric blurs the lines of writing from focusing simply on words to techniques and methods beyond just words. Davies notes how such techniques “have been invented to bolster the mere words of those involved.”\(^{189}\) DEB and modern accounting can be considered a particular technique of writing that employs rhetoric in order to justify the actions of merchants and companies.

To point at modern accounting and focus on it as an *apologia*, or a form of rhetoric, could be taken as casting dispersion on the discipline. Arjo Klamer and Dierdre McCloskey clarify, however, stating, “The word ‘rhetoric’ is at first confusing, because most people use it to mean ornament that deceives, a kind of camouflage cast over speech. One’s opponent uses ‘mere’ rhetoric. But in an ancient and honourable sense it means simply the study of all argument, including honest as much as dishonest argument, logic along with metaphors, good argument from authority and bad argument from axioms.” The issue is not that scholars could improve their work by employing rhetoric. As Klamer and McCloskey continue, “The point is that they already use trickery, even in their most rigorously logical work. Any piece of writing meant to persuade uses rhetoric—that is, uses appeals to logic, precedence, analogy, authority, evidence, symmetry, simplicity—to change someone else’s action.”\(^{190}\) Klamer and McCloskey might be

\(^{187}\) Aho, xiv.

\(^{188}\) Others make a similar argument about the rhetorical role in justifying the profits of merchants both socially and religiously, see Bruce G. Carruthers and Wendy Nelson Espeland, "Accounting for Rationality: Double-Entry Bookkeeping and the Rhetoric of Economic Rationality," *American Journal of Sociology* 97, no. 1 (1991), 41–42; Waymire and Basu, "Accounting is an Evolved Economic Institution,” 115.

\(^{189}\) Davies, *Nervous States*, 46.

taken to say that there is no way of abstracting one’s practice of accounting from the use of rhetoric. The question is not if modern accounting is an attempt to persuade but of what it is attempting to persuade. The centrality of rhetoric in modern accounting is noted by Bruce Carruthers and Wendy Espeland who bluntly note that the purpose of financial statements “is not simply to inform but also to convince.”\(^{191}\) Modern accounting’s writing is trying to convince us of something. It is an *apologia* trying to persuade us of something in particular. Returning to the climate of medieval commerce overshadowed by usury sheds light on modern accounting’s *apologia*.

Aho suggests that the rhetorical shaping of medieval account books is designed to answer the same questions that arose when an individual underwent confession.\(^{192}\) DEB was thus, as Aho argues, a form of confession. He does not mean that it was a way of admitting wrongdoing, but that it was a way of vindicating one’s actions as morally appropriate. Aho claims, “Business chronicling and penitential confession both were expressions of a late medieval project in moral improvement. Each involved the ‘casting of accounts,’ the first to an auditor, the second to the Auditor (God).”\(^{193}\) DEB was a form of writing that was “devised by public notaries who had been trained in classical rhetoric” to make it possible to “assimilate the otherwise pernicious work of commerce into the Christian cosmos. It made commerce palatable to the morally squeamish.”\(^{194}\)

\(^{191}\) Carruthers and Espeland, "Accounting for Rationality,” 35.

\(^{192}\) For a critique of Aho’s project, see Derks, “Rise of Double-Entry Bookkeeping.”

\(^{193}\) Aho, *Confession and Bookkeeping*, 40.

\(^{194}\) Aho, 85–86.
The connection between DEB and confession in the medieval period is even more poignant when one considers the transformation of penance following the Fourth Lateran Council (1215). As D. Stephen Long notes, prior to the council, penance had emphasized “the virtues toward which the law” was directed rather than a “punitive” or “arbitrary imposition of law.”\textsuperscript{195} Penance instead was aimed at training individuals how “to name the evil” in Christians’ lives, naming “the discrepancy” between what persons “should be” and what they “are in fact.”\textsuperscript{196} The shift marked by the Fourth Lateran Council diminished the focus on the production of virtue and led to what would become the “‘tariff system’ of penance in which penance became an end in itself.”\textsuperscript{197} Long describes this change as a reduction of the Christian moral life “to an accountant’s ledger, with sins on one side and penances as payments for those sins on the other.”\textsuperscript{198} The fact that modern penance is easily compared to bookkeeping reflects how closely DEB conforms to the practice of confession.

The merchants “confessing” their business dealings via their bookkeeping records were certainly not engaged in the practice of medieval penance. They were not learning to name the evil and discrepancies in their lives in hopes of cultivating virtue. Their confession was not offered in order to identify proper penance by which spiritual and moral development might take place. In fact, the aim was almost precisely the opposite. It was a justification for their actions. DEB records served as an indication that penance had already been paid. The double-sided entry made it clear that for everything they had received, they had already paid. If their books

\textsuperscript{195} D. Stephen Long, \textit{The Goodness of God: Theology, Church, and the Social Order} (Grand Rapids, MI: Brazos Press, 2001), 139.

\textsuperscript{196} Long, 141.

\textsuperscript{197} Long, 143.

\textsuperscript{198} Long, 143. I consider further how sin and virtue have been viewed through a ledger-like lens in Chapter 9.2.
indicated that they had received profit, or sinned, they simultaneously demonstrated that they had already provided adequate payments or penance. In short, there was no discrepancy between what they received and what they offered, or more to the point, who they were and who they should be. Long’s identification of the transformation of what is named and narrated in the Christian practices of medieval and modern penance helps illuminate how DEB’s rhetorical *apologia* is likewise numbering, naming, and narrating profits in a particular fashion. The orderly numbering of merchants’ profits names them as legitimate, if not just. Profits could be narrated in a way that avoided any moral trappings. In the same way that modern penance became its own end, DEB likewise was its own end, producing itself as its own virtue.

The real significance of this form of confession was not as a private mechanism providing the absolution of sins but to sound the trumpets publicly about the virtue of merchants’ profits. Poovey notes the crucial connection between rhetoric and *public* speech and writing. While accounts had previously been kept secret, DEB became a system of writing made public.199 The social significance of DEB to verify “mercantile honesty” is closely related to publication and printing of books about accounting method.200 Pushing DEB into the realm of public speech made it possible for DEB, and later modern accounting, to become “an apology for the public character of merchants as a group.”201 Pacioli’s own status as university-trained and his description of the DEB method according to the rules of rhetoric “enhanced the status of accounting.”202 Merchants, who were typically on a much lower social status than academics or

199 An interesting contrast is that DEB develops toward a public practice, which is opposite of the development of modern penance away from the more public nature of medieval penance towards a private practice.


201 Poovey, 39.

202 Poovey, 38–39.
clergy, were suddenly able to align “the form of mercantile knowledge production with the
prestigious practice of rhetoric.” Poovey summarizes, “In double-entry, then, the precision of
arithmetic replaced the eloquence of speech as the instrument that produced both truth and
virtue.”

Modern-day merchants still utilize an *apologia* to justify their profits. While there is not
the overall suspicion of profits in the contemporary age, there is still the sense that not all profits
are justified. Theft and fraud are condemned. One of the purposes of published financial reports
and external auditors is to verify, or persuade, that the profits achieved are legitimate. When the
accountants indicate that the financials are presented fairly, there is little ground by which to
criticize a business for dishonesty or unjust profits, though my contrast of modern accounting to
the category of gift in Chapter 8 explores this question further. In that regard, modern accounting
as an *apologia* continues to fulfill a significant role. Financial statements continue to accrue
virtue and maintain social position and prestige, which is an indication that the genre of *apologia*
is significant to modern accounting.

That it is surprising to imagine modern accounting writing as moral justification is
reflective of its success of removing itself from any moral context. Arguments that attempt to
convince one of the moral goodness or evilness of a particular action are widely considered
moral arguments or writings. Yet modern accounting, despite its active role in convincing us of
the moral goodness of capital’s behavior, is perceived as morally neutral. The rhetoric employed
by modern accounting then succeeds precisely as its argument fades from view. There is no
clearer indication that one has convinced her audience than when the audience no longer needs to

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203 Poovey, 38–39.

204 Poovey, 55.
be convinced and would struggle to even articulate of what it is that they had been convinced. Modern accounting has detached itself from any moral context through the effectiveness of this moral argument.

4.3 Of Writing Fiction and Fiction(s)

There are three ways that are worth considering accounting as writing fiction. As was argued in Chapter 2.1, counting and recounting a story are linguistically related. As such, modern accounting is always storytelling. Despite producing esoteric financial statements, to those that can read and understand them well, modern accounting is recounting a cogent narrative. It may be mundane, like any story, but it can also be riveting. The chronological categorization of storytelling is a salient feature of financial statements. Knowing where to start and stop a story is of course one of the most important ways of creating categories that make sense of the world. The chronology is obvious in the income statement, which is a recapitulation of the activities of a particular period. Its beginning and end are defined. The statement of cash flows similarly narrates a period of time where an entity’s beginning cash balance is established at the top of the statement and all of the twists and turns lead one to the ending cash balance at its conclusion. The balance sheet differs from these other statements as it is not inherently connected to a span of time. It is a “snapshot,” a status report at any given moment. Perhaps the narratival importance of financial statements is nowhere more evident than in the fact that balance sheets almost always contain at least two periods. The snapshot of a single moment provides little useful information unless it also contains information from a prior period. Accountants refer to the side-by-side layout as “comparing to prior periods,” but a more adept description of the comparison is that it is a project of narration.
A second way of considering the relationship of modern accounting to fiction would be to follow Philip Goodchild who argues that the “facts” recorded in the practice of accounting “are collective fictions” held together by “mutual agreement.” Money itself, Goodchild asserts, is “a collective fiction represented through account books.” Money and/or facts are contingent upon their relational context. They only exist in, and because of, the relational network. Fictions must be cooperative, and, therefore, must be embedded in particular relational and social contexts. These first two ways of thinking about modern accounting producing fiction are rarely considered, but are crucial for understanding its significance.

The third way of thinking about fiction(s) is accounting’s use of particular writing conventions. This third form of fiction(s) raises a certain irony in relationship to the first two fictions because the function of the third kind is to excise the first two notions of fiction from modern accounting. In other words, modern accounting employs these particular writing conventions in a way that veils the story it is telling, or that it is telling a story at all. Likewise, the conventions are what allow the collective fictions described by Goodchild to be transformed into fact. This process involves stripping modern accounting of any of its particular contexts and associations. As a result, the genre of fiction(s), like the genres of numbers, casts a hue of abstraction to support claims of objectivity. Modern accounting’s fiction(s) causes its readers to lose sight of the particularity of the story, its embeddedness in a social reality, and instead to assume its universal objectivity, imagined as disconnected from any context or relational entanglements. This serves to posture modern accounting’s writing as if it is void of, and un-

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206 Goodchild, 168.
207 I will refer to this third form of fiction as “fiction(s)” throughout for clarity.
reliant upon, any context whatsoever. It appears to stand on its own.\textsuperscript{208} Employing fiction(s), as will be shown, causes any characteristic of fiction in modern accounting to be written out of its story. It is precisely in this way that the success of modern accounting fiction(s) leads to the further assumed prominence of numbers in modern accounting. The relational and narratival elements dissipate.

The conventions and fiction(s) neatly display modern accounting’s information in modern ledger entries that have developed into notations of a date on which a certain amount is debited/credited into/from certain accounts. These entries are quintessential facts void of any narrative. By assessing the earliest version of these entries though, the stories they contain and their collective nature can be clearly seen. A. C. Littleton summarizes early ways of recording ledger entries by noting three characteristics. First, they were complete sentences encapsulating a full action or idea. Second, the entry was made from the perspective of the proprietor in relationship to others. For example, “X ought to give me…” or “X shall have from me…. on account of” the particular event being recorded. The individuals related to these transactions were present and active within the ledger entries. Thirdly, the recordings were stated “as memoranda of expected future occurrences, not of present happenings.”\textsuperscript{209}

<table>
<thead>
<tr>
<th>Date</th>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 1, 20xx</td>
<td>Cash</td>
<td></td>
<td>$xx</td>
</tr>
<tr>
<td></td>
<td>Office Supplies</td>
<td>$xx</td>
<td></td>
</tr>
</tbody>
</table>

Figure 3: An example of a modern ledger entry

\textsuperscript{208} Conversations with Tyler Womack were helpful on this point.

\textsuperscript{209} Littleton, \textit{Accounting Evolution}, 44.
The storyline is visible in these older entries as is the social and collective nature of the action. The entry is always connected to the proprietor and in relationship to another person. This is particularly evident when considering the convention of personification being employed. Littleton notes the significance of the language “shall give” or “shall have,” which could just as easily have been replaced by “yield up” or “render back.” These alternatives would have made it possible for entries to have been made from the perspective of an object rather than a person. Instead, as Littleton notes, a “cash” account is always “considered as a person.” Chatfield’s analysis illuminates this point even further. Not only was cash treated as a person, each account could be, and was, imagined as a living person. In many cases the account represented the proprietor, though in some cases the accounts were individuals working on behalf of the proprietor. Chatfield gives a quotation from Collier in 1884 that demonstrates this perspective:

> the whole business is *supposed* to be carried on by clerks. There is supposed to be a clerk called Capital or Stock who represents the owner of the business . . . There is supposed to be a clerk called Cash who takes charge of the money. There is supposed to be a clerk called Bank who represents the firm's banker. There is supposed to be a clerk called Bills Receivable who takes charge of 'Bills' Payable to the firm . . . There is supposed to be a

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**Figure 4: Example of ledger entry from 1522 from Littleton’s Accounting Evolution**

<table>
<thead>
<tr>
<th>L— and R— “ought to give” me an accounting in money or goods for the broadcloth shipped in their care… etc…</th>
<th>$74</th>
</tr>
</thead>
<tbody>
<tr>
<td>D— “ought to have” $.50 from me for fullers work done on my cloth……$.50</td>
<td></td>
</tr>
</tbody>
</table>

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210 Littleton, 43.

211 Littleton, 51.
separate clerk for each and every person or firm with whom the Firm has credit transactions . . . There is supposed to be a clerk called Profit and Loss.\footnote{Chatfield, \textit{A History of Accounting}, 219.}

Personification makes it clear that the practice of accounting’s writing is telling a story, but most importantly, it is telling someone’s story \textit{in particular}. Accounting does not record random or all events happening in the world. There is always a protagonist. Arguments will arise as to how to define that protagonist (see the discussions of equity theory in Chapter 5), but accounts are the technical agents acting on behalf of someone that display the story of that particular person. This is connected to the relational aspect built into the practice of accounting. For particular persons must always reside somewhere, and the personification of accounts leads to actions being recorded in relationship to someone else. The personified fiction of a cash account only functions if another personified fiction acts collectively with her. This is why Wariboko says that even when thinking about modern accounting’s mathematical features, it “is not merely a mathematical expression but a neat and discerning summation of a worldview, \textit{a perspective of human relations}.”\footnote{Wariboko, \textit{Accounting and Money}, xviii; emphasis added.} In every entry, someone is acting, and those actions always implicate other agents.

These two fictional elements, narrative and relational, eventually gave way to the more modern, sanitized version that results from the writing conventions, or fiction(s), that developed over time. The modern entry dispels with full sentences causing the narrative to fade. The loss of narrative was accompanied by the diminished role of personification, which caused its own problems. The logic of transactions became obscured, according to Littleton, because the proprietor was no longer visible in each transaction.\footnote{Littleton, \textit{Accounting Evolution}, 51.} The supporting actors around the
disappearing protagonist were also barely visible. They were placed almost literally into the background, represented through the standardization of the columns titled debits and credits, which came from the language of “debitor” and “creditor.” The column headers became the only stand-in for the person on the other end of the interaction. What had previously been a visible relational interaction is now shunted into the ledger’s formatting and relegated to the margins of the page and relevancy.

Poovey highlights the development of one more convention in early bookkeeping that is worth noting. She describes the “writing positions,” which were adopted by everyone involved in the bookkeeping process. Creating writing positions allowed for every person’s writing to be “interchangeable, regardless of their rank, instead of reiterating their social position as rhetoric was designed to do.” What is striking about this, is that not only does modern accounting writing develop in such a way that it loses track of the narrative, the protagonist, and any relational context, but it also requires those doing the actual writing to imagine stripping themselves of their own relational context. This creates the characteristic of impersonality used to bolster claims towards objectivity through abstraction. Those engaged in bookkeeping must situate themselves in a standard position, which would result in all modern accounting writing conforming to a particular viewpoint. Bookkeepers were removed from their contexts when writing; they were writing from nowhere. In one of its most developed forms this can be seen as

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215 The relational component can also be seen in the translations of the early column headers for what are now called “debits” and “credits” were literally “to have” and “to give.” Variations included “should have/give,” “must have/give,” or “ought to have/give.” The variations were sometimes related to translations into different languages, such as Latin, Italian, French, German, and English, but also due to the lack of standardization in the early practice; see Littleton, 90–96.

216 Poovey, A History of the Modern Fact, 42.

217 Poovey, 42.
a *persona* like that adopted by Watts and Zimmerman who, as Tom Mouck says, “proclaim their stance of calculated neutrality.”

These writing positions were accompanied by rules that were put in place in order to standardize the writing output to give the writing style an air of transparent information divulgence, rather than a performative exposition. The format of a concise entry only helped to facilitate this fictionally neutral, number-centric form of writing. The lingering effects of this is visible even in the second half of twentieth century when Chambers complains about assumptions that there is such a thing as an “accounting viewpoint.” No standard, neutral, objective viewpoint could or does exist as we saw in the previous chapter through Crary’s discussion of the impossibility of adhering to an abstraction requirement. Yet what we receive today when we receive modern accounting entries is writing that seemingly comes from nowhere, written by no one specifically, about nobody precisely interacting with no one in particular. This, of course, is a fiction, by which I mean a falsehood.

### 4.4 Of Writing History and Prophecy

Not only is the practice of modern accounting deeply embedded in moral and relational contexts, it is squarely situated within temporal realities of past, present, and future. Financial statements for instance, open a window to recent activities. They provide a record of what happened depositing information that is primarily about the past. The users of these records employ that information in various ways. Stock investors scour a company’s recent historical trends in order to inform themselves for making current investment decisions in hopes of specific

218 Tom Mouck, ”The Rhetoric of Science and the Rhetoric of Revolt in the ‘Story’ of Positive Accounting Theory,” *Accounting, Auditing & Accountability Journal* 5, no. 4 (1992), 42.

future results. Financial statements are crafted in order to be as useful as possible for “exchange
guidance.” The focus of modern accounting centers on providing guidance for present
decisions. This is why, as I will explore more fully in Chapter 7, modern accounting must be
considered as a form of practical reasoning. But modern accounting’s use of the past in the
present actually turns out to excise modern accounting from its temporal context. It focuses
solely on the present, but even this present is abstract.

One way of thinking about the abstract present that is driven by modern accounting
writing is drawn out in Scherz’s discussion of time in relationship to probability and decision
theory. As Scherz says, “Decision theory requires one to foresee as many alternative possibilities
as one can, as well as calculate the probability of these alternatives.” Calculating and weighing
these alternatives is rooted in a form of cost/benefit analysis arising from marginalist economics
alongside modern accounting. Marginalism is, as I argue more fully in Chapter 6, deeply
intertwined with modern accounting as its central theory of value. Scherz’s argument, however,
is that this form of probability and decision theory causes agents to lose sight of their present
actions, considering only the probability of the consequences that might ensue from the chain of
events generated by present actions. In other words, he argues that agents can no longer
articulate the present significance of their actions, or name their intention as is central in both
Aristotelian and Stoic forms of virtue theory. I agree with Scherz’s assessment and draw on
this very issue in my discussion of stewardship, humanitarianism, and environmental ethics in

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220 Watts, "Corporate Financial Statements," 53–75; Gregory B. Waymire, "Exchange Guidance is the

221 Scherz, Tomorrow’s Troubles, 44.

222 Scherz, 32–36.
Chapter 10, however, rather than discussing this shift in temporal attention towards the future, I refer to it here as an excising of temporal context that imagines an infinite or abstract present. Consider how the view of time changes as a result of probability theory according to Scherz. He writes,

The agent makes the alternative futures real to herself when making a decision, imagining herself in such possible futures. The strange thing is that, phenomenologically, the other alternatives do not cease to exist after the moment of choice . . . The axiomatization of probability theory requires such a new vision of future events. The actor envisions all possible events as if they were lying together in the same plane, giving a synoptic vision of future possibilities. This plane of possibilities leads to a spatialized, totalized vision of future times. This totalizing vision gives a peculiar sense to these different possibilities. They are not just potentialities, some of which may be actualized through decision. Instead, all of them are there before the agent, as if they were actualized in some possible world, just not the one where she exists . . . Time becomes an infinite, forking series of possibilities, all of which seem realized in some way.  

This view of time is what I mean by the abstract present. Within this imaginary future actions that one plans to take in the future are placed next to past actions that one avoided. The previous views of time that Scherz mentions, such as a flowing river, are replaced by managerial decision trees and flow charts. The future (in its innumerable possible forms) and the past (both actual and by-passed) are held in this abstract present. This decision-making present draws the past and future into seemingly the same moment while at the same time denying the reality of any temporal context that shapes it.

Modern accounting is driven by this abstract view of the present. Even as financial statements make both the narratival and historical elements of modern accounting visible, it moves to excise itself from these contexts, seeking abstraction and the objectivity that it affords. Modern accounting records are intended to give an indication of the present standing of a company, an asset’s worth, etc., but the present that it imagines is one that is abstract and

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223 Scherz, 44–46.
detached from past actions and unaffected by the prophecies of the future embedded within it. The present becomes the only relevant moment abstracted from how it has been shaped by and shapes the past and future. Financial statements come down as assertions of a present reality unrelated to either the past or the future. In the same way that the previous two sections have shown particular ways that modern accounting writing shears itself from context—moral, narratival, or relational—this section argues that while modern accounting is deeply intertwined in historical contexts, it postures itself as only related to an abstract present without regard for the chronological context of the past or future.

Recent debates about accounting history demonstrate the way that modern accounting relates to history. The debates between traditional historians and “new accounting history” are a synecdoche for thinking about how modern accounting relates to history and time in general. As with other genres, such as science or economics, the debates over history by accountants can be seen “as another variation of the disagreements between historiographers, and others practicing in the wider discipline of history, which have been passionately argued over this century without any final resolution.” 224 New accounting history is much more likely to frame history as a text to be interpreted than to identify facts and represent them as truth. Warwick Funnell describes the distinction between the two approaches to history saying that “new accounting history raises to prominence interpretative frameworks which owe more to social theory, the relevance of which has been previously underplayed, than to economics. Accounting history becomes less econocentric and more sociocentric. In this way, the rise of new accounting history may also be

224 Warwick Funnell, "Preserving History in Accounting: Seeking Common Ground Between 'New' and 'Old' Accounting History," Accounting, Auditing & Accountability Journal 9, no. 4 (1996), 41. Miller et al. note the same point, writing in the 1990s saying, “Many of the changes currently taking place within accounting history have ravaged the American historical profession for close on three decades”; Peter Miller, Trevor Hopper, and Richard Laughlin, "The New Accounting History: An Introduction," Accounting, Organizations and Society 16, no. 5/6 (1991), 396.
seen as a contest between the rule of economics in accounting research and social theory.”

The econocentric approach to accounting history facilitates imagining it forever in the present tense. Economists portray the world as functioning according to natural laws, which function without regard for historical context. Not only are the past and future not relevant in such models, they do not even exist. These laws, like logic, are timeless and shape the decision trees that are then laid out in the abstract present.

The more obvious implication of this debate is the interpretative nature of history. If Gadamer suggests that statistics are not facts but a form of interpretation, there is no reason to imagine the same is not true for history. This is a rejection of traditional approaches to accounting history (which overlap with positive accounting theory) that view modern accounting writing itself as an objective description of historical economic events that presents unambiguously present reality. But not only does the new accounting history suggest that modern accounting writing interprets reality, it also posits that modern accounting constructs a particular reality. As Gareth Morgan says, accountants “are subjective ‘constructors of reality.’” Morgan describes this in contrast to what he calls “the myth of objectivity” that he sees perpetuated by traditional historical approaches whereby “accounting is grounded in a quest for objectivity and . . . that it is possible for accountants to be objective and to present the reality of a situation in a ‘true’ manner.”

What is at stake in modern accounting is not ultimately the best elucidation of what happened in the past but the political project of the present. Modern accounting has been

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225 Funell, “Preserving History in Accounting,” 40.
227 Morgan, 481–82.
recognized by many as a political tool and solution to social conflicts. Porter describes accounting, and quantification more generally, as “a political solution to a political problem” though he notes it cannot be reduced to only that. Tinker describes a similar role of modern accounting saying that “accounting practice is a means for resolving social conflict, a device for appraising the terms of exchange between social constituencies, and an institutional mechanism for arbitrating, evaluating, and adjudicating social choices.” The social conflicts that make up our politics have to be resolved in a way that is widely acceptable. Goodchild describes how modern accounting brings about this consensus saying,

Accounting commands assent. The evidence it offers is repeatable, exchangeable, and potentially public. The personal judgements of the individual who writes in the account book are in theory irrelevant, even if assumptions about what is to be counted under any particular heading make all the difference to the outcome. The individual perspective and singular case are excluded. Accounting records only that which falls within the range of a mutual agreement—or that which, by virtue of appearing within the account book, takes on the appearance of being a product of mutual agreement.

Modern accounting constructs a present reality that all can abide. There is a clear connection to a Wittgensteinian notion of counting on this point. For as Wittgenstein argues, mathematics is not built upon a form of logic that rests behind it. Mathematical functions operate because there is an agreed upon way of counting. In the same way, modern accounting does not conform to some sense of essential meta-reality behind it; this is the potency of Crary’s argument about objectivity contingent upon the abstraction requirement. What modern accounting codifies is an agreed upon way of (re)counting particular happenings. Or, as

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228 Porter, *Trust in Numbers*, xxii.


Goodchild notes, creates a mutual agreement through its presentation. To recall the previous section, modern accounting presents a fictional present that becomes collectively agreed upon. Conflicts are dissolved because modern accounting performs an agreed upon practice of counting, not because it proves the truth or fact of a particular situation. Goodchild summarizes this assent by saying that modern accounting is “the measure of that which can be taken for granted.” Modern accounting both helps overcome, and reflects the absence of, conflicts by bringing about assent for the present reality through its recounting of the past. In this way, modern accounting is not doing an econocentric form of history, but one that is much more reflective of the assumptions of the new accounting history.

The constructivist approach that is connected to viewing history as an interpretative project already moves beyond seeing modern accounting as a neutral presentation of reality, but that does not only happen by pulling the past into the present for decision guidance and conflict resolution. Modern accounting also draws the future into the abstract present. I suggest that modern accounting has a prophetic element, by which I mean it calls into present existence future realities. This prophetic connection between future and present is exemplary of the vision of time that Scherz highlights within probability and decision theory. Laying out the past, present, and future on the same plane allows modern accounting to shape and be shaped by the

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232 The ability of accounting to help resolve conflicts and function, as was noted in the previous chapter, as a technology of trust, is evident in the very fact that the ability to make payments via accounting is also an indication of the presence of trust. Graeber makes this point when identifying that in periods of intense social turmoil (i.e. war), payments had to be made with physical coins, bullion, etc. Transactions can only be made through the transfer of records if trust is still present; see Graeber, Debt, 213.

233 Goodchild, Theology of Money, 172. Alan Richardson describes accounting as a “legitimating institution”; see Alan J. Richardson, "Accounting as Legitimating Institution," Accounting, Organizations and Society 12, no. 4 (1987), 341–55. In the work of those such as Peter Berger and Thomas Luckmann, taken for grantedness is one of the most powerful forms of legitimation; see Peter L. Berger and Thomas Luckmann, The Social Construction of Reality: A Treatise in the Sociology of Knowledge (Garden City, NY: Anchor Books, 1966), 3.
future in the present. As Littleton commented above, the early ledger entries are “memoranda of expected future occurrences, not of present happenings” an expression that neatly ties the past and future together.

Morgan describes the connection to the future, saying "these representations become part of the fabric through which the situation 'accounted for' is then sustained or changed. Accountants interpret reality. But their interpretations—in the form of statements about general economic vitality, a capital budget decision, or cost over-run report—became resources in the ongoing construction and reconstruction of reality, as these accounting reports are used to shape or rationalize future decisions." Jason Blakely’s description of the “double hermeneutic effect” provides a further description of how the future and present are drawn together in modern accounting. He says, the “efforts at descriptive scientific theory, when applied to human beings, can actually produce new identities, practices, and worlds of meaning. This is due to humans' uniquely creative meaning-making capacities and is what philosophers refer to as the 'double hermeneutic effect,' in which an interpretation of the world shapes the very interpretations that comprise it.”

The chronological complexity that I am describing here comes out in Goodchild’s description of money as having “no present being…Money only exists in memory or anticipation as a record in account books.” While I am claiming modern accounting only focuses on the abstract present rather than the past or future, I agree with Goodchild that modern accounting is deeply implicated in the historical past and present. This is overshadowed by the constant

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234 Morgan, “Accounting as Reality Construction,” 482.


236 Goodchild, Theology of Money, 170.
attention to the abstract present where modern accounting represents economic activities and money in chronologically abstract ways. It is this view of time that helps create the reality that it is recording. This section is drawing out how modern accounting is connected to not only past, present, or future realities, but how all three of them are deeply interconnected. Yet, at the same time, modern accounting’s writing eschews this chronological complexity imagining an abstract present that is unrelated to either the past or future, not to mention how both of those are interpreted or prophesied. Modern accounting is the measure of what the past allows us in the present to say the future will be. Delimiting modern accounting to the present then functions to remove historically significant realities and shape the future in inconspicuous ways.

One example of the implications of this chronological severing can be found by considering Goodchild’s discussion of Pierre-Joseph Proudhon’s description of property as theft. Proudhon’s argument about property contains multiple parts. The key element for the purpose of this discussion is Proudhon’s divergence from mainstream assumptions in thinking about property by considering it first in a social context. Thus, one might consider individual talent as one’s most basic property. This talent, however, “is a creation of society rather than a gift of nature.”

Society provided the education and other aspects of life to allow for a person to develop skills, obtain knowledge, etc. Proudhon says, “Society, in cultivating talent, makes a sacrifice to hope.”

Goodchild comments that “property, whether as talent or as improved land, is produced by credit.” In other words, an individual’s ability to have property is always contingent upon the social sacrifices that furnished the conditions to create that property.

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238 Proudhon quoted in Goodchild, 83.

239 Goodchild, 83.
Proudhon concludes that talent should not be individually rewarded and likewise that proprietors are not entitled to rent. Demanding returns for what was cultivated on credit is a form of exploitation.

There are two forms of exploitation that Goodchild illuminates through his examination of Proudhon’s description of property. The first is social and the most readily visible. Mining social resources to develop talent and then expecting *individual* repayment ignores the hope society placed in one from the start. Similarly, when it comes to improved land, proprietors rely upon social contributions of labor, infrastructure, etc. for the development of their property then hope to claim its rewards individually. Proudhon’s description here reinforces the social dynamics in which modern accounting is situated as explored in the previous section.

The second form of appropriation is less apparent, but connects to the chronological focus of this section. For the concept of property requires a distortion of its temporality. Goodchild summarizes this stating,

> A capitalist who has prepared for the future, who has appropriated social contribution, has received their property in the past. Yet these relations of past and future are set aside, while only the present right of increase is counted. In this respect, on Proudhon’s account, exploitation implies the reduction of relations to past and future to rights which can be counted only in the present, such as a present claim to rent or interest or a quantity of labour time that is measurable as a wage. This is how the proprietor denies receipt of the gift, and then feels entitled to make a claim on society.²⁴⁰

This form of appropriation is not only facilitated by modern accounting, but is taken for granted due to modern accounting’s myopic, or abstract, view of the present. When even the past can be reduced to information needed for “exchange guidance” in the present, the attachment of the past, present, and future are lost. Instead, the proprietor has conflated the past and future into her present rights that offer a calculative analysis for decision making. The gift, as Goodchild says, is

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²⁴⁰ Goodchild, 85.
lost, and any concern about the world that is being constructed in the future is bypassed without need for discussion. Chapter 8 will discuss gifts more thoroughly, but the right to private property, on this account, amounts to eschewing any obligation to a counter-gift. This is a rejection of one’s role in participating in a gift exchange, which as Marcel Mauss notes, “is equivalent to declaring war.”

The focus on the abstract present that excises modern accounting from the past and the future, thus, functions to also reject a communal embeddedness. The two are connected.

That modern accounting is not perceived as constructing the future in relationship to the past is reflective of its excising itself from context in yet one more fashion. What modern accounting provides for the future is “the measure of that which can be taken for granted.” The recent rupture in method for accounting history provides a glimpse into what has been taken for granted. What is at stake, however, is less a conflict over how to remember the past and more a dispute over how to construct the future. The temporal dimension, as Proudhon’s description of property makes clear, is deeply implicated in the moral and relational contexts considered in the previous two sections. By focusing only on the abstract present, questions about the morality of certain actions are sidestepped. They are answered instead covertly through modern accounting’s carefully structured apologia. Likewise, the loss of historical memory or imagination of how the present shapes the future is aided by the fictional narrative of modern accounting that removes any social or relational context. Accounting is history, but in considering what kind of history it is doing, it also becomes clear that it is prophecy. It constructs future reality.

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4.5 Conclusion

The previous two chapters have explored various genres used within modern accounting’s writing. Each has demonstrated the repeated performance of modern accounting’s criterion of abstraction as an argument for its objectivity. At the same time these explorations of genres have demonstrated the way that modern accounting is deeply embedded within various contexts. The genres of numbers, which have the easiest claims to objectivity through abstraction, turn out not to meet the abstraction requirement and, therefore, the standards of narrow objectivity. Likewise, the genres of letters have demonstrated that even as modern accounting presents itself as outside of any moral, social, or temporal context, it is deeply engaged in shaping moral discussions, social relations, and chronological visions.

One of the essential elements of recounting how modern accounting presents itself as objective, even while highlighting the various subjectivities that shapes it, has been highlighting how modern accounting is assumed to be simply the practice of accounting. In other words, modern accounting is not often taken as one particular way of counting. The historical debates called upon in Chapters 3 and 4 are an extension of the argument from Chapter 2 that modern accounting is only one historically contingent way of counting. This contingency does not mean that modern accounting cannot be considered objective in any fashion. It can still retain a wide objectivity necessary for significant social roles in creating trust and ensuring accountability. This wide objectivity, however, means that modern accounting’s writing is not necessarily void of ethical significance.

The next three chapters serve as a continuation of the focus on modern accounting’s writing that moves forward the argument about the ethical implications of modern accounting. Each of the following chapters focuses on one of the main financial statements. By drawing on
the features of these statements and continuing to highlight the contingent elements of modern accounting’s writing, I highlight the particular way in which modern accounting describes and constructs the world. After highlighting several ethical dynamics embedded within modern accounting’s financial statements, I will identify how these features impact Christian theology and ethics in Chapters 8, 9, and 10.
5.1 Of Writing Financial Statements Introduction

Modern accounting thought and writing is found in textbooks and training manuals, theoretical journals and whitepapers, spreadsheets and workpapers, but the most central form of writing in modern accounting is the production of financial statements. Perhaps the most well-known piece of modern accounting is the income statement, specifically its famous conclusion, the bottom line. Previts and Merino express the cultural significance of the bottom line saying, “The term bottom line is a U.S. idiom, representing our discipline's signature on our culture . . . It has become a pervasive expression that compactly identifies our way of life, our competitive values and goals. The 'bottom line' is as much a part of the identifying the U.S. way of life as is baseball or blue jeans.”242 The succinct, forthcoming bottom line is the epitome of what modern accounting represents. Its reliance upon numbers and, thus, empirical verifiability and adherence to universal logic prop it up allowing for the reader to safely rest their confidence upon it. Any sense of the letter writing genres is absent. The bottom line seems to tell neither a story—history, prophecy, or fiction—nor does it seem to be an apologia for anything. It epitomizes modern accounting’s presentation of “just the facts.” One seemingly cannot argue with it, and it can shape the decisions of life through its calculation of return on investment. What the next three

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chapters uncover is not that too much cultural significance is ascribed to modern accounting by suggesting that its bottom line “compactly identifies our way of life.” Rather, shaping our way of life is part of what endues modern accounting with ethical significance. The potential error is in adhering to the subsequent assumptions I have described about modern accounting’s writing, those that would hail modern accounting’s narrow objectivity, which I have repeatedly critiqued in the previous chapters.

Modern accounting, as I have claimed, names, numbers, and narrates our lives. The significance of these actions is not just that modern accounting identifies “our way of life,” but it also enacts and performs it. Through repetition, constant use, and citation the “facts” of modern accounting become teleologically significant. As Stanely Hauerwas has said, “You can only act in the world you can see and you can only see what you have learned to say.” Modern accounting’s continued role in saying the world leads to seeing the world in a particular way. It directs our social gaze. We see and focus on certain things while ignoring others. China Miéville’s novel *The City and the City* provides an example of the significance of constantly seeing the world in a particular way. The story is set within a fictional world where carefully maintained attention is paramount. The story takes place in a city, rather two cities. Yet these two cities “topographically” both reside within one environ. Even though they share streets and their buildings are interspersed amongst each other, the citizens of the two cities do not interact. They have been carefully trained since being children to “unsee,” “unhear,” and even “unsmell” all that is occurring in the other city, though it might be happening right next to them. The requirement to maintain the distinction is upheld through enforcement, sometimes violently. The

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cities created by Miéville are extreme. Could people really live in such close physical proximity yet learn to ignore certain people, places, etc. so effectively so as not to experience them ever? Miéville has taken the fact that we all have been trained to see and unsee specific realities to a somewhat absurd conclusion. Yet it would be naïve to imagine that we do not ourselves live in places where people in close proximity operate in entirely distinct social spaces, barely recognizing the presence of each other. In this way, modern accounting creates a social imaginary. It gives language to say the world, and as such, it trains the eye for what to see, the ear for what to hear, the individual for what to seek. Socially, it becomes a shared document that reinforces the appropriateness of saying, seeing, and acting in certain ways. It is what is taken for granted.

If modern accounting impacts theology and ethics, as I have claimed it does, then its embedded sociality and claims about reality must be present within the financial statements, even if they are not immediately visible. The previous two chapters provided close reflection on certain value claims embedded within modern accounting through examining the way it employs various genres of writing. The next three chapters explore the way in which the different genres of modern accounting manifest in the financial statements. Each chapter argues that one of the three main financial statements—income statement, balance sheet, and cash flow statement—are representative of key characteristics of the world shaped by modern accounting. They name, number, and narrate.

The present chapter focuses on the balance sheet where I outline its function in naming, and thereby creating, agents in the world. Modern accounting grants agents and beings a monadic quality as the balance sheet purports to be a picture of a standalone being that is not dependent upon any others. A balance sheet interacts with other balance sheets, but they all
retain a distance and independence from each other, even in their interaction. In Chapter 6, through an analysis of the income statement, I identify how modern accounting numbers all of life through its bent toward abstraction, typified by the bottom line. This has implications for relational structures. Finally, in Chapter 7, I demonstrate through a discussion of the statement of cash flows how modern accounting develops a narrative that makes sense of the information that it provides and helps legitimate and endow modern accounting with an air of truth. The statement of cash flows reinforces the truth of the claims made by the income statement and balance sheet by grounding them in the data of cash balances. By exploring the categories of truth, objectivity, data, and facts, I show how modern accounting provides certain objective facts but often mistakes those for truth.

5.1.1 An Excursus into the Production of Financial Statements

The financial statements all work according to the same rules and criteria. Modern accounting is a system. The financial statements work in tandem. In the preparation of modern accounting statements, any adjustment to one statement would need to be considered for its possible effect on another. A brief description of the underlying work of modern accounting will help illuminate this point before moving on to examine each of the three main financial statements in turn.

To understand why financial statements are so intertwined requires describing how it is that these statements come to be. Financial statements are a final product, the end of the accounting cycle. They are a presentation of specific portions of the data created by the accounting process. This underlying data is what shapes the content of the financial statements. The base level of data is the trial balance, which is a list of all of the accounts that an entity uses along with the present balance (debit/-credit). Financial statements group and categorize certain
accounts to be presented. Thus, what account(s) certain transactions affect is consequential for the financial statements. Let me provide an example.

If a business purchases a piece of equipment, there are multiple options for how that purchase can be accounted. The decision is typically made based upon the price of the equipment as well as its useful life. In other words, a fifty-dollar tool that might break after three months will be expensed immediately. However, a larger piece of equipment, such as a $10,000 tool box whose useful life is many years might better be capitalized (or placed on the balance sheet as an asset) and then depreciated, and, thus, expensed, over a number of years. The reason for this approach is the “matching principle,” which attempts to match expenses with the period in which it aids in generating revenues. Given the short life and relative inexpensiveness of the tool, expensing it on its purchase date matches it with the revenue that it aids in producing. Yet, a larger piece of equipment that will help operate the business over a period of years should be depreciated gradually, which spreads the expense out over a longer period of time. This helps the expense of larger items to be more accurately matched with the revenue that it helps generate.

With the purchase of any item then, the decision must be made, should this dispense go to an expense account or should it be capitalized and then depreciated. No matter what decision is made, the decision affects both the income statement and balance sheet (and potentially the statement of cash flows). Capitalizing the purchase will decrease the cash (or potentially increase a liability if it is bought on credit) and increase the fixed assets on the balance sheet while also increasing the depreciation expense on the income statement by a portion of the purchase price. Expensing the purchase, on the other hand, will again result in a decrease in cash, but there will be no increase in assets, only an expense for the full amount on the income statement. The cash flow statement will need to reflect the full purchase price regardless of how much expense
reaches the income statement. If the equipment is capitalized and depreciated then, the cash flow statement will also be affected by the transaction as it will need to provide a reconciliation between the depreciation expense and the cash outlay.

The interplay of the financial statements is due to the fact that the financial statements are a presentation of the underlying accounts that are used when journal entries are made. The financial statements thus summarize, group, and sort particular accounts to be presented. The production of financial statements is a matter of coding specific trial balance accounts to their appropriate location(s) on the financials. Given the foundational aspect that the trial balance plays in this, it should be noted how deeply connected the “balance sheet accounts” (or real accounts) and the “income statement accounts” (or nominal accounts) are in the trial balance, even though there are important distinctions in how these different accounts function. These different accounts represent two halves of the trial balance. One of the innovative elements of DEB is its ability to bring these two different types of accounts together. Real accounts are those that relate to actual items in the world. Assets, liabilities, etc. can all be found and identified. For example, one can compare the cash account to a bank account to confirm the amount is accurate. Nominal accounts, however, do not relate to anything in particular in the world. Expenses, for example, aggregate in accounts over the course of a period. But one cannot go find a total of those expenses in the world in the same way that one can go find a bank or loan statement. Additionally, at the end of each period, when income is calculated, all of the nominal accounts are reset to zero for the beginning of a new period. The balances of real accounts carry over from period to period.

While the debits and credits in the trial balance as a whole balance, if one adds only the balance sheet accounts, one will find an imbalance. Sprague’s equation—Assets = Liabilities +
Equity—appears to be out of balance. Yet the difference, or the amount by which the balance sheet is out of balance, is easily found. It is the sum of the balances of the income statement accounts, which is (as is discussed below) a technical way of saying, it is the net income. The net income, at the close of a period is moved into the owner’s equity on the balance sheet. This is why changing net income will change the balance sheet. Because changing net income requires an offsetting change on the balance sheet for the trial balance to stay in balance.

Thus, every journal entry, and the decisions as to which accounts will be used in that entry, shapes the trial balance and ultimately the financial statements. They are bound together by these accounts, and the double-entry system ensures that the trial balance remains in balance. Every debit is offset with a credit. While the financial statements appear to be furnishing distinctive sets of information, they are at most offering glimpses of different sides of the same coin.

5.2 Of Writing the Balance Sheet Introduction

It might be expected to begin with the income statement, which is commonly assumed to be the most important statement produced. While financial statements represent the final stage in the accounting cycle, historically financial statements were not always produced. At the beginning of the DEB revolution, merchants were both the one’s keeping the accounting records and the primary end user. Thus, a summary of accounts did not need to be published or distributed to third-parties.244 When financial statements were prepared it was often only a balance sheet, which best summarized the owner’s financial standing. The historical context of the owner being the primary, if not the sole, user of financial information is critical as it reflects the balance sheet’s close connection to the proprietor.

Financial statements today can assume a wider audience—creditors, owners, taxing agencies, and even potential customers. The owner is no longer considered the sole shareholder, and at times maybe even not the primary one. Especially in the twentieth century, following those such as Peter Drucker, corporations came to be seen as social institutions that held broad influence on society. This increasingly prominent view was related to debates within the modern accounting field over different “equity theories.” Different approaches to equity resulted in different financial reporting stirring disagreements. For the purposes of the present project, considering these different equity theories reveals something fundamental about balance sheets. Balance sheets represent an agent, a being in the world, and different equity theories represent the agent differently.

This chapter explores modern accounting’s naming function by considering the anthropology embedded within the balance sheet’s representation of agents. As a modern accounting imaginary gets exported into other realms of life, its anthropology frames the actions of individuals. The description of agents, as we have seen from Crary, may be widely objective, but that does not make it morally neutral. I suggest that the kind of agent created by balance sheets is of particular ethical significance, foreclosing many alternative anthropological possibilities, and as a result, different socialities as well. In tandem with the anthropological claims made by the balance sheet are ontological claims as well. I argue that not only does the balance sheet represent agents, it creates them. The balance sheet calls agents into existence. The power of its anthropological claims is that the agents that it defines are those whose very beings are contingent upon their representation by the balance sheet.

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There are two “‘families’ of perspectives” as Martin Schmidt calls them when it comes to equity theories.246 The first is the proprietary theory, which assumes that a balance sheet is an extension of the proprietor(s). If shareholders have pooled their funds the balance sheet is a conduit to track their capital increase or decrease. The focus of the proprietary perspective is “the relationship between an entity and a well-defined group of ‘owners.’”247 The equity on the balance sheet is the owner’s equity and is representative of their capital. The balance sheet from this perspective tells the story of the owners, specifically their capital. While the balance sheet itself represents a distinct entity, regardless of the number of owners, the inherent connection to the owners is central.

The second perspective is the entity theory. It considers “the entity as an institution that is distinct” from those who have funded it, whether that be through investment, debt, etc.248 The equity from the owners in this theory does not differ fundamentally from any other liability or debt to be repaid. In other words, while equity represents ownership in the proprietary theory, equity in the entity theory really only represents another debt that must be repaid. Thus, those that the proprietary theory would consider owners are more like creditors according to the entity theory. From the perspective of entity theory, there is no appreciable distinction between equity and other liabilities. In fact, privileging the equity owners makes little sense because in the case of a liquidation some creditors have a prior claim to the company than the equity owners.249

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247 Schmidt, 136.

248 Schmidt, 136.

The importance of these distinctions within modern accounting is significant. Much of the modern accounting literature that discusses their differences does so to consider the implications for how certain transactions should be reported. Carien van Mourik provides a table of a dozen different economic events and the varying ways for which they should be accounted according to these competing equity theories. It includes things as basic as sales, which proprietary theory represents as an increase in owner’s equity, while for the entity it is an increase in income from operations.\textsuperscript{250} As the section on the income statement will demonstrate, the calculation of net income is greatly affected by these theories.\textsuperscript{251}

There are two important points related to this cursory discussion of equity theories lingering behind balance sheets. First, I want to identify how this exemplifies accounting’s writing in numbers and letters. Specifically, I want to point out the way in which these discussions of equity theory relate to the genres of mathematics and science on the numbers side and fiction(s) and prophecy on the letters side. Woven through this discussion is the way that the balance sheet exemplifies the naming function of accounting. In naming agents, it enacts the possibilities for how they can operate in the world. Second, having illuminated these connections to the various genres of writing, I will explicate the social, ontological, and theological significance of these genres at work in the balance sheet. This will begin illuminating the core claims buried within modern accounting and become part of the launching pad for the theological and ethical reflections in Chapters 8, 9, and 10.

\textsuperscript{250} Carien van Mourik, "The Equity Theories and Financial Reporting: An Analysis," \textit{Accounting in Europe} 7, no. 2 (2010), 208.

\textsuperscript{251} Schmidt, “Proprietary and Entity Perspectives,” 142–43. Schmidt’s concern is, in part, this inconsistent application of theories in reporting standards. A solution to the intradisciplinary debate between these theories is not my aim, nor am I sure that it is possible. Accountants themselves find it difficult to use consistently a single theory in reporting standards.
5.3 A Balance Sheet of Numbers

A balance sheet is presented as a concise, objective representation of an entity’s assets, liabilities, and equity. It is presented as straightforward calculations that can reduce an organization to a list of numbers. The numbers, functioning as the modern fact, are unquestioned both for their claim to mathematical universality and scientific empiricism. The balance sheet is, for example, constructed based upon a formula—the balance sheet, or Sprague’s, formula—that follows mathematical and algebraic laws. Likewise, the counting of the balance sheet’s contents is repeatable and scientific as a form of measurement. In this sense, the balance sheet perfectly exemplifies the epistemological certitude afforded by the genres of numbers employed by modern accounting.

Yet, this is where the discussion of the effects of differing entity theories is so striking. Each entity theory is accompanied by its own variation on the balance sheet formula. Van Mourik outlines five different equity theories and the different balance sheet formulas for each of them.\textsuperscript{252} That a handful of balance sheet formulas can be proffered based upon one’s equity theory is remarkable. Even if the potential differences in reporting standards seem (and in most cases probably are) unimportant, the variety of formulas exposes again the lack of actual universality that the genre of mathematics attempts to ascribe to modern accounting.

Despite the debate between equity theories, the mathematical genre is rarely questioned. How else can the proliferation of “the” balance sheet formula be explained? The discrepancy amongst modern accounting theorists as to what the foundational equation is cuts drastically against any claim towards universality. One can posit that each formula works according to universal laws, but the starting point still varies. Even further, changing the formula does not just

\textsuperscript{252} van Mourik, “Equity Theories and Financial Reporting,” 206.
represent moving the starting point and then applying the same laws. This assumes that the laws of modern accounting are immutable natural laws. The laws of modern accounting do change, however, and in preparing a balance sheet, such changes are directly linked to the equity theory used. In other words, it is not just that different equity theories move the foundation; they shape the “laws” which will be used to build upon that base as well. There are no universal laws; there is no universal way of counting. There are only ways of counting agreed upon based upon how one names the balance sheet.

A balance sheet is not created through the application of universal laws to economic events. Rather, economic activity is interpreted and sorted based upon something like Cavell’s criteria. The criteria used to assess economic events change based upon the equity theory and balance sheet formula employed. Thus, not only does the numerical counting change based upon equity theory, so too does the non-numerical decision of the criteria of what counts. What counts is contingent upon what kind of agent the balance sheet is, and the kind of counting utilized depends upon the criteria for what counts.

This shaping and reshaping of criteria leads to questions about modern accounting’s genre of science, which I have described as being built upon an empiricist framework. The genre of science presumes counting is repeatable regardless of who is doing the counting. I have already identified the shortcomings of achieving that ideal even within the scientific community. The counting is not impersonal but rather is always subjective—subject to change, subject to the conditions, subject to the counter. The conditions for the objectivity of counting have to be subjectively created.253 Recall Porter’s discussion about the precision of processes in scientific labs. The lengths to which scientific labs must go in order to be able to replicate results is

253 Conversations with Tyler Womack were helpful on this point.
significant. Yet this is portrayed as simply counting. The same type of process is occurring in the adoption of different equity theories. For unless one adopts the same equity theory, the counting will produce different results. The balance sheet’s counting is subject to the equity theory.

Many other theories affect the balance sheet as well, such as those pertaining to asset valuation and inventory, which are discussed below in relationship to the incomes statement (see Chapter 6.1). The results may, in fact, be repeatable and verifiable, but only if the conditions under which the counting will be done—the equity theory—are agreed upon first. One of the most significant aspects of pointing out these technical features of balances sheets is recognizing that there is no naturally existing balance sheet in the world whose features are purely abstract. Particular balance sheets are created through the implementation of specific rules and criteria. The potential variance for how a balance sheet is reported may be surprising to nonspecialists, but this variance is at the heart of the debate around equity theories. The modern accounting literature that debates equity theories is thoroughly connected to the actual differences caused on financial statements. The impact, however, is rarely considered for its larger implications about modern accounting’s writing.

5.4 A Balance Sheet of Letters

Peering beyond the numbers in the balance sheet, the genres of letters are visible as well. The different alternatives for equity theories make the role of fiction(s) in the production of balance sheets crucial. Fiction(s) allow modern accounting to excise information from its social context. Again, the equity theories exemplify how this is at work. The balance sheet represents a particular agent, but based upon the equity theory adopted, the relationship to other agents is drastically different. The proprietary theory draws a close link between the balance sheet and the owner(s), whereas the entity theory identifies various shareholders throughout society. In other
words, at the core of equity theory is an attempt to name the nature of the agent and as a result how it relates to those around it. The writing conventions employed veil the particularity of those relationships. There is an enormous distinction between an agent that feels obliged primarily to its owners and one that sees its shareholders all throughout society. That such a vast distinction is blurred is significant. The distinction is so effectively obfuscated because, regardless of the equity theory utilized, the writing conventions portray balance sheets as standing alone. Only the most discerning eyes can decipher the relational context of the agent represented by a balance sheet.

The genre of prophecy is just as deeply buried within the balance sheet which covers its chronological context. The balance sheet is often described as a “snapshot” of an agent’s financial status. It assumes the balance sheet is a static picture of the abstract present without regard to the past or the future. As was drawn out in the previous summary of Proudhon’s discussion of property, however, property is always bound up with the past. In the next chapter, I detail the common practice of listing assets on the balance sheet based on their historical cost, a figure that often has little relevance to an asset’s present value. Asset valuation does not only implicate the past; it also involves the future. Chatfield summarizes Paton’s description of the valuation of assets on the balance sheet within the entity theory saying, “Assets are considered deferred costs available for future conversion rather than objects intended for liquidation to satisfy creditors. Thus, an asset’s value is not directly related to the physical existence of property or to its exchange price. Rather it represents the cost applicable to services available for future conversion and delivery to the market. Asset valuation should, therefore, reflect the value of benefits to be received by the enterprise.”254 Chatfield’s description of asset valuation

254 Chatfield, A History of Accounting, 225.
according to entity theory perfectly identifies how present value is contingent upon predictions about the future. The prophetic element of accounting, as I have noted, calls into existence that which it is supposedly reporting. In other words, the act of valuing an asset based upon future expectations helps to bring about that particular future.²⁵⁵

The balance sheet is prophetic in another fashion, one that is even more fundamental and perhaps most clearly representative of the power of modern accounting’s naming. The balance sheet is not a simple reporting of the historical actions of an agent in the world. It creates the agent in the world. What the balance sheet’s genres of letters leads one to assume is that the agent represented by the balance sheet simply exists out in the world, that the balance sheet is but a summary of the activities, actions, and events related to that entity. This glosses over the reality that the agent can exist only on and through the balance sheet. The balance sheet operates at an ontological level through its creation of the very agent that it represents. A defined agent that is a balance sheet does not simply exist in the world. It has to be produced, enacted, and performed. In naming the agent on the balance sheet, it comes to life.

The ontological significance of the balance sheet is further illuminated by considering the equity theories. For each balance sheet is particular. Its being, what type of agent it is, is contingent upon the balance sheet. Its very nature relies upon the equity theory that undergirds the financial statement. The prophetic nature of modern accounting brings it into existence and modern accounting’s use of fiction(s) define and perform the agent’s nature. How this agent operates in the world and its relationship to others are determined by the equity theory assumed in the balance sheet. The conventions of how things are reported become the strictures for how

²⁵⁵ For instance, asset valuations that lead to a healthy balance sheet might help to secure financing needed for expansion or satisfy a large, potential customer in order to land a new profitable account.
the agent can be in the world. This demonstrates the importance of the genres at work. It also supports my claim about the ontological significance of the balance sheet. To have the power to change the very nature of an agent, how a being can exist in the world, function, and relate to others is to have power over the being itself.

5.5 A Balance Sheet of Theology, Anthropology, and Ontology

In this final section of this chapter, I want to bridge the discussion from the previous sections of the equity theories that underpin the balance sheet in relationship to the genres from Chapters 3 and 4 to the claims that I make in Chapters 8, 9, and 10. Chapters 3 and 4 have argued that modern accounting is not narrowly objective—it does not meet the abstraction requirement through universality and impersonality—despite its attempts to present itself as doing so. Instead, modern accounting tells a particular story, one that may be widely objective, but whose description of the world is not value-neutral. Reflecting on the ambiguity of the equity theories in creating balance sheets demonstrates that modern accounting is not universal. What needs further exploration before moving on, however, is the moral and theological significance of how the balance sheet names agents.

As I outline these explicit claims, I also want to situate my own project within some of the broader work that has been done at the intersection of religion and accounting that clarifies what it might even mean to say that modern accounting impacts theology or ethics. The discussion of how to think about modern accounting as theological is still nascent, something that was highlighted by Ken McPhail and Carolyn Cordery in their 2018 attempt to provide an updated state of the body of literature produced on the intersection of the practice of accounting and religion. This piece provides a helpful taxonomy derived from Wanda Orlikowski’s description of three different kinds of practice: practice as phenomenon, perspective, and
philosophy. McPhail and Cordery in turn describe three different categories of theology: theology as phenomenon, perspective, and worldview.

The theology as phenomenon approach is shaped by considering theology as it is manifested in particular practices and institutions. This tends towards a sociological approach to religion with a focus on “how accounting has influenced religious organizations and studies of how religious thought has influenced business and social contexts.” Most of the research on accounting and religion falls within this category. There is much that is interesting and informative in this kind of work, including the historical pieces that illuminate how these two fields have shaped each other’s development, however, this approach can reinforce a dichotomy between accounting and religion following the sacred-secular divide.

The second approach, theology as perspective, suggests that theology should be viewed as “something that more fundamentally shapes reality.” The shaping of reality comes most frequently in the form of shaping structures. McPhail and Cordery highlight within this category studies that draw out, primarily from Judaism and Christianity, where theological concepts, or perspectives, shape certain practices. For instance, certain studies identify how the concept of stewardship that develops out of Christian understanding is formative in the shaping of modern accounting and auditing practices. This perspective approach moves away from the sociological or materialist bent of the first category to reflecting on how different theological categories, be they concepts of wealth or jubilee in the Bible or theologies such as Dietrich Bonhoeffer’s contextual ethics, can shape modern accounting and the structures and realities they create.

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257 McPhail and Cordery, 2338.
The final approach, theology as worldview, is the most important in McPhail and Cordery’s opinion. It varies from the theology as perspective because it does not posit “merely a different perspective, but a different ontology.” Very little of the research in accounting and religion falls within this category. What is at stake in this category is an impact on the assumed “understanding of the nature of reality; epistemology; human nature and how truth is accessed.” Here theology is much more than a church institution either affecting or being affected by modern accounting. And it also moves beyond theology just providing a new perspective, perhaps preference or value, that can shape modern accounting structures. The perspective approach can help illuminate how modern accounting shapes a certain sociology. This in itself is rather significant. For mainstream accounting denies its constructive, or what I have called above “prophetic,” quality. Interpretive-critical research illuminates the sociological implications of accounting. Yet, like McPhail and Cordery, I want to press the importance of modern accounting to this final degree by noting that modern accounting and theology are both engaged in shaping what comes underneath the sociology, ontology.

Let me return to the specific discussion of the balance sheet to demonstrate. Despite the distinctions between the different equity theories, and their implications, they do share a crucial feature. They portray the balance sheet as a discrete agent. Despite the fact that the equity theory can shape the nature of the agent represented by the balance sheet, there is a characteristic imbued that is inherent to being represented by a balance sheet. The balance sheet always exists as a monad. This claim brings with it an implicit anthropology and sociality, but it also includes an ontological dimension related to being and reality.

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258 McPhail and Cordery, 2341.
259 McPhail and Cordery, 2343.
No matter what equation is used to define it, the balance sheet is self-contained and stands alone. It is self-balancing. This is, of course, most clear with the entity theory, where the balance sheet becomes its own institution that can hardly even be described as being owned by anyone. Yet even the proprietary theory, which maintains ownership, creates a distinct entity. The investment by the owner is recorded on the balance sheet as a transaction with another discrete agent. To imagine what the original other agent (the owner) is, one must create a separate balance sheet. Thus, it is a natural progression of modern accounting’s imaginary to consider each person to be their own distinct balance sheet.

Conceiving of a person as their own distinct balance sheet is, of course, not that difficult. This way of thinking has coursed through the social sciences and into popular thought. This is the scaffolding that allows for the “nothing but” approach between economics and religion described in Chapter 1. Likewise, the entire corpus of prominent scholars, such as Pierre Bourdieu, assumes people function as balance sheets. Bourdieu describes people operating in order to accumulate as much capital as possible, whether that be economic, political, or otherwise. The competition for Bourdieu is a “game,” which is carried out according to different rules and in different fields, yet the goal is always the same. The foundational role of capital in Bourdieu’s account, even as it is expanded beyond a strict materialism, suggests that the scorecard for the game in every field of life is a balance sheet. His social theory does not only imagine the possibility of individuals as balance sheets; it assumes it. A notion of capital like Bourdieu’s has filtered down to a popular level where the idea of garnering social capital is an easily recognized concept. In other words, it is not hard within our social imaginary to adopt....

260 Blakely makes this point clear in Part I of his work *We Built Reality*, which is titled “The Market Polis” where he highlights specifically the way that social-scientific theory has made its way into popular discourse.
casually the lens of the accountant and imagine ourselves and others as balance sheets going about trying to accumulate capital in every interaction and arena of life.

Not only then does this monadic vision of an agent delineate an anthropology, it has significant social implications as well. Joseph, summarizing an argument of Tinker, states, “conventional accounting actively defines socially meaningful entities as individuals (or individual corporations as legal persons) and delimits their domains and relations to objectively observable market activity.”

The sociality that results from depicting every agent as isolated is one where agents always interact with each other through exchanges and is focused on possession. Adam Kotsko describes possession as “a relationship that is predicated on the negation of other relationships.” The balance sheet is defined by possessions and those possessions cannot be shared. This is an implication of modern accounting fundamentally telling a story about accumulated capital. The monadic, standalone nature of a balance sheet means that it cannot be engaged in relationships that I describe in later chapters as “participatory.” In fact, this representation of being contrasts the account of being that I illuminate based upon a theology of creation in Chapter 9. That the assumptions of being within a balance sheet contrast directly the assumptions of being within a Christian theology of creation highlights precisely the kind of theological and ontological potency within modern accounting.

As a result of this monadic being, interactions between balance sheets take the form of exchange, which are a particular kind of interaction, whose description I take from David Graeber and will be fully assessed in the Chapter 8. Exchanges assume a zero-sum interaction,

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261 Joseph, Debt to Society, 59. For instance, an ethics of care is not possible if everyone is imagined as a monad.

which again precludes the possibility of participatory relationships. In other words, that which is traded between individuals must necessarily reside entirely either with one agent or the other. Exchanges are often described as interactions derived from the agents desire to increase their capital. The concern that I seek to raise here, however, is not simply one of agents acting in self-interested fashion. A social imaginary where individuals are equated to balance sheets is not needed in order for people to act out of excessive self-interest. The concern that I raise is that the very structure of an exchange constrains the possibility for imagining other relational structures, the “otherwise possibilities” of being, to point to a phrase from Ashon Crawley that I explore in Chapter 9. The contrast that I draw between exchanges and gifts is central to the argument of Chapter 8. The category of gift, as I describe it, cannot be made to fit within the framework of exchanges between balance sheets because of the contrasting sociality assumed by gift. I will claim in Chapter 9 that imagining humans’ relationship with God within this specific paradigm constrains theological possibilities by considering the topics of sin, debt, and salvation.

The full argument of the dissertation then fits within McPhail and Cordery’s category of theology as worldview because it makes claims about ontology and reality. One final way of highlighting this is by pointing again to the significance of what exactly modern accounting is doing through the balance sheet. Of particular importance here is my argument that the agent represented by the balance sheet does not simply exist in the world awaiting the balance sheet to record its activity, but rather, the balance sheet creates its being. This point, while perhaps not controversial when thinking about things such as corporations (Goodchild’s description of “collective fictions” comes to mind), becomes less intuitive (though perhaps more important) when we begin to think about what is happening when a person is described as a balance sheet. Surely that person exists in the world regardless of whether they are construed as a balance sheet...
or not. This must be true, otherwise, humans would not have existed prior to the advent of balance sheets, an obviously absurd suggestion. Yet saying the person’s existence is prior to the balance sheet does not invalidate my claim. What I am suggesting is that the creation of a person’s balance sheet does, in fact, bring into existence a new being, one that had not previously existed—one that is not simply the person who existed prior. This new agent is imbued with a certain nature, a way of being in the world, that is not necessarily inherent or identical to being human. It is a nature that is enacted and performed through operating as a balance sheet.

The balance sheet is the agent that modern accounting creates through its ontological potency. The creation of this particular kind of agent is the creation of a particular kind of anthropology—a particular way of situating a person in the world. To adopt the metaphor of thinking about humans as balance sheets is to accept implicitly the anthropology that the balance sheet constructs and the sociality that ensues. The prophetic fiction of modern accounting calls this particular being into existence. This act is not necessarily a problem, nor is simply imagining oneself as functioning as a balance sheet cause for ethical concern. Here again, modern accounting’s claims to objectivity that assume modern accounting is the only way of doing the practice of accounting is crucial. For what this amounts to in the case of thinking about balance sheets is an indistinguishable merging of a person’s balance sheet self with all the bits of a person that cannot be captured on a balance sheet or are essential to a person operating well in the world. In other words, when this modern accounting imaginary’s fictive way of conceiving oneself as a balance sheet becomes reality the possibilities for how one might act and be in the world become immensely constrained. This can have profound ethical consequences. I draw a contrast in Chapter 9 to this monadic anthropology through a theology of creation that fittingly
imagines being as a gift highlighting the implications of modern accounting’s anthropology, sociology, and ontology.

5.6 Conclusion

This chapter has highlighted how some of the technical aspects of equity theory both continue the argument from Chapters 3 and 4 that modern accounting does not operate according to universal laws and has looked forward to the arguments of Chapters 8, 9, and 10 that modern accounting develops a particular anthropology and sociality that has theological and ethical implications. In particular, I have highlighted how balance sheets create a vision of individuals operating as discrete monads that assumes the structure of exchange when engaging with others. As I have repeatedly argued, modern accounting is only one way of counting, or in this case naming. Naming individuals as balance sheets who function as monads may serve a purpose in particular settings without raising ethical or theological considerations. It is the conflation of this way of viewing the world with reality itself—as if it were the only way of naming—that leads modern accounting into the realms of theology and ethics.

The next chapter will continue the exploration of modern accounting’s writing of financial statements. It focuses on the income statement highlighting how modern accounting numbers the world. The bottom line is the quintessential claim of modern accounting, a totalizing number that draws all activities into a single figure. I suggest this attempt to circumscribe all elements into this single number obliges one to assume that all things are commensurate. Just as the balance sheet creates an anthropology that delimits a particular kind of sociality, so too the income statement prescribes a specific form of relations.
6.1 Of Writing the Income Statement Introduction

There is no more visible effect of the distinction between proprietary and entity theories used to construct balance sheets than income calculation. The different ways of accounting for equity thus affect not only the balance sheet but the income statement as well. More specifically, the income statement, which is perceived as the most important financial statement (especially to non-specialists) was rather irrelevant for most of the time that DEB has been in use. It was not until the twentieth century that the income statement took on the prominence which most assume it to have today. As Emily Chen Chang summarizes the effect of the shift, “The income statement is elevated as the most significant financial statement, an exhibition of management accomplishments and a measurement of the corporation’s earning power; while the balance sheet is belittled as a means of carrying forward unamortized acquisition prices, an exhibition of unfinished jobs.”

I will note how the significance held by the income statement points to the abstraction in modern accounting. Modern accounting seemingly reduces all of life to a single number of which I point to the bottom line as exemplary. Other figures such as ROI that I discussed in Chapter 2 highlight the same characteristics. The shift toward prioritizing the income statement

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in the twentieth century was made in hopes of creating a more objective way of determining income. What is often forgotten though amidst the “objectivity” of the income statement is that it only represents one way of counting income. What income is is subjective. Determining what counts as income, numbering *the bottom line*, is a significant task. This chapter explores some of the dynamics of the income statement in an attempt to illuminate how the income statement numbers the world, drawing all information into a single figure that leads to structuring the world and relations in a particular way directed towards specific ends. I will begin by showing how income can be calculated in multiple ways before arguing that the abstraction typified by the income statement structures the world according to the principles of marginalist economics and the value theory assumed within it.

### 6.2 Counting Income Differently

The use of proprietary theory for much of the history of DEB meant the balance sheet was the primary indicator of net income. Because the proprietary theory draws such a close connection between the owner and capital on the balance sheet, the real test of income is the increase in wealth of the owner(s). Measuring increased wealth is a function of the change in value of one’s assets less liabilities from the beginning to the end of the period. The increase in the proprietor’s net wealth, is according to this method, income. The income statement within this system amounts to providing details of the capital account. Having a separate report avoids “the inconvenience of recording every individual change in capital” in the capital account on the balance sheet. But other than avoiding this nuisance its presence is gratuitous. Thus, in the proprietary scheme, the income statement is at most a separate statement that provides further detail about net income, which is more fundamentally demonstrated on the balance sheet.

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The challenge that is created by the proprietary approach to income, however, is the annual revaluation of assets. The objectivity and conservatism within modern accounting theory leave modern accountants leery of frequently revaluing assets.\textsuperscript{265} Aiming for objectivity is one impetus that has led to the abstract nature of income. Attempting to value an asset is a process filled with subjectivity, which is of course simply saying it is subject to particular conditions, such as the counter. For net income to be objective it must be abstracted from all such conditions. The underlying goal of objectivity, as has been noted, is tied to an ideal of abstraction (universality and impersonality). The bottom line’s numbering all activity into a single figure is exemplary of the abstraction needed for objectivity. The challenge of objectivity when it comes to valuing assets is visible in debates about the proper method of valuation and the still lingering discrepancy between much of the prominent accounting theory and the accepted practice.\textsuperscript{266}

The effects of the economic environment and the increasing prevalence of entity theory began to shape income calculation significantly towards the beginning of the twentieth century.

\textsuperscript{265} Conservatism in accounting refers to the principle of being cautious to only recognize income when it is assured. Recognizing income based upon the increase valuation of an asset would violate the conservative approach, which would be to wait until the asset has, in fact, been sold for a higher price. Only when an arms-length transaction has actually occurred can one be assured that such a valuation is warranted. Conservatism is a principle found commonly in contemporary accounting education materials.

\textsuperscript{266} Common practice in accounting is to record assets at their historical cost, that is, the price for which they were bought. Assets remain on the balance sheet at this value less the applicable accumulated depreciation. When assets are fully depreciated on a balance sheet, they remain there but have a value of zero dollars. Alternative valuation methods have been suggested such as fair market value. In other words, in a liquidation sale, what value could one expect the asset to command. Of course, estimating the potential sales price of many assets is subject—and therefore subjective—to being exploited given the range of possible sales prices that cannot be confirmed without an actual arms-length transaction. An arms-length transaction is one entered into by two otherwise disinterested parties that can be held out as objective. Another way of valuing assets is based upon their replacement cost. Some argue that if the depreciation expense only amounts to the historical costs of an asset rather than the replacement cost necessary, the view of the health of the company is skewed. One does not know if sufficient revenue is being made to facilitate the purchase of replacement assets without depreciating the whole of replacement cost. And if the company is not generating enough income to replace essential assets, then it is actually in a degree of financial distress. Yet depreciating the replacement value of an asset allows a company to take an expense for something which has not actually cost it anything. Again, the absence of an actual arms-length transaction—the purchase of the piece of equipment—leaves the calculation open to too many possible distortions or subjectivities.
Entity theory had become more and more common through the nineteenth century with the rise of corporations, but two important trends in the early twentieth century paved the way for the income statement to take on more importance. First, income taxes were instituted (in both England and the United States) which made calculating income a necessity. Income came to be defined as “the excess of cash receipts over cash payments.”\textsuperscript{267} In addition, tracking income for income taxes, for the first time, incentivized producing the lowest possible net income. Previously managers had no incentive to display low income as it both reflected poorly on their management of the company and would be unenticing to investors or lenders. These dueling incentives would only heighten the need for objectivity in reporting income.

Second, at the beginning of the twentieth century publicly traded stocks began comprising higher percentages of equity.\textsuperscript{268} This made distinguishing between income and capital as important as ever and also led to a reevaluation of how one should analyze the economic health and activity of a corporation. Given the corporation would continue indefinitely and the equity shareholders would change constantly over time, a new way of thinking about the method of valuation appeared. The center of this method was the focus on business continuity, or the ability of the business to operate in perpetuity. With this “going concern” in mind, it no longer made sense to consider the liquidation price of an asset as a valuation technique as it had when the value of assets represented the net worth of the proprietor. The real value of an asset to a corporation, from the perspective of business continuity, is the future value of revenues which

\textsuperscript{267} Chatfield, \textit{A History of Accounting}, 257.

\textsuperscript{268} In other words, companies had previously relied much more heavily upon banks and lenders for operating capital (credit), which was transitioning due to the development of stock markets in order for more capital to be provided through the selling of equity.
it can generate based upon its intended use.\textsuperscript{269} The importance of not only net income, but of ROI is evident within this framework. This theory of asset valuation has continued in prominence among accounting theorists despite never taking hold in practice where historical cost is still standard.

Yet even as the shift towards entity theory demonstrates the importance of income calculation oriented towards going concern, the continued use of historical costs in accounting practice epitomizes both the importance ascribed to the income statement and the abstraction that it represents. The historical cost method prioritizes the income statement over the balance sheet because under this method a company’s most significant assets are frequently listed with no value on the balance sheet (given they are often fully depreciated). This is, of course, a massive understatement of economic value. What the historical cost method does provide, however, is an objective way of measuring the amount of the depreciation expense that a company should be allowed to take (in contrast to the replacement method where the amount of depreciation could be manipulated) and specifically defined rules for distributing the expense over periods where those assets are helping to generate revenue. In other words, the historical cost method makes little sense when considering the balance sheet and provides very little information about the economic realities of the assets held by a company, but it does provide a systematic method for expensing assets on the income statement.\textsuperscript{270}

\textsuperscript{269} Chatfield, \textit{A History of Accounting}, 238.

\textsuperscript{270} This perhaps explains, in part, the variety of valuation techniques that have been used when attempting to value a company and its stock price. Janette Rutterford provides a historical recounting of the various methods that have been used “from dividend yield and asset backing, to earnings yield and then P/E ratios.” These shifts over time are reflective not only of the ambiguity involved in asset valuation but also the variety of ways of counting employed in accounting more generally; see Janette Rutterford, “From Dividend Yield to Discounted Cash Flow: A History of UK and US Equity Valuation Techniques,” \textit{Accounting, Business & Financial History} 14, no. 2 (2004), 115.
The standards for counting income vary by country—the United States adheres to Generally Accepted Accounting Principles (GAAP) while a large group of other countries have agreed upon International Financial Reporting Standards (IFRS)—but they also vary according to use. In the United States there are different standards for reporting taxable income that do not always correspond to GAAP. In fact, one of the key sections of entity tax returns is a reconciliation between book (GAAP) income and taxable income (as well as the corresponding balance sheets that also vary accordingly). It is a striking fact that this reality—that what one’s income is depends upon how you count it—is so visibly enacted in common modern accounting practice.\textsuperscript{271} Students must learn this fact, and those that go into the tax industry spend much of their time and energy reconciling income amounts between these two different systems of counting. The suggestion that modern accounting counts in a particular fashion, when considered in this light, is almost obvious. The question that modern accounting answers is narrow. In following historical cost, for instance, the financial statements provide no real indication of the value of assets. Such information has been sacrificed in order to have a systematic, objective way of expensing the cost of fixed assets. This means that an income statement does not provide a definitive response to the question, what was net income for period X? It can only tell you, based upon the chosen principles and ways of counting revenues, expenses, etc., this is net income.

\textsuperscript{271} The variety of questions that lead to different ways of counting income abound. For instance, attempting to value inventory is, like the issue of depreciating fixed assets, quite difficult. Even within the options that are considered standard and appropriate, there is variety. For instance, First In First Out (FIFO) compared to Last In First Out (LIFO) calculations can lead to significant changes in the expense of cost of goods sold, especially during periods where prices are rising or falling. In an environment of rising prices, using the FIFO system will lead to reporting profits that are higher than those using LIFO.

Other significant areas that can cause disparity in financial reporting are the standards for revenue recognition. A transaction need not be entirely complete in order for revenue to be counted on the financial statements so establishing what standards must be met for it to count are significant. Another example falls under distinguishing between repairs and the creation of new assets. Repairs can be expensed immediately, while a new asset would be depreciated over time. However, how extensive can the repair of a piece of equipment, or a building for that matter, be before it no longer constitutes a repair, but is more accurately considered a newly created asset?
What I hope this discussion impresses upon the reader is that there is not an inherent logic that undergirds the income statement despite accountants’ aspirations—Chatfield’s longing for a categorical imperative comes to mind. The bottom line does not rest upon a bedrock foundation of logic. What counts varies. Net income is determined just as much by the principles adopted (GAAP, IFRS, IRS Code, etc.) as it does the economic events of a period. What modern accounting relies upon is not a fundamental logic, something that, once a person has arrived there, one touches rock bottom, the foundation of reality. What modern accounting relies upon is a shared form of counting. In other words, there are other ways of counting that exist, yet we have agreed to a particular form of counting.

This point about counting income resurfaces the significance that was noted in Chapter 3’s discussion of mathematics that highlighted Wittgenstein’s argument that arithmetic is not reducible to logic, as if an objective logic undergirds mathematics, but that mathematics is a matter of a shared way of counting.272 Imagining modern accounting as an act of shared counting rather than corresponding to a fundamental logic undergirding the world makes sense of the differing definitions of income that have existed through accounting history. What this says is that when an accountant is determining income for a particular company, an amount that corresponds, in reality, to income does not simply exist. The accountant has not been tasked with describing numerically a reality, net income, that exists in the world. Net income is as much invented as discovered in the process of accounting. Wittgenstein makes the same point about mathematics when he says that “perhaps what we call discoveries in mathematics, would better be called inventions.”273 If an auditor were to challenge the accountant and say the income is not


273 Wittgenstein, 92.
correct, that you have made a mistake, the only way to prove that mistake would be to re-count with the accountant. The process of recounting is not one where the auditor demonstrates that a different number correlates perfectly to some notion of income that exists in the world. Rather, it is a process whereby a specific way of counting is agreed upon. Perhaps the accountant miscounted and simply needs to be shown at what point her counting was mistaken. Was this dispense expensed instead of capitalized? The answer to such a question is not one of corresponding to reality. The answer to such a question is one of assessing the criteria by which others would decide whether to expense or capitalize it, or determining if the accountant adequately adhered to the criteria that structure the shared form of counting.

What one is left with when one arrives at income then, is the number which has been agreed upon to count as income. In the case of financial statements, agreement must first be reached about which statement actually provides this number. The danger here is not that the information provided on the financial statements is created. Of course it is! But the information corresponds to counting according to particular criteria that renders it possible to assess whether statements are indeed presented fairly or fraudulently or if they are, in Crary’s terms, widely objective. The danger is in thinking that because we can assert financial statements as presented fairly or fraudulently (or widely objective) with certainty, that accountant’s counting conforms to some sort of bedrock logic that undergirds reality (or is narrowly objective). Doing so loses sight that we are always counting a particular way. There is no abstract way of “just counting.”

My description of modern accounting does not diminish its importance. It heightens it. Thinking about the practice of accounting with Wittgenstein draws out the linguistic dynamic of the practice of accounting. One way of thinking about the significance of language, is asking the

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274 Wittgenstein, 286–93.
question, what kind(s) of response are particular words intended to evoke.\textsuperscript{275} It is precisely in thinking about the income statement in this way that its ethical significance comes to light. The way that we count income signals that certain actions are or are not appropriate in reaction to such information. In other words, as the next chapter will explore fully, the practice of accounting is a form of practical reasoning. Our shared way of counting suggests which responses are appropriate to specific situations; those responses might be considered otherwise should we give a different account of things. Modern accounting makes sense of actions in the world that would otherwise be nonsense, and it makes nonsense out of actions that might otherwise be common sense.\textsuperscript{276} We are trained to see and respond to the world in a particular way through modern accounting’s counting. In this process of training, modern accounting enacts a particular way of being in the world.

\textsuperscript{275} For further discussion on language in general and this point specifically, see Chapter 10.

\textsuperscript{276} Take for example the scenario outlined in D. Stephen Long’s work, \textit{The Divine Economy}, where he addresses calculating opportunity costs, a topic to be explored further in the next section that is deeply intertwined with modern accounting. Drawing on an example found in an economics textbook about opportunity costs, Long considers the hypothetical example of a woman, Mrs. Harris, who has to decide between spending an hour preparing a meal for her family when she knows that she can earn fifty dollars an hour working at her private practice as a psychologist. This comparison raises the question, “what are the opportunity costs involved in her preparing the family meal?” As Long says, “This seems a harmless enough question. The situation is a nice way of explaining that for every action chosen, another opportunity is sacrificed. The facts seem incontestable. No matter what our values might be concerning family, work, religion, politics, etc., when Mrs. Harris makes dinner, she foregoes the opportunity of generating $50.”

Long, however, adjusts the hypothetical situation slightly making the analysis seem less straightforward. What happens, for example, if Mr. Harris can hire a prostituted individual for an hour for twenty-five dollars? Can one still straightforwardly analyze the marginal utility of Mrs. Harris at her work or in her various roles at home? Long’s argument, one might say, is that using modern accounting’s cost-benefit analysis to make all things commensurate and reduce them to an opportunity cost makes the action of hiring a prostituted individual so that one’s spouse can earn an extra hour of income make sense, though such a claim is nonsense. And the same calculative lens makes the action of cooking one’s own meal, perhaps passing down recipes from one generation to the next, nonsense even though activities like this and others can be central to the good life of a family; see Long, \textit{Divine Economy}, 4.
6.3 The Income Statement’s Abstract Apology for Neoclassical Characters

We have seen that the practice accounting is an apology, an argument to convince its audience of something. I want to highlight in the remainder of this chapter how the income statement justifies a particular approach to economics. Its abstract dynamic in numbering and summarizing items is foundational to the value theory underpinning marginalist economics. The two work in tandem. What I draw out through this discussion is that while both modern accounting and marginalist economics assume a fact/value, or is/ought, distinction, that both are ethically inflected. This can be seen in the way that both are founded on a certain theory of value, which leads to a specific approach to decision making.

The rise in the income statement’s prominence, as I have mentioned, is related to the economic trends of the early twentieth century. Though the income statement had already been firmly established, the Stock Market Crash of 1929 and the ensuing Great Depression led to changes in the profession of accounting and the presentation of financial statements. The crash was considered by some in the public to be a failure of financial auditors who did not foresee the impending crisis. The result was a shift in financial reporting that prioritized “consistency, objectivity, and auditability requirements.”277 These are precisely the features of systematization and abstraction I am using the income statement to represent in this section.

While I have repeatedly highlighted modern accounting’s claims to objectivity, all the while calling into question any notion that it should be considered narrowly objective based upon achieving the abstraction requirement, not all forms of accounting make claims to objectivity in the same way. The kind of objective and auditable financial statements, of which the income statement is essential, that took on increased significance following the Crash of 1929 represent a

kind of accounting known as financial accounting. It is the particular kind of accounting
performed in preparation of audited financial statements. This form of accounting, even in the
modern era, was not always assumed to be the primary purpose of the practice of accounting.
One alternative to this type of financial reporting was accounting directed towards the needs of
management. Johnson and Kaplan argue that the emphasis on financial reporting (which had
started even before the Crash of 1929) led to the demise of management or cost accounting—a
form of accounting directed primarily at tracking, and therefore, reducing and managing business
costs. Johnson and Kaplan’s argument cuts against standard arguments in the field. The typical
narrative espoused by those such as Littleton is that cost accounting developed after financial
accounting as a result of a gap of information not provided by financial accounting. Johnson
and Kaplan’s argument is that robust management and cost accounting already existed at the
beginning of the twentieth century and trended downward inversely with financial accounting’s
rise.

The necessity of prioritizing financial accounting and reporting led to managers reducing,
or stopping entirely, the use of cost accounting. Johnson and Kaplan argue that this was not
because managers had all of the information they needed based on the financial reports, but
because the additional savings produced by the management costing did not justify the expense
of maintaining an entire alternative set of accounting. Managers simply made due with the

278 Johnson and Kaplan, 129.

279 Johnson and Kaplan, 140–41, 144. Johnson and Kaplan’s narrative of the demise of cost management
accounting in the US resulting from the rise of the prominence of financial accounting makes sense when
considering the trends in the UK. In the UK, cost management accounting never developed and flourished in the
way that it did in the US at the beginning of the nineteenth century. But unlike the US, the importance of financial
accounting and auditing concerns took root much earlier in the UK in part due to the effect of the South Sea
incident—a crash in the eighteenth century resulting from highly speculative valuing of investments in trading
companies traveling to the South Sea.

280 Johnson and Kaplan, 144.
information they had from the financial reports that were primarily focused on audit standards. Modern accounting’s gravitation towards financial reporting did not diminish the degree to which it was still employed as a management tool, though the information provided was no longer the kind of information that facilitated decision making. For instance, financial accounting would focus on inventory costing that would provide the right valuation to be included on the balance sheet and the proper cost to be matched from the revenues of the respective periods.

What was no longer the concern, which had been central to cost management, was tracing accurately all of the indirect costs involved in producing the inventory. So long as current period costs and inventory valuations totaled correctly, the financial accountant was satisfied even as the manager no longer had an ideal picture of costs. In other words, so long as all of the financial statements could be tied out in a balanced fashion, they could receive a stamp of approval and accuracy.

This recalls Poovey’s point about the early development of DEB where accuracy was attributed to the ledgers by virtue of the debit and credit columns balancing despite the fact that the ledger balance totals have “no referent in the actual world.” The totals merely prove that every entry made is balanced but says nothing of the actual accuracy of the entry as a representation of the economic event at hand. What was beneficial about financial accounting’s portrayal of itself as an objective system is that it satisfied the concerns of a growing number of persons who presupposed “that abstract knowledge (theory) could be value-free” and that “it differed from another kind of knowledge, which was ‘biased’ because ‘self-interested,’ usually

281 Johnson and Kaplan, 154.

282 Poovey, A History of the Modern Fact, 55.
(though not always) in an economic sense.”

In other words, financial accounting withstood the scrutiny of those presupposing a fact/value, or is/ought, distinction. It could be presented as a disinterested representation of economic realities. The apologetic function of modern accounting is built into the abstraction typified by the income statement. The apology explicitly argues for the accuracy of the system of auditing and other forms of assurance in the accounting field as well as the very form and process that modern accounting has come to take. In that sense, the more abstract the better.

Abstraction is a form of rationalization that led to modern accounting’s use in management and control. The management and control based upon financial accounting, however, is a particular kind of control and decision making. Johnson and Kaplan note that defenses of managerial decisions based upon the financial reporting employ “‘decision models’ derived from the economists’ neoclassical theory of the firm.”

The prominence placed upon the number, as an abstract, objective unit by which all things can be made commensurate, runs according to the logic of the fact/value distinction, positive accounting, and neoclassical economics.

Control and management thus migrated to processes of numbering, counting, and measuring. Management theory became more rooted in quantitative techniques during the twentieth century, even as, ironically, management was less equipped with the information it needed. The control function of modern accounting now featured the abstract technologies of economic models, computing machines, and algorithms.

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283 Poovey, 71.


285 Johnson and Kaplan, 166–72.
Taylorism is not the origin of the overlap of the practice of accounting and control. As described in Chapter 2.3, modern accounting was practiced widely on slave plantations even before it was taken up in factories. The striking shift here is the implementation of processes of control through abstract measurement that, combined with an is/ought distinction, makes this form of management seemingly morally neutral. Identifying management decisions as a product of numbers is indicative of what Jason Blakely calls “naturalism as a form of power” that took hold in the twentieth century. Blakely notes how scientific naturalism was at the root of “modern bureaucratic and administrative power.” The desire of social sciences—such as economics—to conform to the standards of the natural sciences comes out in the push towards emphasizing numbers, objectivity, and abstraction—precisely those things that financial accounting exemplifies.

Alasdair MacIntyre notes the importance of the bureaucratic manager in relation to the fact/value divide that came out of the parallel rise of naturalism and emotivism in the twentieth century. He notes three characters, as he calls them, which exemplify the social roles that assume these two ideologies, one of which is the bureaucratic manager. The manager, like her two counterparts—the therapist and the aesthete—succeeds in the emotivist context because she purports to assume no ends and relies instead upon the mechanistic means afforded by science now applied to management. The abstraction provides objectivity, or moral neutrality; it is not subject to concerns of personal values and is not tainted by the desire for any particular ends. The manager thus characterizes the approach of positive accounting and neoclassical economics.

286 Rosenthal, Accounting for Slavery.
287 Blakely, The Demise of Naturalism, 18.
288 Blakely, 21.
where no ends are imposed. They function, according to these perspectives, solely as a neutral means to whatever ends are desired; they furnish neutral information to decision makers who can use them for the ends of their choice. The assumption of mainstream accounting being that since “information is independent of any particular goal and the value placed upon that goal, accounting may be regarded as ‘neutral’ information and value-free in that sense.”

Yet, MacIntyre notes that these characters in society have a much more fundamental impact than the above description lets on. MacIntyre claims that these characters are “the moral representatives of their culture and they are so because of the way in which moral and metaphysical ideas and theories assume through them an embodied existence in the social world. Characters are the masks worn by moral philosophies.”

MacIntyre’s claims illuminates how the connection between modern accounting and management theory demonstrates that modern accounting is not morally neutral. In fact, the shift away from forms of accounting that provided managers with the information they needed to financial accounting, which insured objectivity and auditability, marks a change in the kind of practical reasoning being done by modern accounting. The point of the financial statement is to justify or provide an argument; it is an apology. In doing so, it justifies certain actions, making certain decisions. More will be said about modern accounting as form of practical reasoning in the next chapter, but the ends towards which modern accounting was directed in the twentieth century was not cost management, but of objectivity and auditability. The overlap with the rise of naturalism and emotivism demonstrate that the bureaucratic manager was the main character embodying modern accounting’s objective and abstract way of being in the world. This makes

289 Chua, "Radical Developments in Accounting Thought," 610.

sense of why what is hailed as the golden era of management accounting was the period marked by information split along the fact/value divide rather than the period when it produced the most helpful information to managers. Accountants thus embody the naturalistic and emotivist penchants in society—a central point of Chapter 10—making them ideal managers.

While modern accounting’s abstraction lends itself to the appearance of disinterestedness, this project continues to demonstrate that modern accounting is laden with its own particular ends, which are inseparable from the information presented and how it is presented. As the history from Chapter 2 and its discussion of criteria highlighted, the end of modern accounting is the proprietor, and more specifically, the maximization of the proprietor’s capital. The control function of modern accounting seen in its role in managerial theory bends all actions towards this end as does its propensity towards abstraction where all things are made commensurate in order to calculate the success in achieving its ends. Modern accounting shares a teleological bent with neoclassical economics. As a conclusion to this section, I want to make explicit how the abstraction in the income statement offers an apology for this particular kind of economic theory all while trying to cast both this form of economics and modern accounting as morally neutral.

Anthony Hopwood articulates just how closely the practice of accounting and economics are bound together saying, “Just as economic discourses can provide a basis for empowering and changing accounting so accounting, in turn, can be implicated in the very construction of a sphere of economic endeavour.”²⁹¹ The alignment of the disciplines of economics and

accounting ebbed and flowed in the twentieth century eventually becoming stronger in the later part of the century. Klamer and McCloskey highlight that during the early part of the century developments in the field of economics relied upon accounting as a metaphor, a trend that faded in the mid-century. The ebbing of the connection between the two fields, however, reversed course in the latter part of the century even as modern accounting developed its own separate academic programs. Both modern accounting and certain schools of economics, the most significant being the Chicago School, shifted in the 1960s and 1970s towards approaches more in line with the social sciences. Klamer and McCloskey note the modernist bent in both economics and modern accounting that undergirded this alignment. Echoing Hopwood, in a bit more biting fashion, Klamer and McCloskey point out the circularity of how modern accounting and economics are utilizing each other saying, “The main point is that economics lives on accounting ideas. If research in accounting comes to imitate economics it had at least become aware that in the end it is eating its own tail.”

Yet, despite this close connection Tinker notes that “when accountants do reflect on the nature of economics, they often perceive it to be so different from accounting that they often label approaches either as ‘economic’ or ‘accounting.’” But Tinker continues, “These differences

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292 In the early part of the century many accountants received their PhD’s in economics since accounting PhD programs did not exist until the postwar era; see Paul F. Williams, “Modern Accounting Scholarship: The Imperative of Positive Economic Science,” Accounting Forum 27, no. 3 (2003), 252.

293 Williams, 252. The connection between accounting, particularly positive accounting, and economics is visible in the journal started in 1979 by Watts and Zimmerman called the Journal of Accounting and Economics.

294 Klamer and McCloskey, “Accounting as the Metaphor,” 159; The interdependence of the two fields was pointed out even in the mid-twentieth century by Kenneth W. Perry as he noted the shift to statistical approaches in economics relied upon accountants for data, while things such as the neoclassical conception of the firm helped provide conceptual scaffolding for the development of entity theory of accounting; see Kenneth W. Perry, "Accounting and Economics Reciprocally Indebted," The Accounting Review 33, no. 3 (1958), 450–54.
turn out to be more apparent than real.” The reason that the differences between the two are only apparent, according to Tinker, is the fundamental role that value theory plays in both modern accounting and economic theory. In other words, both modern accounting and economics hinge upon valuing items, which makes the two disciplines inextricably bound up in each other. Tinker emphasizes the role of one particular method of value theory. He claims, “Accounting has been co-opted and straightjacketed by one particular theoretical ideology: marginalism.” For Tinker this means that modern accounting has both been shaped by marginalist assumptions but also that marginalism “shapes our economic and social reality” according to its assumptions. Tinker describes marginalism as “the theoretical godfather of modern accounting,” which means that representing realities according to the criteria of modern accounting assumes a marginalist theory of value.

Tinker’s complaint about the complete reliance upon marginalist value theory is fascinating as he suggests this has been the cause of several instances of what are thought of as corporate scandals. The corporate failures in the examples that he provides are not caused by accountants producing fraudulent statements, but rather, the marginalist value theory allowed for the presentation of statements that did not adequately capture the reality of what was happening in the world even as they were “fairly” presented. There were no errors in counting—at least

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296 Tinker, 106.

297 Tinker, xix.

298 Tinker, 100.

299 Some of the examples that Tinker devotes considerable time to are Love Canal, the Slater Walker Company, The Sierra Leone Development Corporation, and the National Student Marketing Corporation.
according to modern accounting’s method—but at some point, it became obvious that what really counted and mattered was not what was being counted.  

Tinker’s linking of modern accounting to one particular form of economics is important. Tom Mouck identifies this same point but notes how those such as Watts and Zimmerman appeal to economics in general for credibility but that positive accounting theory “is a reflection only of the Chicago School of Economics.” In as much as the rise of positive accounting in the 1970s has led to its establishment as mainstream accounting, modern accounting practice functions as a purveyor of Chicago economics and marginalism. Thus, while leaning on the objectivity of the economic discipline as a whole, which is questionable in its own right, mainstream accounting is really only representative of Chicago economics, or as Tinker describes it, the specific feature of marginalism. This is not always readily apparent, and few accounting practitioners would articulate this fact. Yet there are significant implications for how this shapes the contemporary field of accounting.

If we return to basic considerations of what the function of modern accounting is, we see descriptions such as Watts and Zimmerman who claim that modern accounting provides information. Note how this corresponds with the view of modern accounting featured when thinking about management theory and the control function. The pertinent question for Watts and Zimmerman in order to maximize the “decision-usefulness” of modern account is, “for whom is

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300 Tinker argues that accountants’ professionalism should allow them the freedom to apply a wider range of conventions given the failure of narrower options to function well.

301 Mouck, “The Rhetoric of Science,” 49.

302 This is a significant feature of their project, defending the purpose of financial statements as providing information to decision makers. For example, Watts, "Corporate Financial Statements," 53–75; Ross L. Watts and Jerold L. Zimmerman, "Towards a Positive Theory of the Determination of Accounting Standards," The Accounting Review 53, no. 1 (1978), 112–34.
the information prepared?” Their answer is decision makers who are *homo economicus*. Of course, one might imagine that *homo economicus* is simply a projection of a person who assesses certain facts and operates according to his or her own self-interest. The natural laws governed by the invisible hand can then work out these self-interested actions for everyone’s benefit. This vision is built on the is/ought distinction. Yet, the normative undertones of this decision-usefulness model are visible when recognizing that this approach took the place of normative accounting. When it seemed that accountants had failed to be able to agree upon how one ought to do accounting, the ought question needed to be by-passed. Framing the question of “decision-usefulness” ostensibly avoids the ought question. Though, the ought question is not really avoided so much as buried in assumptions. It is “covertly in the disguise of ‘facts,’” as Tinker says.

This is precisely where the projects of those like Gary Becker and Posner are so critical. Posner with his comparison of spouses and prostituted individuals and Becker with his of decision making about marriage and having kids to commodity markets. Because the Chicago School assumes that every realm of life operates according to the logic of the markets, and because mainstream accounting attempts to provide information for *homo economicus*, there is no realm of life for which mainstream accounting cannot account. One might imagine that the audit explosion noted by Power in the 1980s is in part made possible and imagined to be desirable because of these shifts in the practice of accounting and the dominance of Chicago

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303 Williams, “Modern Accounting Scholarship,” 253.


305 Tinker, “Panglossian Accounting Theories,” 183.

economics. As Joseph says, “Life under neoliberalism has been shaped by the intertwined accounting practices through which these regimes of accumulation and governmentality have been implemented.”307 The difficulty here is not imagining that modern accounting is counting in a particular way, but of recognizing that that particular way of counting may not be applicable universally throughout the world in the way that the Chicago and Rochester Schools assume it is.

The connection that I argued for between positive accounting and marginalist economics suggests that the abstraction of the income statement functions most clearly according to the assumptions of marginalist economics. In other words, the quantified presentation of information provides the type of information needed by economists attempting to do marginal analysis. It is not surprising that Johnson and Kaplan note the rise of prominence in opportunity costing in the 1930s and 1940s coming out of the London School of Economics and then later being promulgated by Ronald Coase in the Chicago School of Economics.308 As a result, the apology for modern accounting’s objectivity, transparency, or accuracy can also be seen as an apology for this particular economic way of viewing the world.309

Accounting, as a form of writing, relies upon and disseminates a particular economic model. As a practice, accounting embodies and reproduces this model of the world in tangible ways. The bottom line is, for modern accounting, the bottom line of one economic model of the world. Asking if we want to count things in the way that modern accounting does requires also

307 Joseph, Debt to Society, xi.

308 Johnson and Kaplan, Relevance Lost, 156–58.

309 I am not claiming here that the actual way of calculating income by accountants matches that of a particular kind of economic income calculation. In fact, Chang notes how while accountant’s historically measured income via the balance sheet and over time emphasized the income statement, the field of economics has moved in the inverse direction. Adam Smith pointed to revenues and expenses as the means of measuring income, but by the twentieth century economists measured income via the balance sheet, being concerned about the amount of capital held; see Chang, “Business Income.”
asking if we want to model the world in the way that the Chicago School of Economics does. This is a moral question about social structures whose connection to the process of management is highlighted by MacIntyre who states that “The character morally legitimates a mode of social existence.” The apology that modern accounting offers is morally inflected. Just as with the balance sheet, the income statement holds embedded values about some of life’s most important topics. Its use of the genres that have been explicated above enact a particular kind of anthropopy and sociality. These overlap with the type of being in the world performed by the balance sheet. The abstraction that is so prominent in the income statement pairs with the monadic individualism of the balance sheet to disseminate a unified imaginary. If MacIntyre’s claim is to be taken seriously, not only does modern accounting provide the means to operate in the world according to its projected structures, but it morally legitimates that existence.

The adoption of this anthropology, and systemization of it that is afforded by modern accounting, leads to the enactment of a particular sociality. Max Weber’s description of rationalization, the rise of capitalism, and the role of modern accounting are helpful to reflect on at this point. Weber sees capitalism as a result of rationalization, and he thought modern accounting was a force in bringing about rationalization. One need not assume Weber’s direction of causation to recognize the way in which modern accounting is connected to the shift that Weber identifies in the expansion of what he calls “external ethics.”

Weber identifies “internal” and “external” ethics when it comes to economic approaches with other persons. In other words, they represent two differently functioning socialities. Previously internal ethics were applied to those within one’s society, or in-group. The way that

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one functioned in that context was distinct from the way that one functioned when encountering someone outside of one’s community. Weber suggests that one of the key features of capitalism is that the distinction between these two forms of ethics is dissolved and what remains is the external ethic. Every action is governed by the assumption that the person is operating on behalf of their own self-interest without regard for the well-being of the other.\textsuperscript{312}

The sociality that ensues when everyone relates to each other according to external ethics is one in which each person relates to each other according to the ethics of rational self-interest. Each person measures the benefit of a potential action according to the effect it may have on their bottom line. All decision making is governed by marginal analysis. What is striking about this way of being in the world is that all actions can be made commensurate with each other. The effect that one has on one’s neighbor living next door, the future employment of one’s children, or the well-being of the environment are summarized into a single figure. In this way we are trained to operate according to an external ethic; it becomes taken for granted that all things can be made commensurate. The abstraction of net income, the bottom line, ROI, naturalizes the notion that all things are commensurate and can be valued in the same way.

There may be a certain pragmatism at play in modern accounting’s use of the income statement to establish a universalized external ethic whereby everyone assumes that everyone is operating according to self-interest and that they too must do so. The world can and does operate in many places with such anthropology and sociality. Yet, it is crucial to see that while modern accounting can be used to facilitate this anthropology and sociality, it would also be possible for the practice of accounting to facilitate alternatives. It could count otherwise. The oft-ascribed abstract objectivity of modern accounting presents itself as universally trustworthy information.

\textsuperscript{312} Weber, 313, 354.
that does no more than just facilitate and make it possible for self-interested individuals to interact according to an external ethic. The ubiquity of the modern accounting structure and framework that makes sense of this way of being in the world normalizes it. It becomes taken for granted. At some point, the fact that a person can function according to an external ethic in a self-interested fashion becomes indistinguishable from the belief that persons can only, or ought, to act out of self-interest and relate to each other through an external ethic—references above to Becker, Bourdieu, and Posner provide examples of this. While the abstraction of the income statement seems to exemplify the is/ought distinction heralded by proponents of positive accounting, the sociality that it structures and the form of practical reasoning that it generates makes such a distinction impossible to sustain.

The particularity with which modern accounting counts means that it only provides the language to describe the world in one specific way. Can a decision be explained in terms other than cost-benefit, or marginal, analysis? Modern accounting only gives you one way to say what is happening. In articulating the world in such a way, only a narrow set of possibilities for how to act can be seen. Choices are made due to opportunity costs. And just as Miéville’s *The City and the City* exemplifies the hardening that can take place through the constant repetition and performance of seeing and unseeing, modern accounting’s seeing and unseeing shapes the very possibility for how ethics might be imagined and how persons might operate in the world.

The following quote from Cavell highlights how a shared form of communication marks a shared form of valuing. In other words, the fact that modern accounting’s form of writing can be implemented in all realms of life and be considered a valid claim of reason is reflective of a shared system of value underneath of it.

If to what we call something and to what we count as something we add the notion of what we claim something to be, we have gathered together the major modes in which we
have invoked the fact of talking, the work of wording the world; and if to the pairs of telling and counting, and counting and claiming, and claiming and acclaiming or clamoring, hence proclaiming and announcing, and denouncing and renouncing, and counting and recounting, or recounting and accounting, we add the notions of calling to account or accusing, hence excusing and explaining, and add computing and hence reputing and imputing; what we seem headed for is an idea that what can comprehensibly be said is what is found to be worth saying. This explicitly makes our agreement in judgment, our attunement expressed through criteria, agreement in valuing. So that what can be communicated, say a fact, depends upon agreement in valuing, rather than the other way around.\textsuperscript{313}

\textbf{6.4 Conclusion}

I have drawn a connection between the accountant and MacIntyre’s \textit{character} of the bureaucratic manager. The enduring tie between accounting and managerial theory makes this connection quite evident. It is the abstraction and objectivity touted by modern accounting that makes accountants the ideal managers. For having seemingly no ends, they facilitate the best means possible, or at least those most desired. Modern accounting can serve both the technocratic and mechanistic view of the world proposed by naturalism as well as the emotivist whose ends arise from their own individual preferences.\textsuperscript{314} In doing so, modern accounting presents the world according to the principles of neoclassical economics. If as Cavell says, “a fact depends upon agreement in valuing” then the facts of modern accounting demonstrate its reliance upon marginalist value theory. Chapters 8, 9, and 10 will further this discussion by considering how language is contingent upon forms of life. As I have put it in this chapter, the value theory of modern accounting shapes a certain sociality that makes its claims to reasonable action and decision making intelligible.

\textsuperscript{313} Cavell, \textit{Claim of Reason}, 94.

\textsuperscript{314} One can here see a resonance between the objective and subjective understandings of probability that Scherz highlights when discussing the use of probability theory in decision making; see Scherz, \textit{Tomorrow’s Troubles}, 23–28.
It has become difficult to imagine a form of life outside of the sociality rooted in cost-benefit analyses and opportunity costs. This way of imagining the world has taken root so deeply that much of the economic literature that challenges the underpinnings of capitalism and so-called free markets involves recounting the amount of time in history, and the various ways, that societies operated according to different socialities.\textsuperscript{315} Chapter 8 offers an alternative form of life through a discussion of gift theory that will, in part, help identify the possibility of how individuals can relate beyond an external ethic. Focusing on gifts will also identify how the purported commensurability facilitated by the abstraction of accounting in order to evaluate transactions according to their marginal costs does not take into account the significance of particularity in presentation, timing, location, etc., which makes interactions incommensurable with each other.

Before moving on to the topic of gift, however, there is one more chapter that considers modern accounting’s writing of financial statements. There have been hints throughout this present chapter of the significance of modern accounting as a form of practical reasoning. This chapter has already shown the ethical importance of providing a way of reasoning with the goal of making decisions and taking actions. The next chapter explores that topic more fully considering how descriptions such as facts, data, and truth are being employed when describing modern accounting. The aim of modern accounting, I argue, is toward a specific set of actions, not a precise description of the world.

\textsuperscript{315} For example, Philip Goodchild, \textit{Credit and Faith} (New York: Rowman & Littlefield, 2020); Paul Dumouchel, \textit{The Ambivalence of Scarcity and Other Essays} (East Lansing: Michigan State University Press, 2014); Graeber, \textit{Debt}.\vspace{0.5cm}
CHAPTER 7
Of Writing the Statement of Cash Flows

7.1 Of Writing the Statement of Cash Flows Introduction

Modern accounting has been able to legitimate itself as presenting just the facts. This is not an insignificant feat given, as I highlighted in the previous chapter, that modern accounting openly features different ways of calculating income for GAAP, IFRS, or the tax code. The lack of reflection on the arbitrary category of income despite being visibly on display demonstrates the taken for grantedness of the category of income as natural. The statement of cash flows (SCF), I argue, is one way that modern accounting is able to narrate its activity as little more than presenting data. The need for this legitimation of modern accounting’s information is the potential that income calculation could be taken as arbitrary given the various methods. Any such criticism, however, is neatly remanded by noting that the statement of cash flows reconciles the net income to the change in cash, a data point that is objective and can be proven empirically. Income is woven into a story that is attached to the objective reality of bank accounts and cash balances. The change in cash balance is pure data. Income may be arbitrary, but the SCF provides a clear proof, a recounting, of why it is a fact. The SCF seems to make it possible still to proclaim that there is truth in accounting.

What these prior few sentences demonstrate (intentionally) is an elision between four different categories that require closer inspection: truth, objectivity, data, and facts. These four categories represent crucially different realities, yet are easily conflated. Thus, when modern
accounting proclaims to present facts, it is easily assumed that modern accounting furnishes nothing more than objective data or nothing less than truth. These four categories work in different ways to help construct the modern fact. Conflating these categories, I suggest, is one reason why the value-laden claims made by modern accounting can go unrecognized. The SCF becomes a connective tissue that runs across these different categories, legitimating their elision and subtly narrating a world in which they all assumed to be value-neutral. Pulling apart these categories will help illuminate the way in which modern accounting’s assumed value-free quality has stretched well into realms that are value-laden.

The SCF is the most recent addition to the cadre of standard financial statements and is probably the least well known by those outside of financial professions. While the importance of the information on the statement of cash flows, of course, goes back to at least the nineteenth century, it was not until 1963 that the statement was “formally supported” to be included in the presentation of financial statements and not until almost the end of the 1980s that the SCF became a requirement.\textsuperscript{316} Even upon its designation as a required report, however, the form that the report was to take was left open. There are two principal methods of preparing a cash flow statement: the direct and indirect methods. The directive from the Financial Accounting Standards Board that required the inclusion of the SCF suggested that that the direct method be used though in practice the large majority of firms opted for the indirect method.\textsuperscript{317}


\textsuperscript{317} Attempts have been made since then to require the direct method but so far have been unsuccessful. see Nathan H. Jeppson, John A. Ruddy, and David F. Salerno, ”The Statement of Cash Flows and the Direct Method of Presentation,” Management Accounting Quarterly 17, no. 3 (2016).
Briefly sketching the difference between these two methods is helpful for the point that I make regarding the significance of the SCF. The direct method begins with the beginning cash balance and recounts all of the cash disbursements and receipts in order to provide a detailed reconciliation culminating in the ending cash balance. Its proponents prefer its “straightforward presentation,” in contrast to the indirect method, which integrates net income into the statement. The indirect method begins with net income instead of with beginning cash balance. Then, rather than identifying all of the disbursements and receipts, the statement delineates all of the items that affected the income statement that did not affect cash and vice versa. The reconciliation concludes not with the ending cash balance, but with the net change in cash for the period. In other words, the indirect method provides a reconciliation between accrual-basis income calculation and cash-basis income. Unlike the direct method, however, which includes a summary of all categories of transactions affecting cash, using the indirect method requires that one review both the statement of cash flows and the income statement in order to identify all of the transactions that affected cash in a particular period.\[318\]

Despite the push for mandating the direct method, the indirect method has maintained its popularity. This is, in large part, because the indirect method’s presentation of a reconciliation between accrual- and cash-basis income is unique in the financial statements. Attempting to ascertain information related to the cash-accrual reconciliation from other portions of the

\[318\] There is a natural parallel between the usefulness ascribed to the direct method and the prominence of the balance sheet under the proprietary theory. The direct method is essentially a detailed analysis of the change in net worth held in cash (in much the same way that the income statement is a detailed analysis of the capital account). The primary concern of the proprietary theory, change in net worth, is exactly the starting and ending point for the direct method. Because of how closely connected this approach is to the information provided on the balance sheet, the degree to which the statement of cash flows is actually used by end-users, such as lenders, is remarkably low. They are more likely to use the balance sheet or notes on other financial statements to acquire information regarding cash flows; see Helen Kwok, "The Effect of Cash Flow Statement Format on Lenders' Decisions," *The International Journal of Accounting* 37 (2002), 347–62.
financial statements is quite difficult and would be time consuming, if even possible.\footnote{319} Whereas one might be able to find all of the information from the direct method of the statement of cash flows elsewhere on the financials, the indirect method is doing something quite different.\footnote{320} The relationship between accrual- and cash-basis income are the object of the statement, which is a contrast to the income statement and balance sheet that select a method to use and then ostensibly report economic events accordingly. It is this unique aspect of the statement of cash flows that I want to focus on for considering key features of accounting in general.

What the SCF provides in its reconciliation between net income and cash flows is a legitimation of the information provided by the financial statements. It brings together systematic and empirical knowledge into one document as a way of performing the certitude of Poovey’s modern fact. This chapter assesses closely the kind of information that modern accounting is providing and the way that the SCF helps present it in ways that it is imbued with certainty. I have argued that modern accounting names, numbers, and narrates. In the past two chapters, I have highlighted its naming function (balance sheet) and numbering function (income statement). The SCF illuminates how modern accounting narrates. It endows its information with meaning and telos. This narrating element, of which we have already caught glimpses above amidst the discussions of anthropology, sociality, ontology, etc., is one of the most important aspects of modern accounting. However, the story that modern accounting tells to make sense of itself is often not seen because the SCF justifies modern accounting information through its own

\footnote{319} For financial analysists, the reconciliation between cash and accrual methods also provides an assessment of earnings’ quality. The effects of accrual adjustments on net income for the period can be evaluated to determine what the implications are for income in the future (i.e. might a positive report in income for this period be a harbinger for reduced income in the next period rather than an upward trend?); see Jeppson, Ruddy, and Salerno, "The Statement of Cash Flows."

\footnote{320} Jeppson, Ruddy, and Salerno, "The Statement of Cash Flows."
story—its own reconciliation—about facts, data, objectivity, and truth. By exploring the SCF, I will demonstrate how the story that modern accounting tells about the kind of information it presents should be met with some skepticism. The SCF narrates the information provided by modern accounting in order for it to appear to be just the facts. In doing so, it hides the more important narratives imbued with ethical and theological significance.

7.2 Practical Reasoning and Truth in Accounting

The accountant John Canning has said, “Truth may be both expensive and useless.” The statement is striking. It is a bald dismissal of the need for modern accounting to adhere to a standard of truthfulness. But this reality fits with the pragmatism that undergirds modern accounting where its “decision usefulness,” as we saw in the previous chapter, is more important than adhering to any “ultimate truths.” What the discussions in the modern accounting literature imply about truth is that it is connected to “accurate representation.” In other words, a true statement in modern accounting would be one that accurately represents the economic reality of an event or a company’s financial status. This ideal, however, of an accountant reporting precisely the “true state of the world” is practically unattainable and in that regard undesirable.

The kind of truth that the discussions above within modern accounting literature have in mind are those that relate to a correspondence theory of truth. Following G. E. M. Anscombe, one might identify this as theoretical or speculative truth. The distinction that Anscombe makes

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322 Chatfield, A History of Accounting, 229.
324 Harold Bierman, "Measurement and Accounting," The Accounting Review 38, no. 3 (1963), 504.
between theoretical truth and practical truth is connected to the differences between theoretical and practical reasoning and needs clarifying at this point. Each form of reasoning produces a different form of knowledge and relates to truth differently. John Schwenkler, in explaining the perspective against which Anscombe was arguing, points to a common assumption regarding the distinction between theoretical and practical reasoning, which is that “in reasoning practically a person considers what she should do, or what she ought to do, or what she has most reason or sufficient reason to do; whereas in theoretical reasoning a person considers only what is ’factually’ the case.”

This presentation of the two types of truth mirrors the fact/value, or is/ought, divide that Anscombe seeks to disprove, particularly as it was posited by R. M. Hare. Conceptualizing the distinction between theoretical and practical reasoning as simply a matter of content, as someone like Hare does, results in a form of parallelism where the two forms of reasoning function similarly, producing the same kinds of knowledge (form), but are working in distinct domains (content).

In contrast to this, Anscombe argues that the distinction between theoretical reasoning and practical reasoning is not one of content but of form. Practical and theoretical reasoning are not distinguished in a way that breaks along the fact/value divide. Rather, she points to the distinction being related to the difference of “[practical] reasoning leading to action and [theoretical] reasoning for the truth of a conclusion.”

As Schwenkler puts it, practical reasoning makes something “actionable.” In other words, practical reason ends in action, which is integral to the form that this kind of reasoning takes. Thus, in contrast to theoretical

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327 Schwenkler, *Anscombe’s Intention*, 120.
reasoning’s attempt to demonstrate the conclusion, “in practical reasoning one’s premises are supposed to show that her action is a suitable way to achieve (to get, do, or become) something she wants.” Practical reasoning and theoretical reasoning lead to different forms of knowledge because of the built-in action element of practical reasoning. Anscombe argues that “practical knowledge is ‘the cause of what it understands’, unlike ‘speculative’ knowledge, which ‘is derived from the objects known.’”

Schwenkler says that in theoretical reasoning “the considerations that a person reasons from are supposed to demonstrate her conclusion, or at least provide sufficient reason for endorsing it over the alternatives.” The result is that “valid theoretical reasoning is truth-preserving in that, given the truth of its premises, its conclusion is also true.” In terms of modern accounting, this type of truth would suggest that the financial statement is attempting to “demonstrate” the reality of particular economic events. Yet, this seems to be specifically what accountants note is not occurring in modern accounting, whether that be because it is “expensive” or “useless.” More than being just impractical the comments from various accountants suggest that speculative truth, an accurate representation of reality, is unattainable. Thus, Stamp suggests that “more and more detailed rules may lead to more precise measures, but they are not necessarily closer and closer approximations to the ‘truth’ in a scientific sense.”

Even more fundamental is Canning’s point. Truth may not even be worth the effort. In other words, the precision sought by modern accounting is not actually truth, in the sense of

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328 Schwenkler, 134.
329 Anscombe, Intention, §48, 87.
330 Schwenkler, Anscombe's Intention, 134.
331 Schwenkler, 140.
correspondence to reality or according to theoretical reasoning. I will return below to practical reasoning, knowledge, and truth and the significance for thinking about modern accounting in those terms. In clarifying between theoretical and practical reasoning here, however, I want to note the degree to which accountant’s themselves recognize that modern accounting should not be assumed to be a form of speculative reasoning and knowledge producing theoretical truth, in the sense of knowledge that corresponds to the realities of the world.

Rather than focusing on theoretical truth, the precision sought by modern accounting is better identified as objectivity. Confusing theoretical truth and objectivity is not unusual as Porter notes how “objectivity as impersonality is often conflated with objectivity as truth.”

Harold Bierman, in fact, argues that there is a tradeoff between achieving objectivity and accuracy to reality. Bierman’s description of objectivity and theoretical truth here help illuminate why that is the case. He states,

The estimate of the income or financial position prepared following conventional accounting may be far removed from a fair or reasonable measure of income or financial position. This is because the accountant is not making effective attempts to approach the unknown true measures. Rather he is presenting reliable information, where the term reliable refers to a comparison of the measures of other accountants applying the same principles. An accountant applying different principles might obtain results that are considerably different.

The implementation of criteria in order to bolster objectivity with the rise of modern accounting’s assurance function should not, according to Bierman, be confused with more accurate measurement. The confusion here arises because the push for increased objectivity came, in part, as a result of the clear reality that more objective methods did not produce “a ‘true’

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333 Porter, Trust in Numbers, 74.

334 Bierman, “Measurement and Accounting,” 505; emphasis added.
answer.” Yet Bierman argues that “it is time to admit a ‘true’ measure is not attainable” not even “if we stick to objective evidence.” The use of objective criteria in modern accounting helped solve as we have seen, with various degrees of success, a problem of distrust by the public. Unpredicted financial crises caused the public to cast doubt on the value of modern accounting’s assurance. Shoring up the objectivity of modern accounting was a way of addressing those concerns though, as this discussion makes clear, does not necessarily make modern accounting any more true or likely to predict future economic realities.

Canning’s claim regarding truth’s potential uselessness is not a statement regarding modern accounting’s irrelevance. Rather, the aim of modern accounting’s reporting is not truth; it is reporting completed according to objective methods. My own use of Crary to clarify the kind of objectivity that modern accounting produces—wide rather than narrow—should likewise not be taken as a dismissal of modern accounting’s importance. While I have demonstrated repeatedly that modern accounting presents itself in a way that might be taken as narrowly objective based upon its universality and impersonality, I have also shown that it does not meet the abstraction requirement needed for narrow objectivity. In fact, speaking of it as if it does, is what someone like Crary might suggest is what Wittgenstein meant by nonsense.

In as much as modern accounting functions as an agreed upon way of counting, it can be described as (widely) objective. The subjectivities of the individual counter are constrained, but not eliminated, because the counter abides by agreed upon criteria and must be trained to know what it means to follow the principles. The perceived universality of counting, in contrast to the whims of particular individuals, helps construct trust among the general public. Truth similarly

335 There is a clear connection here to Blakely’s description of economists’ inability to actually predict reality, especially economic downturns; Blakely, We Built Reality, 3–23.

has a trust-inducing element to it.\footnote{Davies notes the common root between “truth” and “trust”; see Davies, \textit{Nervous States}, 49.} It might be easy enough to assume that the trust created by modern accounting was rooted in truth, but that fails to recognize the distinction between truth and objectivity. The prominence of objectivity (mistaken for narrow objectivity) in modern accounting can be seen in one of its central principles, namely “consistency,” which could be described as maintaining the same principles of counting over time. Changing the principles along the way results in information that is useless. It is objectivity that accountants are concerned with, but this objectivity says nothing of adhering to reality or theoretical truthfulness. Why is modern accounting’s rightful claim to (wide) objectivity so easily taken as truthfulness?

\textbf{7.3 Data and Facts in Accounting}

The SCF, particularly the indirect method, functions as a way of bridging the fissure between objectivity and truth by using modern accounting’s objectivity to connect data to facts. The significance of connecting data and facts comes due to the distinction between the types of knowledge these categories actually represent even as they are commonly conflated. Data are points of information that have yet to be ascribed meaning or purpose. Bierman points to cash on hand, or a cash balance, as something like data.\footnote{Bierman, “Measurement and Accounting,” 503.} Data, in other words, are statements that correspond to a point about reality. This description would meet the description of truth according to the correspondence theory. One might say that a piece of data that is presented is true though, as the previous section highlighted, reported data might be speculatively true but “useless.” What data is fundamentally missing, however, is a narrative by which to make sense of it.
Modern accounting is more than just data because modern accounting narrates or tells a story through its counting. Chatfield notes this when he suggests what it would be like if modern accounting was restricted to the realm of data, saying, “The balance sheet might become a list of appraised values; the income statement a derivation of economic rather than realized profits. While such calculations have their uses, accounting for business events is a very different task from statistics gathering and interpretation.” In other words, should modern accounting only be concerned with data, the balance sheet would be nothing more than “a list of appraised values” and the income statement “economic” profits. These statements would be lists of data. They might even be confirmed as true in a theoretical sense (the appraised values have been properly recorded for the assets). The usefulness of this data though is limited, and a list of appraised values is by no means a balance sheet. What modern accounting strives to do is provide information that is useful and “actionable.” To do so, it must move beyond presenting data and transform that information into facts.

What this transformation of data into fact entails can be seen in Davies’s description (which echoes Gadamer) of fact in contrast to data. Discussing big data he says, “But where data is concerned it’s not clear what a ‘fact’ would actually mean: what data reveals depends on what you’re looking for, which depends on who you are. Knowledge of this nature serves strategic goals, rather than producing a common reality. What truth is contained within vast and messy data sets depends partly on what you are hoping to see.” What are described as facts (as well as truth) in this instance are more than bits of information that are tethered to reality. They are interpretive. Facts are data that are animated by a narrative that imbues them with meaning and

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significance. They are data endowed with teleological significance. It is this teleological element of modern accounting where the relationship to practical truth and knowledge becomes most clear. For practical knowledge is knowledge that results in action. It is a calculation of the means that culminates in the action of achieving the desired ends. This is precisely in line with Davies description of serving “strategic goals.” In other words, to say that modern accounting must provide information that is useful, brings us back to the question from last chapter about decision usefulness, useful for whom or what? The knowledge is shaped by desire and wanting, as Davies says, “what you are hoping to see” and see come about. If modern accounting provides useful information, it is information oriented towards aiding the user in achieving a particular end.

The orientation towards a particular teleology is masked by modern accounting’s objectivity. Yet, in describing modern accounting as adhering to a wider, rather than a narrow, conception of objectivity, it becomes clear that objectivity ensures that data are all narrated into the same facts. The telos is embedded in the shared criteria and principles of modern accounting thereby ensure that it is a shared narrative—a shared form of counting—by which data are made intelligible. In as much as facts are objective, they can produce trust, but their purpose is not “producing a common reality” so much as enabling specific agreed upon ends. Modern accounting narrates data to produce facts that are oriented towards specific denouement. This story arc, however, is disguised by the story in the SCF that narrates all of what modern accounting as nothing more than just data.

Highlighting the prevalence of facts, rather than data, in modern accounting challenges the assumption following the fact/value distinction that suggests that modern accounting provides information that could in turn be put to action based upon personally desired ends. This framing suggests that if one decides not to achieve the return on investment that modern
accounting has identified as possible, one’s values have simply led to an alternative choice, but
the truth of the calculation remains. It is true, but not necessarily what one ought to do. This
distinction, of course, mirrors the scientific naturalism discussed in the previous chapter and
represented by those such as Hare. It assumes that modern accounting is data, that the
information is not interpreted. Yet, the facts of accounting have already imbued the data with
meaning and telos such that the information is already (ethically inflected) in determined ways.
What I want to suggest is that someone’s choice of an alternative other than the marginalist
calculation is not one that can be understood as a claim about ought but rather is a recounting of
the is. In other words, the choice signals a different form of counting, a disagreement about
modern accounting’s facts and the ends toward which they are oriented. To recall Cavell’s quote,
it demonstrates a disagreement about valuing. The empirical grounding of modern accounting’s
facts through the SCF’s reconciliation to data is one more reflection of this naturalistic bent. Of
course, recalling again the work of MacIntyre from the previous chapter, the deeply embedded
scientism used to legitimate the claims of modern accounting simultaneously points towards
emotivism as the only form of ethics possible. The constructive proposal that I offer for ethics in
Chapter 10 is rooted in language avoiding both an overly naturalistic bent and the ensuing escape
through emotivism.

The narrating site of modern accounting is pivotal for a thorough ethical assessment of
modern accounting. Anscombe’s practical reasoning is a helpful lens for considering this aspect.
Practical reasoning is driven by desire or want and leads toward action. Anscombe notes these
two features, wanting and action, in her retrieval of practical reasoning from Aristotle. She states
that “we can say that the reasoning leading up to an action would enable us to infer what the man
so reasoning wanted.” Schwenkler summarizes the definition of practical reasoning in Anscombe as “the reasoning through which a person decides what to do. The form of this reasoning is different from that of reasoning whose premises are supposed to prove the truth of the conclusion that is drawn from them.” Practical reason is a calculation of how to achieve a desired outcome that culminates in action. Schwenkler’s description of practical reasoning helps to note the similar contrast between this practical and theoretical reasoning in comparison to the contrast between theoretical and practical truth that was noted above. Identifying modern accounting as a form of practical reasoning makes sense in part precisely because of the concern that Canning expressed for usefulness. Modern accounting calculates the action needed to attain a particular end. When modern accounting transforms data into facts, it not only imbues them with meaning, it puts them, as Anscombe says, “on active service;” it makes the information “actionable.” In doing so, it harnesses certain desires and wants. It becomes teleologically oriented.

There is no doubt that modern accounting enables specific ends. Historicizing the practice of accounting is one way that I have drawn out the different ends for which modern accounting has been shaped. The rise of DEB in conjunction with the accumulation of capital in the Italian port cities in the Middle Ages points to the reality that modern accounting, as a form of practical reasoning, is information “on active service” as a way of maintaining, growing, and tracking capital. The aim is specifically to increase and harness as efficiently as possible capital for the highest gains based upon marginal analysis and value theory. And as we saw in the

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343 Anscombe, *Intention*, §33, 60.
apologia section, modern accounting not only makes it true that the capital increases, but it makes it true that the income is justified, legitimate, and moral. Modern accounting is also a form of practical reasoning aimed at the control and monitoring of those responsible for the growth of capital. From the English manorial audits, to the slave plantations, to the Taylorism of the twentieth century, DEB and modern accounting have been directed toward employing labor as efficiently as possible for the growth of capital. The reduction of all actions to a single number—to recall the previous chapter—highlights that modern accounting’s information assumes the desire to increase returns. The ends of modern accounting—the proprietor, marginal analysis, the preservation and growth of capital, efficiency of labor, etc.—shape its practical reasoning and reveal the desires within it.

7.4 The Practice of Accounting as Practical Truth

At this point it should be clear that the real reason that modern accounting does not primarily supply theoretical truth, a point which even accountants admit, is because it is not primarily engaged in theoretical reasoning. It is engaged in practical reasoning presenting information with a calculation for how to attain certain desired ends. If accounting is engaged in practical reasoning and the presentation of practical knowledge, then the question at hand is whether it contains practical truth. Lucy Campbell provides a helpful description of Anscombe’s account of practical truth that connects to the concept of practical reason and knowledge. She states, “Like practical knowledge, practical truth is practical in form, and not only in content. It is truth that is ‘brought about—i.e. made true—by action.’” The desired end and the action that

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344 Davies provides a comparison of truth to military intelligence and notes the trend of information becoming more frequently like the latter. Modern accounting, as a decision-making tool, is similarly more comparable to military intelligence than truth as correspondence; see Davies, Nervous States, 139.

brings it about are thus integral elements of practical reasoning and truth not, as Hare might suggest, an optional additional step. The idea that truth is made relates to a comment by Anscombe explaining the importance of recognizing moments of failure, when “the mistake is not one of judgment but of performance.”346 The example that Anscombe gives to flesh out the distinction she is making here is the difference between a person who brings a list of items to buy at the store in contrast to a list made by a detective who was following the shopper noting what he bought. The two lists could end up being identical. Yet, if there is a variance between what is on the lists and what was purchased by the shopper, we would assess the variance differently in relation to each list. For the detective, we would say he made a mistake on his list. Yet, if in comparing the shopper’s list to what was purchased one notes a difference, it would be said to the shopper, “What you did was a mistake, because it was not in accordance with what you said.”347 In other words, the shopper did not make it true that the list was what was purchased. The failure was not in the list (judgment); it was in the purchases made (performance).

On its face, this seems like a rather remarkable way of thinking about modern accounting. The natural assumption is that modern accounting is something far more like the detective writing down the actions of the shopper (the proprietor) than creating the shopping list. Yet accountants themselves reject that modern accounting is engaged in something like theoretical truth, the role of the detective listing what the shopper has purchased. There are points at which the practice of accounting relates clearly to something like the shopping list, budgets for instance. Budgets guide the actions of persons (fictive and real alike). Whether the actions align to the budget, in that sense, makes true the budget. If the budget and financial statement do not

346 Anscombe, Intention, §31, 57.
347 Anscombe, §31, 57.
correspond, we would say the failure was not in the budget, but in the performance. Yet when I say “performance” here, what do I mean? The assumption is that the financial statement is the detective’s list and the economic activities recorded are comparable to what the shopper purchased. Imagining this corollary, however, continues to lapse into imagining financial statements as theoretical reason, as attempts to capture the realities of economic happenings. Instead, in modern accounting the performance is in the creation of the financial statements as well as in the economic events. The failure of performance in meeting the budget occurs when the financial statements are produced that do not meet the budget. The production of financial statements makes the budget true or false. For despite all of the economic activities carried out by a person, it is not true that they have attained their budgeted marks until they are counted. Note that the counting process is still constrained here by a wide objectivity. It would, thus, be too far to say that none of the performance is the economic events. For modern accounting cannot count simply any action and transform it into any financial statement it would like. That would be fraud, which is not what I have in mind here. There is obviously no truth in fraud— theoretical, practical, or otherwise. I will discuss fraud more in the following chapter.

Let me provide three examples to consider further modern accounting as a practical truth. The first is a context in which accounting most resembles practical truth. The development of an asset valuation based upon discounted future cash flows. The value of the asset is contingent upon something happening in the future. Of course, if the asset does not generate the cash flow, it will not have made true the valuation reported. Yet, as I have noted above, the valuation of the asset will aid in bringing about the future cash flows. The valuation is shaping the future by drawing it into the abstract present. The accountant’s presentation of the value is part of the performance, as it generates the future cash flows. In this context, the truth of the valuation is
made by the future performance of an asset. It is in this regard as close to conforming to the kind of practical truth that one could imagine.

I want to give a second example, however, where modern accounting’s connection to practical truth is less certain. When engaged in valuable transactions persons often utilize accountants to structure the transactions beforehand for various tax and legal purposes. They may desire to sell and/or acquire various properties, move properties between legal entities, or limit taxable income. A straightforward example of this kind of transaction is a like-kind exchange (1031 exchange) whereby property can be sold and new property purchased without having to recognize a tax gain on the sold property (the existing basis of the old property carries over to the new property). These transactions have to be carefully planned, involve an intermediary, and must follow a rigid timeline. The accounting for the transaction is, for all intents and purposes done before the transaction occurs. The desired journal entries are laid out beforehand. If the proper actions are taken, then the final recordings will match (or be very close to) the projected analysis.

In this example, we seem to have something very close to Anscombe’s example of the grocery list if the transaction fails. If, in a like-kind exchange, for example, the seller touches the money directly and invalidates the possibility of carrying out a like-kind exchange, the planned transactions will not correspond to the actions, but the failure was in the performance. Whereas, if the transaction is mistakenly recorded as a like-kind exchange, even though it falls outside of the parameters of such a transaction, the failure is not in the performance but in the accountant’s judgment (either by mistake or fraud). Note that here, the recording of what happened is still not like theoretical truth. For it is answering a very specific question, “Is this a like-kind exchange?” which is a question about facts not data. In recording the transaction as such, it is narrating those
particular activities in a specific way. Yet we see that the economic activities are part of the performance, a performance that is orchestrated by modern accounting even from the outset of consulting or budgeting. Claiming that the entirety of the performance is always in modern accounting is to put it too strongly.

The final example is one where a company goes bankrupt. Let us assume that the company fails for reasons not having to do with corruption, and all of the previous (non-fraudulent or fairly stated) financial statements leading up to the point of their failure indicated the company was in good financial health and standing. When the company goes bankrupt, many of its debts will be cleared. What are we to say of the previous recording of debts on the financial statements? Were those financial statements incorrect in listing those debts? If the debts were in the future to be cleared without repayment, were the previous statements in error? Or were they correct but the events of the bankruptcy unfolding indicates one way of discharging those debts? The latter answer is possible. Bankruptcy does provide one known way of discharging debts. But financial statements that indicate a healthy company with debts provide the story of a company who will repay its debts. Here we get to the crux of the possibility for the degree to which interpretation is built into modern accounting. The facts of the financial statements stretch beyond data. For do the financial statements say “Company A has Z amount of debts” or do they say more? Do they say “Company A, who has X amount of income and Y value of assets, has Z amount of debts.” Now given that X and Y are, as we have seen interpreted numbers—objective, yes, but facts rather than data—they tell a story. What story do they tell us of the discharge of the debts? This would stand in contrast to financial statements reporting a company with questionable financial health, where the repayment of debts would be called into question. For Company B, who has U amount of income and V value of assets, raises uncertainty about paying
W amount of debts. If such a company eventually repaid a portion of its debts, but not all, would not it have made the prior financial statements true? Does the company who was reported in good financial health that goes into bankruptcy fail to make its financial statements true?

The question of practical truth in this instance is the question of modern accounting’s presentation of facts rather than data. Data is not practical truth, but certain facts surely are. All investment advice is qualified with phrases such as “past performance is no guarantee of future results.” Yet modern accounting’s information “on active service” and the teleological orientation that it projects prophecies the likelihood of future actions. In doing so, it frequently helps bring those actions about as in the example of the asset valuation (the same would be true of bringing in a large new customer or supplier based upon your company’s growth). While modern accounting is shaped by the past, its practical reasoning points towards goals to be achieved and the kinds of actions needed to attain them. We see again here how deeply intertwined modern accounting is with the past and present as was discussed in Chapter 4.4 even though it presents itself as the abstract present. The financially stable company expresses that it intends to discharge its debts via payment out of the income it generates and the value of the assets it holds. To read financial statements as doing less than such is to fall into imagining that modern accounting is listing data or interested in theoretical truth.

There is one further characteristic of practical truth that needs to be considered. Highlighting the actionable nature of modern accounting draws out clearly its teleological orientation. For not only is practical reasoning actionable, it is driven by desire and wanting. This desiring and teleology in practical truth are summarized by Campbell: “Practical truth is truth which is embodied in actions which aim at and succeed in being cases of acting, or doing well,
and thereby are contributions to more generally living well.”

Practical truth then (unlike practical reasoning and knowledge) “is an essentially ethical phenomenon: it is manifested only in actions which aim at and succeed in being cases of acting and living well.” In other words, an assessment of the practical truth of modern accounting would need to consider the ends embedded in the “action-descriptions” of modern accounting and determine whether these actions lead to a life well lived. The question of ethics in modern accounting then is not merely a question of whether accountants are preparing fraudulent financial statements that break the law but the actions that modern accounting leads us to take in order to make true its statements and the ends, desires, and wants assumed within those actions. In other words, there is a category of modern accounting between (theoretical) truth and fraud, a point which I draw out further in the Chapter 8.3 when I consider the categories of immoral fraud, amoral exchanges, and moral gifts. Financial statements that are “fairly presented” (i.e. are objective facts) are not fraud, but they may not be directed toward good ends. Considering practical truth in modern accounting requires moving beyond asking questions of fraud and compliance. Modern accounting ethics is too easily reduced to compliance, which leaves as irrelevant the very desires and wants that drive the calculation of practical reasoning. Modern accounting ethics requires asking questions beyond, is this fraud? Asking questions such as, do these calculations lead to actions directed towards a life well lived? Does the performance of making true financial statements lead one to do the good?


349 Campbell, 14.

350 Campbell, 17.
The perception of modern accounting as data rather than interpreted facts prevents the ends of modern accounting from being regularly considered. They become part of the built-in landscape of the world that we see. We have practiced seeing and unseeing—to allude to Miéville's novel once more—so consistently according to modern accounting’s story that it no longer needs to be said. Recapitulating the distinctions between these categories allows us to recognize how the SCF draws them all together in a succinct narrative that allows them all to be assumed to be as value-neutral. Data are bits of information that correspond to reality but are (as near as possible to being) uninterpreted and not yet infused with meaning; they are neither actionable nor teleological. The category of facts are interpretations of data. They are teleologically oriented and can be subjective or objective; regardless, they are not value-neutral. Objectivity relates to adhering to criteria. As we have seen, imagining objectivity according to the abstraction requirement is untenable. Thus, objectivity does not mean without subjectivity or value-neutral. Objectivity is always subject to the counter as well as the social, historical, and moral contexts. Theoretical truth encapsulates the correspondence to reality of data. Practical truth is both actionable and teleologically ordered towards living well. Because the SCF provides a proof of reconciliation between data (cash balances) to objective facts (calculated income), (theoretical and practical) truth seem to be always present.

What is worth reiterating once more due to its significance is that practical truth and facts do not fall on the “fact” side of the fact/value divide. They are not value-neutral. This follows Blakely’s description of Charles Taylor for whom "values do not derive deductively from atomistic statements of fact. Instead, they subtly pervade larger ontological and explanatory frameworks."351 The imaginary needed for facts and practical truth moves them outside of the

351 Blakely, *The Demise of Naturalism*, 78.
realm of value-neutrality. Very little of what modern accounting presents is mere data. Everything else, moves into the teleologically-inflected realm of facts. The objectivity of these facts, however, often conceals their value-laden dimension. As the discussion in Chapter 3.5 highlighted, however, if we take objectivity through a wide approach, objective statements must also be understood as morally inflected.

The value of the SCF is that it binds the interpreted facts of modern accounting to its central data, cash balances. It provides in one reconciliation an explanation for how the systematic knowledge of modern accounting works in perfect tandem with empirical knowledge, producing the modern fact. Thus, if one attempts to challenge the narrative assumed by the income statement—the meaning which has been ascribed to the data—an accountant can simply respond that it reconciles back to the cash balances, which is an uncontestable data point. The shift to data also moves the discussion ostensibly to one of theoretical truth rather than practical truth eschewing the teleological significance. The correspondence to reality demonstrated by the cash balance can then be projected onto the other financial statements as the SCF has provided a bridge between them. It is a step-by-step recounting of how to get from one to the other, a process which is as close to logic as one can get. For what is logic if not a detailed tracing of each step along the way of an argument.\footnote{Wittgenstein, \textit{Foundations of Mathematics}, 266.} The SCF legitimates modern accounting’s financial statements through this process of reconciliation.

The reconciliation from net income to cash balance narrates over and thus conceals, rather than reveals, the broader interpretative framework embedded in modern accounting. It allows modern accounting to posture its facts as data. Its narratively interpreted view of the world is presented alongside, and reconciled to, data masking the entirely different claims that
are being made in those two different categories. The SCF thus provides a particular kind of legitimation for modern accounting information. It presents the meaning-filled, teleologically inflected, and narrative shaped facts as tethered to data. This tempers any questions that might be raised about the valuation of assets on the balance sheet or the obvious fact that one’s income is just as contingent upon whether one chooses GAAP or IFRS as it is on economic events.

7.5 Conclusion

The discussion of these different categories of knowledge and information is not meant to argue that modern accounting cannot be relied upon, but rather identify the limits of the type of reliability that should be afforded to it. Its objectivity does not correspond to truth, and its facts are not data. Evaluating the truthfulness of modern accounting and its facts requires that we undertake a task beyond measuring economic data points, such as cash balances. The facts presented by modern accounting are shaped by the narratives and ends that give them meaning. As such, their significance is contingent upon examining those narratives and ends.

The arguments of this chapter and the prior two make explicit the implications of the arguments of Chapters 2, 3, and 4. Chapter 2 demonstrated that modern accounting is one particular way of undertaking the practice of accounting that is situated in very particular historical and social contexts. Chapters 3 and 4 highlighted the particularity of modern accounting further by considering the genres within it. These genres often present modern accounting as narrowly objective excising it from any historical and social contexts. At the same time, close reflection on these genres demonstrated how deeply embedded modern accounting is in these contexts making any claim to narrow objectivity indefensible and opening up reflection on how these particular contexts shape its practice of accounting.
By considering the writing within modern accounting financial statements, I have moved from claiming that modern accounting is not narrowly objective to identifying particular ways in which its writing is morally inflected. Chapter 5 (balance sheet) illuminated how modern accounting assumes a specific anthropology that impacts the structure of social relations. Chapter 6 explored how the income statement prizes abstraction where all things can be brought into a commensurate calculation, which defines and constrains the possibility for how they might relate to each other. And finally, this chapter considers how modern accounting is a form of practical reasoning making claims to practical truth that orient life and actions with embedded claims of what must be done in order to live the good life.

The next three chapters continue this argument forward and make constructive proposals. Chapter 8 takes on an analysis of gift theory as a contrast to modern accounting. The contrast between modern accounting and gift is central to these final chapters. Both modern accounting and gifts are made intelligible through certain forms of life. This is a claim that derives from both philosophy of language (Chapter 10) as well as gift theory (Chapter 8). Chapter 8 presents gifts not only as an alternative to modern accounting, but demonstrates their significance in promoting human dignity. Chapter 9 moves the discussion of the practice of accounting into the realm of theology considering how discussions of sin, debt, and salvation exemplify the impact of modern accounting on Christian theology. And finally, Chapter 10, considers how language as a gift can provide a model for relations outside of a modern accounting framework.
CHAPTER 8
Of Reckoning with Gifts

8.1 Of Reckoning Introduction

Luca Pacioli’s famous chapter on DEB was entitled *Particularis de computis et scripturis*, which can be translated as “Of Writings and Reckonings.” The previous chapters have explored modern accounting as a form of counting and writing. The final three chapters will consider its role in reckoning. Reckonings are calculations, often referring specifically to the practice of accounting, the settlement of a bill or account. In other words, a reckoning is the calculation that determines the status of an account or relationship. It is a calculation of the terms of the agreement. Is there still a balance owed, a creditor and debtor? Have the interactions between the two agents offset each other entirely? The calculation and counting—the reckoning—display relational assumptions and definitions.

Running through the previous chapters has been a comparison of the practice of accounting to language. This comparison will continue throughout the next two chapters and will be a central focus of Chapter 10. These final chapters will also draw on a contrast between modern accounting and gifts. Gifts, like the practice of accounting, share features with language, a point that I make explicitly below. By situating modern accounting within discussions of gifts and language, I home in on its role as a relational technology. It is a form of reckoning, of determining the status of our relations. The arguments from the previous chapters, especially Chapters 5 and 6 should make these claims about modern accounting’s relational significance.
unsurprising. What these final three chapters, however, argue is that the relational function of modern accounting, its reckoning, does not hinge entirely, or even primarily, upon counting. The central feature of reckoning is not asking how much is owed or how much should be paid. More fundamental than that, reckoning determines and reflects how agents are bound together. Gifts helpfully contrast to modern accounting by considering a process of reckoning founded on a different vision of how agents are bound together. It is this power to imagine and shape the very form that relations take that imbues modern accounting with its theological and moral significance.

Chapter 8 lays the groundwork for these final chapters by outlining the contrast between gifts and exchange and in doing so highlights the importance of the form that they take and the variance in the forms of life that makes them intelligible. In other words, the contrast between modern accounting and gift giving is the very shape of the relations in which they are possible or meaningful. Chapter 9 takes up this point by considering how humans are reckoned to God within theological discourses around sin, debt, and salvation. Accounting language is used frequently in these discussions. What I seek to illuminate in that chapter is that modern accounting, and the form of life that makes it intelligible, is often assumed with any and every use of accounting language. This conflation of modern accounting with the practice of accounting in general constrains the possibility for what it might mean to account for sin and salvation. Chapter 10 moves to the question of how humans are reckoned to their neighbors. While modern accounting imagines objectivity through universal rule following, I consider how language operates with both flexibility and restraint that can provide guidance for how to relate to others.
8.2 Of Reckoning with Gifts Introduction

Modern accounting presents itself as, and is often assumed to be, unambiguous and certain. My discussion of modern accounting in the previous chapters, however, has pressed against the narrative of mainstream, positive accounting that assumes these features. But while I have criticized unapologetically the underpinnings of this presentation of modern accounting, I have measured my criticism. I have, for example, not argued that modern accounting is subjective, but rather clarified in what way it is objective and the subjectivities that still remain despite that. Modern accounting’s social role (i.e. the function it plays in society that makes it useful) is fundamentally that it produces trust. The trust seemingly is constructed by its absolute certainty, or objectivity. This chapter explores the importance not only of the presence of trust but also how trust is produced.

Gifts stand in contrast to the exchanges that typify modern accounting. They too require trust, but that trust originates very differently. In exchanges the trust is produced by the fact that the relationship is structured such that one need not trust at all one’s partner in exchange. The trust becomes structural and in certain ways dissolves interpersonal trust. Interpersonal trust, however, is the core of gifts. There are not the same structural safeguards—a third-party arbiter to objectively account—to produce mechanistically trust. There is thus inherent within gifts a certain element of risk that comes alongside its capacity for recognition of the other and their dignity. This chapter argues that the contrast between exchange and gifts illuminates the relational stakes of the form that these interactions take. The form of the interchange assumes a form of life by which the reckoning is made intelligible.

I indicate from the outset of my discussion of gifts, by noting that gifts contain within them an element of risk, that while I think the category of gift is a necessary contrast and
alternative to exchanges, it is not a panacea. Asserting gifts as a universal solution to resolve the critiques I have raised of modern accounting would only serve to take many of the issues (such as assumptions of universality and, therefore, abstraction) I have identified in modern accounting and perpetuate them in a new way. Much of the argument of this chapter nuances and clarifies what the category of gift constitutes such that its significance is clear in the remaining chapters. I begin with a discussion of fraud, exchange, and gifts where I challenge the standard assumptions about exchange as an amoral category in contrast to gift’s virtue and fraud’s vice. In the following section, I consider how the concept of exchange has become fundamental in the imagination of how societies are structured and function. What I illuminate is that the possibility for ordering society differently, while seemingly impossible to imagine in the present, has been rather commonplace throughout history. The significance for how individuals relate to communities is teased out in this discussion. The next section considers gift theory directly looking at arguments about how gifts relate to the concept of exchange. Projected against the backdrop of the previous section that links exchange to communal ordering, this section discusses gifts as the possibility for interactions that include exchange but cannot be reduced to them. The final section attends to the form of gifts and the shape of economic interactions for identifying their relational meaning. In doing so, I highlight how modern accounting, as a form of counting and writing, shapes economic interactions in a particular way that leads to a particular way of reckoning.

8.3 Immoral Fraud, Amoral Exchanges, and Moral Gifts

There are three modes of being in the world, according to Miroslav Volf: coercive, exchange, and gift. Volf summarizes these modes saying, "In the coercive mode, we take
illicitly. In the exchange mode, we acquire legitimately. In the gift mode, we give generously.\textsuperscript{353} Modern accounting focuses on exchange. Close attention to each interaction and ensuring a fair exchange, which in terms of modern accounting is a transaction with balanced debits and credits, can prevent the obviously illicit. Operating under the assumption that every transaction has two perfectly balanced sides, accountants recreate events and prevent anyone from simply emoting income (the income credited requires a debit to offset it as the virtuous, medieval Italian merchants attest). The idea of a “pure” gift—a unilateral, unreciprocated transaction—is, as a result, necessarily excluded from the realm of possibility. Modern accounting operates in a world of financial Newtonian laws where every gift must have an equal and opposite return. This is an assumption, not a matter of discussion. Modern accounting, therefore, presents itself as preventing fraud (illicit), while facilitating legitimate exchange, and in doing so, precluding the possibility of a “pure” gift.

This tripartite structure, however, assumes too much distinction between these three categories: fraud, exchange, and gift. For if modern accounting demonstrates that financial statements are fairly presented, one would assume that it is free of coercion. But modern accounting does not (attempt to) measure coercion. So long as workers are paid what was contractually agreed, it makes no difference whether the wage represents anything approximating a just wage or whether the conditions requiring the worker to accept such a wage are just. In other words, one can easily have a balanced transaction that is “legitimate” and even legal but unjust and coercive. Likewise, a legitimate transaction may have generosity built into it. This can be seen in the goodwill developed by corporations who work closely together over time. When

\textsuperscript{353} Miroslav Volf, \textit{Free of Charge: Giving and Forgiving in a Culture Stripped of Grace} (Grand Rapids, MI: Zondervan, 2005), 57. Volf generates these categories following Natalie Davis.
errors arise in how a contract was originally written or carried out, for instance, the spirit of the agreement will be upheld, facilitating further transactions in the future. Generous gifts can be legitimately exchanged.

By exploring modern accounting in light of gifts, space begins to open up to consider what might be meant by a legitimate transaction and how it can encompass the possibility for both coercion and generosity. The tripartite structure leads us to assume the coercive mode is morally evil, the exchange mode is morally neutral, and the gift mode is morally good. I would agree that the coercive mode is evil and the gift mode can (frequently) be good, but by attending to modern accounting, I am illuminating the reality of the morally evil and good elements of the exchange mode.\textsuperscript{354} A balanced exchange does not coercion prevent or generosity preclude even though the potential for both evil and good in exchanges is often ignored. This continues the previous chapter’s discussion of practical truth. For what the tripartite structure assumes is that the desires and wants driving the behavior in each of the three categories are distinct. By considering whether modern accounting contains practical truth, however, one must consider the ends connected to an exchange. The wants and desires are part and parcel of the exchange, not simply added on top. They are built into the practical reasoning carried out, which is why exchanges are not an amoral “is” to which any “ought” can later be attached.

There are two closely related, but slightly different, points being made here. First, modern accounting cannot be assumed to be morally neutral in its description of the world and structuring of relations. This follows from the arguments of the previous chapters, especially the

\textsuperscript{354} I think it is a mistake to imagine gifts as an unvarnished good. It seems implausible or utopian to imagine a society such as those constituted by modern nation-states being rooted in mechanisms of gift. Even at a small-scale, gifts can lapse into forms of domination and, thus, require careful attention. For a discussion of the potential vices of gifts; see Romand Coles, \textit{Rethinking Generosity: Critical Theory and the Politics of Caritas} (Ithaca, NY: Cornell University Press, 1997).
discussion of Crary’s *Inside Ethics* in Chapter 3.5, and is fleshed out further by the claims about exchange being morally infused rather than amoral. At the core of the contrast between exchange and gift in this chapter is the claim that there is no neutral way of structuring interactions. The form of interchange is always already morally and relationally inflected because it assumes a broader form of life. Second, because of this, modern accounting should not be used in every realm of life, but rather we need to attend to its relational impact when considering when and where we should rely upon modern accounting’s counting. Chapter 9 and 10 highlight this point by looking at specific instances in theology and ethics where modern accounting is not well-suited to the reckoning needed.

The introduction of gift theory is not an attempt to swoop in with an argument about how gifts, infinitely gratuitous interactions, will redeem modern accounting and provide a way out of the exchangist, contractually bound morass that has eviscerated an idyllic community of yesteryear. Rather, I am attempting to carve out a space where ethical discussions must take place about the impact of the use of modern accounting and, therefore, its limits. One important question to ask is, which areas of life should function according to the “exchange mode?” Responding to that question, however, requires grappling with how modern accounting’s own way of counting, writing, and reckoning can be either (or both) coercive or generous? By attending closely to the relational reckoning built into the practices of accounting and how gift can provide an alternative to modern accounting, I hope to open up space here for thinking about the virtue and vice of modern accounting, and as a result, its limitations as a relational technology. The form of life that makes modern accounting intelligible is not the form that the totality of our lives should take.
8.4 Giving and Accounting for Forms of Life

Modern accounting and gifts function in many ways like a language. I have illuminated the significance of this in thinking about modern accounting in previous chapters, particularly as it relates to objectivity. Many of my arguments about objectivity derive from Wittgensteinian arguments, so it seems fitting here to point to his claim that “to imagine a language means to imagine a form of life.” I have already argued that modern accounting assumes a particular anthropology (Chapter 5) and sociality (Chapter 6). By thinking about the connection of modern accounting to a specific form of life, these earlier claims come into full force. This section highlights the form of life assumed by modern accounting, one where individuals are foundational. Communities are formed as a compilation of the more basic individual. While this relational and social structure is largely taken for granted, I also want to demonstrate that this is only one possible form of life. There are alternative possibilities for social bonds for which modern accounting cannot reckon.

David Graeber, in *Debt: The First 5,000 Years*, pushes back on two “myths” about the origins of money and debt: the myth of barter and the primordial myth. The next chapter will address the primordial myth, while the present section will take the myth of barter as its starting point. The myth of barter for Graeber is that when economists describe the origins of money, they suggest a world that is functioning based upon the principles of barter and, more fundamentally, exchange. According to this telling of monetary history, money provides a way to facilitate transactions that had previously been rather difficult. The cobbler may want eggs, but the farmer with the eggs may need a new horse shoe not a human shoe and thus wants to trade

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with the blacksmith leaving the cobbler’s desire for eggs unresolved. Living based upon interactions that are contingent upon the double-coincidence of wants (i.e. the person with whom you are bartering wants what you have and you want what they have) is rather inefficient, to phrase it according to economists’ concerns. Money provides a third commodity that everyone wants (and therefore a unit of account) that can facilitate an exchange without having to wait for the alignment of wants and needs between the two parties engaged.\textsuperscript{356} Graeber summarizes the ubiquity of this myth saying, “The story, then, is everywhere. It is the founding myth of our system of economic relations. It is so deeply established in common sense… that most people on earth couldn’t imagine any other way that money possibly could have come about. The problem is there’s no evidence that it ever happened, and an enormous amount of evidence suggesting that it did not.”\textsuperscript{357}

One way of demonstrating the degree to which barter is inadequate as a telling of economic history is Graeber’s outlining of three different “moral economies,” which are different relational structures for economic interactions. The relational element is undoubtedly at the center of Graeber’s project, evidenced by the importance he gives to these three moral economies: “exchange,” “communism,” and “hierarchy.” These three categories represent fundamentally different ways of organizing or imagining the relationship between persons who are transacting with each other. Modern accounting, I suggest sees and says the world in a way that all interactions are exchanges. They are balanced transactions where the relationship can break and cease to be at any point when both parties have discharged their portion, or debts, due.

\textsuperscript{356} Graeber is interested in this myth for many reasons, not the least of which is that one thing assumed by this myth is that debt as a financial technology only developed much later after money, which had replaced barter. Graeber’s argument is that debt is not an innovative modern technology, but has been fundamental to economies throughout history.

\textsuperscript{357} Graeber, Debt, 28.
The degree to which a modern accounting imaginary permeates our way of being in the world has made it difficult to even imagine alternative ways of interacting. Part of Graeber’s project is to highlight that “exchange” is but one specific way of structuring interactions. Alternatives do exist and have for most of history, even if a modern accounting imaginary generates a paucity of imagined other possibilities.

One alternative worth consider is the category of primitive or baseline communism, which Graeber describes as “the foundation of all human sociability.” What Graeber defines as baseline communism is “the understanding that, unless people consider themselves enemies, if the need is considered great enough, or the cost considered reasonable enough, the principle of ‘from each according to their abilities, to each according to their needs’ will be assumed to apply.”

Graeber points out the extent to which even modern relationships function according to this principle of “communism.” Families, for example, are a clear example. Graeber recounts the story of a father who at his son’s twenty-first birthday presents him with a bill for all of the expenses incurred over the course of the son’s childhood. The son paid the bill and unsurprisingly, the father and son never spoke again. Graeber notes that “in a way, this is precisely why the presentation of such a bill seems so outrageous. Squaring accounts means that the two parties have the ability to walk away from each other. By presenting it [the bill], his father suggested he’d just as soon have nothing further to do with [the son].”

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358 Graeber, 96.
359 Graeber, 98. Of course, Graeber notes that given the Cold War Era and all of the politics that went along with that time frame (not to mention the present politics in the US with Russia and China) discussing communism is fraught and provoking; see Graeber, 94.
360 Graeber, 92.
bill and placing the son in debt to the father, expecting that he pay for all of the expenses, the relationship is restructured according to the rules of exchange. Handing the bill to the son was an indication that the father had decided to count things differently going forward, and in doing so, transform the nature of the relationship.

That this story is unusual is reflective of the fact that most parent-child relationships are assumed not to function as exchanges. Parents provide for their children from their own abilities to the child’s needs and children reciprocate by providing care for their aging parents (or in countless other ambiguous ways, a point to be noted further in next chapter’s discussion of primordial myth). In fact, this is why Posner’s comparison between spouses and a client and a prostituted individual is so striking and, to use Graeber’s reaction to the father giving his son the bill, “outrageous.” Posner suggests that the relationships are fundamentally the same; the method of accounting is just slightly different. He claims spouses track their interactions according to the logic of exchange, but they do not require immediate payment since they are long-term relationships. Perhaps one would say they are allowed lines of credit that eventually must be repaid. The distinction then between the spouses and the client and prostituted individual is the long-term nature of the relationship, which makes it possible to by-pass immediate payment, or reckoning of accounts, which is necessary for the client and prostituted individual. Posner is exemplary of the assumption that a difference in (ac)counting is not reflective of fundamental relational realities. However, accounting for a relationship differently—counting, writing, and reckoning differently, which means seeing and saying it differently—transforms the relationship. Particular forms of reckoning are attached to particular forms of life. The son who received a bill from his father had no difficulty in recognizing that. A spouse would be equally aware of the relational significance of receiving a bill following coitus (even if it was not immediately due).
But if familial relations provide an easily grasped example of communism, there are others that give a sense of the wider possibility for this type of relational structure. Graeber, for instance, notes that “one of the scandals of capitalism [is] that most capitalist firms, internally, operate communistically.”

361 Departments operate, from their abilities according to others needs. Examples of where this does not take place make evident just how common this is. For instance, a chip-equipment maker called Disco Corp charges its employees for all sorts of things—use of meeting rooms, PCs, office desks, even a place for a wet umbrella. The goal is to push a calculation on individual employees about the benefit of each “perk.” Employees relate to each other and their employer through an external ethic. Of course, this is an unusual practice, but one that actually demonstrates what it would look like if companies did function according to the rules of “exchange” rather than communism.

362 Not every corporation, however, has this kind of internal market, which is a mark of the degree to which “exchange” does not adequately describe the way which employees and departments relate to each other.

Examples of baseline communism spread beyond families or corporations. Graeber recounts a story from the Danish writer Peter Freuchen’s *Book of the Eskimo*, where following an unsuccessful day of hunting for walrus, he returns home hungry to find “one of the successful

361 Graeber, 96.

362 Nakamura, Yuji and Yuki Furukawa, “This Japanese Company Charges Its Staff $100 an Hour to Use Conference Rooms.” *Bloomberg*, Jun 20, 2019 (accessed Jun 11, 2023). https://www.bloomberg.com/news/articles/2019-06-20/charging-employees-for-conference-rooms-helps-disco-boost-profit?leadSource=verify%20wall. This kind of intracompany way of interacting is not entirely unique. Cost accounting trends at the beginning of the twentieth century moved towards a focus on return on investment, a shift away from the previous focus on efficiency. Yet this focus on return on investment was at times only done at the firm-wide level, with each department still focused on efficiency, to prevent gaming short-term returns to long-term detriment. This trend would eventually give way to determining return on investment at the department level, which led to an “internal market for managers and for capital to function” within large corporations themselves; see Johnson and Kaplan, *Relevance Lost*, 12, 86–88.

363 One might also consider the significant amount of “unpaid domestic worker” that is in part a reflection of baseline communism as well. Trying to simply value this work and include it in the GDP fails to sufficiently capture (or perhaps captures in a different sense) just how distinct this type of familial work is.
hunters dropping off several hundred pounds of meat. He thanked him profusely. The man objected indignantly: ‘Up in our country we are human!’ said the hunter. ‘And since we are human we help each other. We don’t like to hear anybody say thanks for that. What I get today you may get tomorrow. Up here we say that by gifts one makes slaves and by whips one makes dogs.’” Graeber comments on this interaction saying that the Inuit hunter from Greenland sees himself as human not because he makes economic calculations, but precisely because he refuses to do so. “[T]he hunter insisted that being truly human meant *refusing* to make such calculations, refusing to measure or remember who had given what to whom, for the precise reason that doing so would inevitably create a world where we began ‘comparing power with power, measuring, calculating’ and reducing each other to slaves or dogs through debt.”

The story is fascinating because it resists easily being categorized as either fraud, exchange, or gift; which would it be? It is certainly not coercion and the refusal of even a thank you precludes it being an exchange. The act of sharing food with someone who is starving seems to be morally good, yet the hunter refuses to have it identified as a gift, for fear of the possibility of coercion. Thus, the hunter identifies gifts as not morally good because like exchanges they may be both generous or coercive. Mauss understood this dynamic in gifts as one of the lines from the epigraph of his seminal work states, “It is better not to bring an offering than to spend too much.”

Looking at gifts and exchanges together helps clarify the ways they are similar (i.e. the blurred boundaries of a tripartite categorization) in a way that is crucial. Exchanges can create slaves just as gifts can, but the categories are also distinct. This point helps identify that

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364 Graeber, *Debt*, 79.

imagining the world as composed only of individuals—or balance sheets—who relate only by exchanges cannot possibly capture all of the socialities possible.

One of the errors in distinguishing too sharply between gift and exchange is imagining that categorizing the Inuit hunter’s offering of food as a gift, a generous act, comes with no obligation. It is hard to imagine not counting providing food to a starving individual as generous, or at the very least morally good. Yet, even the Inuit hunter notes the obligation that in the future it might be the Dane who has to share what he “gets.” The Inuit hunter has clearly identified the starving hunter as part of the community; they are not enemies. In doing so he now bears the obligations that come with that identification. But note how the Dane’s inclusion may obligate him to share food, but not necessarily with the particular hunter who shared with him. It could be someone else in the community. The interaction is not one between two individuals but members of a community. The demand on the Dane is ambiguous. The fear of too directly counting and measuring is one of the characteristics of gifts that Graeber focuses on, in my opinion too much. I suggest there is a type of counting (a certain practice of accounting though not modern accounting) going on, but it does not count the demand placed upon the starving hunter in a way that can be discharged through providing precisely the same amount that was shared with him. The counting is not that of an exchange (i.e. this particular amount must be returned to this particular individual) but rather that the Dane is now counted among those who will share excess food with those in need and receive others’ excess when in need himself. It is a relational reconfiguring that marks a shift from trying to quantify what one owes to recognizing a new way of being bound together.

If Graeber’s example here points to a common practice among hunting communities, Pierre Dumouchel provides descriptions of communities before the eighteenth-century enclosure
movement in England that bring this same dynamic to the fore. He describes these communities as those in which it was impossible to starve unless everyone was starving. Food was not sold. In line with Graeber’s definition of baseline communism, selling food was to suggest that the principles of communism had been jettisoned, and indication that those engaged were enemies. The idea underlying the myth of barter—that everything is sold—does not recognize the degree to which groups throughout history have avoided selling things. Things such as land were held in common, food was shared, ventures were undertaken with cooperation from one’s abilities according to one’s needs.

The contrast between groups that would share things amongst themselves, even as they might operate according to the principles of exchange when engaging with those outside of the group, highlights the internal and external ethic described by Weber in Chapter 6. Imagining a relationship built on exchange within the group would be inappropriate. It would be applying an external ethic to those inside of one’s group. The dissolution of this internal ethic such that everyone relates to each other according to an external ethic is recounted by Dumouchel as occurring alongside the invention of scarcity, the now governing principle of economics.\footnote{Dumouchel, \textit{The Ambivalence of Scarcity}, 127. For a longer discussion of Dumouchel’s account, see D. F. Sebastian, “The Economy is a Spirit World: Spirit of Scarcity, Spirit of God,” \textit{The Journal of European Pentecostal Theological Association} 39, no. 1 (2019): 70–73.} Scarcity, Dumouchel argues, “is constructed in the fabric of interpersonal relations.”\footnote{Dumouchel, 23.} It goes hand-in-hand with relating to individuals according to an external ethic and, therefore, taking individuals as the core unit of the conglomeration they make up called society.\footnote{Dumouchel, 38.} At some fundamental level the starving hunter in the story above assumed a scarcity of food. There was
not enough food for him, and the gift of the walrus from the Inuit hunter was gratuitous. It provided a need that would otherwise have been unmet. He would have starved. The refusal of the “thank you” as inhumane was a denial by the Inuit hunter of the scarceness of food. He denied the possibility of a single member of the group starving. In other words, there was sufficient food for all in the community so the Danish hunter was not in danger of starvation. He was considered a member of the group and not related to according to an outside ethic. As such, he may be obliged to share the next time he returns from a successful hunt, continuing along the principle of from one’s ability to the other’s need. This is baseline communism.

The myth of barter also runs aground in a different scenario, one that is perhaps less radical to the modern imagination than the ones just described. Goodchild describes the state of the English economy prior to the establishment of the Bank of England (1694). It was a period when there was a massive shortage in cash. This presumably would force individuals to function according to the strictures of barter, yet that was not how the economy was structured. Instead, interactions operated through the extension of credit. Because of the extent to which items were bought and sold on credit, merchants were likely to have far more outstanding payables and receivables than cash on hand. The failure of one’s debtor(s) to pay had consequences not only for the creditor, but the creditor’s creditors as well. As Goodchild summarizes, “If one did not sell upon credit, one would have no customers; if one did, one was exposed to the customers’ fortunes and degree of honesty. In this respect, wealth was interdependent.”

In discussing this Goodchild, *Credit and Faith*, 143; emphasis added. The obvious implication of these sales taking place not through the medium of money but rather the practice of accounting (i.e. via tracking payables and receivables) is an indication of the possibilities of different forms of accounting. For this network was constructed in reliance upon the practice of accounting. The possibility for different kinds of accounting is visible in Goodchild’s account.
form of book credit in the United States, Bruce Carruthers describes a similar interdependence as a “tapestry of social ties that bound communities together.”

For Goodchild, trust is operative in this arrangement. One must trust those to whom credit is offered. Likewise, one must be trustworthy in order to receive credit. The web of partial transactions binds individuals together as they are implicated in each other’s lives and businesses. This would change, in Goodchild’s view, with the massive increase in currency that is made possible by the Bank of England. Trust no longer existed in the fabric of the relationship with the individual with whom one traded. Instead, trust was placed in the institution of the bank. This shift in the location of trust changed the communal formation resulting from exchanges. No longer was wealth intertwined with those with whom one transacted on credit. No longer did one need to be concerned about the welfare of those to whom one sold. It was now possible, perhaps for the first time, to be a wealthy individual.

Describing these alternative societies, composed of forms of interacting that are not primarily exchange is almost always accompanied with a story of their demise as Goodchild’s institution of the bank or Dumouchel’s enclosure of the commons exemplify. The prevailing narrative in these types of descriptions follows the Weberian trend of imagining a form of rationalization in the modern world that leads to the dissolution of community. Nuance is required in describing this change in order to not fall into a common narrative about the loss of

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372 There is an interesting interdependency built in with the ever-growing size of banks, which usurped the role of a wider network of trust. For, as the bailouts during the 2008 crisis and the same action (taken with little hesitation) in the 2023 Silicon Valley Bank failure, if the size of one’s debt grows too large, the creditor is the one beholden to the debtor. Carruthers’s notes this reversal of influence when a debtor’s insolvency threatens the creditor; see Carruthers, *The Economy of Promises*, 277.
“romantic community.” Miranda Joseph criticizes Graeber for lapsing into this narrative arc and playing on Graeber’s reworking of standard narratives calls this arc its own “myth.” Joseph states, “In this myth, again and again, across the globe in different times and at different speeds, communal relations based on interpersonal trust are displaced by depersonalized calculation (Joe and/or his pay stubs by the anonymous credit score) and the particular is disrupted or destroyed by being abstracted.”\textsuperscript{373} The abstraction of relationships is perceived as “symptomatic of the destruction of community, and community is often posited as a bulwark against the evils of indebtedness.”\textsuperscript{374}

Carruthers’s tracing of credit in the United States follows the movement of things such as credit scores, which began with primitive notes by shopkeepers of individual character and developed into the national companies that track and produce quantified credit scores relying little, if at all, upon anything one might describe as character. But credit ratings were effective because they “addressed the trust problem” that was present when an unknown debtor was promising repayment.\textsuperscript{375} Trust shifted into institutional forms and rather than imagining that credit killed social bonds, it is possible that a dissolution in trust within society resulted in the rise of credit, a new form of trust filling the void.\textsuperscript{376}

Yet if Carruthers’s description of a “tapestry of social ties” evokes a longing for such a community, he notes that “such ties could be positive or negative. Some were solidaristic and brought people together, but others separated them.”\textsuperscript{377} The community boundaries shaped by

\textsuperscript{373} Joseph, Debt to Society, 6.
\textsuperscript{374} Joseph, 3.
\textsuperscript{375} Carruthers, The Economy of Promises, 52.
\textsuperscript{376} Joseph, Debt to Society, 22–23.
\textsuperscript{377} Carruthers, The Economy of Promises, 119.
book credit could be exclusionary in their formation of solidarity. Race, for instance, defined many community boundaries. Shopkeepers in states such as Texas and Oklahoma would label their customers as black or belonging to Native American tribes. Any nostalgia for the past should be tempered with a clear-eyed perspective on the potential for abuse built in to these “romantic communities,” even while it is easy for a modern to long for such intertwined social realities. We should be cautious then moving forward in suggesting that the abstract relations should be considered evil tout court. The amelioration (though still incomplete) of abuses (racialized, gendered, and other) in communities should be celebrated. This is precisely why the reliance upon gift in this final part is not one that simply gestures towards features of a gift economy to invoke a romanticized community that overcomes the challenges of an ever-more depersonalized mechanistic world. The examples of baseline communism typify the potential of gifts for generosity, but they bring with them the possibility of coercion and oppression. Reflecting on a gift economy does not necessarily provide a universal solution to the iron cage of rationalization and the endless externalization of relationships. But gifts do clarify the effects of exchanges through careful identification of both the similarities and distinctions between them. Neither exchange nor gift mode are easily separated from coercive mode.

I have made it clear that, on my view, modern accounting assumes a mechanistic framework that falls into the narratives of scientific naturalism and extreme abstraction, which are untenable. Invoking gifts does offer something in addition to exchange that is a move away from this naturalism, but a gift economy is still a form of counting. What was significant about the father who handed his son a bill is not that he counted the expenses, but how he counted them. He proceeded to count them as if his son were a client rather than kin. Joseph provides a

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378 Carruthers, 119.
helpful approach for thinking about how economic transactions are related to relations. For rather than lamenting capitalism, and other forms of modern life and rationality, as blanketly destroying community she identifies a supplementary approach between community and economic interactions. In doing so she identifies that “communities are actually linked to capitalism and through capitalism to each other.”379 Rather than thinking of capitalism as absent of community, Joseph emphasizes “the tremendous power of capitalism as the site at which identity and community are enacted and generated.”380 In the same way that it is not a matter of whether one counts, but how one counts, Joseph identifies that our economic interactions do not determine whether a community is formed but how that community is formed. The practice of accounting’s greatest significance is not in its calculation of what we owe to each other but of enacting how we imagine being bound together in the first place. In other words, modern accounting imagines individuals whose coincidental interactions mark social relations.

Joseph draws on Raymond Williams’s account of The Country and the City in which he also notes the trope in English literature of longing for the country and community of yesteryear. Once this trope is identified it becomes unclear where and when this idyllic community may have ever existed. For while twentieth century laments of the loss of community seem to identify it as a problem occurring post World War I, Williams identifies those in the early twentieth century pining for the nineteenth century. This longing for a bygone era just recently lost seems to continue back through the decades and centuries leaving Williams to suggest that perhaps we are all longing for Eden.381 Williams’s foray into the themes of country and city moves beyond


just a discussion of community, but he does note how these different spatial and geographic places become representative of particular ways of envisioning community, differing forms of life. Take, for instance, Williams’s description of traffic, which is associated with cities. Williams identifies this not only as a particular problem related to the creation of high-density living spaces, but also representative of the way in which persons begin to relate to each other in those spaces.

The city, obviously, has always been associated with concentration of traffic. Notoriously, in modern transport system, this is still the case, and the problem often seems insoluble. But traffic is not only a technique; it is a form of consciousness and a form of social relations. I do not mean only the obvious derivation of so many problems of traffic from a series of decisions about the location of work and the centralization of political power; decisions which were never, in any real sense, socially made, but which were imposed by the priorities of a mode of production. I mean also the forms of modern traffic. It is impossible to read the early descriptions of crowded metropolitan streets—the people as isolated atoms, flowing this way and that; a common stream of separated identities and directions—without seeing, past them, this mode of relationship embodied in the modern car: private, enclosed, an individual vehicle in a pressing and merely aggregated common flow; certain underlying conventions of external control but within them the passing of rapid signals of warning, avoidance, concession, irritation, as we pursue our ultimately separate ways but in a common mode.\(^3\)

There is something fundamental about the structure of our lives that is imbricated in and through the way we operate in and (limited by the ways in which we can) imagine our economies. Just as the road creates a common mode of (individualized) movement, markets filled with exchange provide a technology for individuals to traffic in any economic exchange needed while carrying on in their own particular trajectory. As Williams says of the traffic, this is more than a technique. Bumping up against each other in these ways creates a form of life, an imaginary for what it means to be amongst others, or in community. The degree to which life, and how it is shaped, is infused by our economics has been the theme of recent scholarship in

\(^3\) Williams, 296.
religion. Daniel Vaca exemplifies this in his description of Evangelicalism as taking “shape through the ideas, activities, and strategies that typify commercial capitalism.” He does not see this as a corruption of religion but rather reflective of the way that religions, and one would assume all social organizations and authority, “continually take shape through realms of social life that include commodities and their circulation.”

Communities, even spiritual ones, and the very notion of what is meant by the term community is shaped and formed by economic practices.

This is, minus the concern about religion and theology, the point that Michael Power makes in pointing to the “audit explosion” taking place in the 1980s and 1990s where “the audit explosion represents a certain kind of rupture in organizational life but it also draws from long standing practices of financial auditing. Ideal accounts of the financial audit described above function as a kind of paradigm and exert an influence over developments in other areas, even when this paradigm is modified.” There is a “supplementary” character to audits as they have become a “paradigm” of a particular kind of production. As Power says, “Audit is never purely neutral in its operations.” It shapes operations, organizations, and the form of life possible. He continues, “It will operationalize accountability relations in distinctive ways, not all of which may be desired or intended.”

Living as we do in the aftermath of this “explosion,” the paradigm of modern accounting shapes our way of being in the world even outside of finance and economics. While the practice of accounting has been producing accountability throughout

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385 Power, 13.
its history, accountability now presumes this particular paradigm coming out of the financial audits within modern accounting.

Power’s point here about accountability is rather significant, for accountability is taken to be a good thing. It prevents fraud. Yet, in the terms that I have used in describing modern accounting, mainstream accounting and audits only represent one kind of “accountability relations.” They are not neutral. They are not simply relations that exist in the world, but rather the audit itself constructs those relations through the very form of accountability that is chosen. It is in this light that Power’s statement that “to account and to be audited is, almost tautologically, to be accountable,” should be taken as striking. For if our assumptions about what it means “to be accountable” assume the distinctive form of relations based upon financial audits, the power exerted by a modern accounting imaginary throughout society becomes evident. Can we imagine accountability without assuming a modern accounting imaginary? The fear of fraud, or the coercive mode, in society and the way that that has shaped the role of modern accounting in it is quite clear. It assumes that rejecting the form of life characteristic of modern accounting—the individual (balance sheet) encountering society through exchanges—amounts to rejecting accountability, to opening up the floodgates of fraud and coercion, to creating slaves and dogs. This is a failure of imagination, or a constraint of a modern accounting imaginary, for thinking about accountability and the relations that it instills.

As noted above, Power describes the relationship between accountability and trust. Trust makes accountability unnecessary. Accountability can also create trust, but too much accountability can also signal and produce the absence of trust. Trust, we have seen, is constantly shaping the need for different economic arrangements and is in turn being shaped by them.

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386 Power, 68.
Goodchild notes the way trust migrated from a dispersed network to banks as a third party to be trusted by all. Carruthers described the way in which credit scores similarly signaled the shift of trust into an institution. Trust in all of these ways is produced. The myth of the romanticized lost community is one that assumes the idyllic life of yesteryear was one in which everyone trusted each other in contrast to the modern life where no one can be trusted. Trust seemingly evaporated. The question, however, is not whether there is trust, but how that trust is produced. Modern accounting produces trust. How it does so, the shape it gives to “accountability relations,” is crucial for thinking about the way it shapes the forms of life possible within an accounting imaginary. It is not the presence or lack of exchange or trust that marks the most fundamental difference between accounting and gifts, but rather the difference in how they produce that trust. I will return to the significance of this statement at the conclusion of the chapter, but first the next section will explore the categories of gift and exchange to further explore their similarities and differences.

8.5 Gifts and Exchanges

While the language and use of gifts goes back to antiquity, as a modern concept, the essence of a gift and how it relates to exchange has been somewhat of an interminable modern dilemma.\textsuperscript{387} Marcel Mauss’s landmark essay at the beginning of the twentieth century claimed that there are three things necessary for a gift. One must offer gifts. One must receive gifts. One must reciprocate gifts.\textsuperscript{388} The reciprocity demanded by gifts for many, makes it indistinguishable from an exchange. Some portions of modern gift theory took Mauss’s work to be “an archeology

\textsuperscript{387} For a helpful overview of the development of the category of gift going back to antiquity and ending with its modern conception; see John M. G. Barclay, \textit{Paul and the Gift} (Grand Rapids, MI: William B. Eerdmans Publishing Co., 2015), 11–65.

\textsuperscript{388} Mauss, \textit{The Gift}, 73.
of contractual obligations,” a Straussian assumption about universal, structural realities at the heart of social relations. But another approach has been to contrast gifts to commodities. This distinction is highlighted in descriptions of commodities as governed by strict obligation while gifts are “pure” and unilateral. This was a common approach in the 1970s and 1980s though the distinct contrast assumed between the two categories blurred over time. The blurring of these categories reflected, in part, the recognition of the relational impact of gifts and commodities and the meaning imbued in things through those relations. An object is neither inherently a commodity or a gift; it is imbued with those qualities through relational actions and activities. The field of gift theory is rich with this assessment of the relational significance on objects as gifts but also on the effects of various interactions on relationships. Drawing together modern accounting and gift theory is a way of ensuring that these relational components are given their due in this discussion of the practice of accounting. I do not take my own description of gift to be novel within the field. Rather my discussion of Graeber, Derrida, and Bourdieu in this section outline some of the main contours of the literature in gift theory in order to highlight my main argument that gifts are not exchanges but that they include exchanges. In other words, I aim to articulate a concept of gift that avoids describing them as adhering either too closely to strict obligation or pure gift.

Graeber’s discussion of debt, which proved helpful in the previous section’s illumination of different forms of life, runs into two problems when he considers gifts. I raise the first issue here and the second in the following section. Graeber gives only brief consideration to the

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389 Marilyn Strathern says this in reference to Jonathan Parry; see Marilyn Strathern, "Gifts Money Cannot Buy," Social Anthropology/Anthropologie Sociale 20, no. 4 (2012), 408.

390 For a discussion of this trend, see Aafke E. Komter, Social Solidarity and the Gift (Cambridge: Cambridge University Press, 2005), 17–21.
category of gift before concluding that it is a subset of exchange. Despite the fact that he recognizes the importance of organizing social ties around logics other than exchange, he does not see gifts as exemplary of an alternative. Instead, Graeber utilizes gifts to demonstrate what he sees as key features of exchange and debt, equivalence in the objects exchanged as well as between the interlocutors. He says, “In exchange, the objects being traded are seen as equivalent. Therefore, by implication, so are the people: at least, at the moment when gift is met with counter-gift, or money changes hands; when there is no further debt or obligation and each of the two parties is equally free to walk away. This in turn implies autonomy.”

The autonomy that Graeber notes is visible in part by the fact that those engaged in gift exchange, on his account, can break the relationship in ways that one cannot in the realm of communism.

Graeber is right to note the importance of the relationship (a point of Viviana Zelizer’s explored in the next section) for establishing the significance of the interaction. This is brought out in his discussion of hierarchy and kings. As he says, “Giving gifts to kings is often a particularly tricky and complicated business. The problem here is that one cannot really give a gift fit for a king (unless, perhaps, one is another king), since kings by definition already have everything. On the other hand, one is expected to make a reasonable effort.”

The equivalence of relationship is one of the fundamental components about Graeber’s entire argument about what constitutes debt. According to Graeber, gifts essentially amount to an exchange in returning the relationship to equivalency and allowing for a break at that juncture.

Graeber, thus, falls in with company that clamors about the indistinguishable nature of gifts and exchanges. Pierre Bourdieu is also exemplary of this perspective. Bourdieu highlights

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391 Graeber, Debt, 108.

392 Graeber, 106.
the importance of delay and non-identical counter gifts as foundational for gifts.\textsuperscript{393} A gift must have these features in order to avoid being immediately identified and categorized as an exchange. But for Bourdieu, once one truly understands the interaction, the exchange will become visible. As David Swartz says, exchange, and the self-interested motivation associated with \textit{homo economicus}, are for Bourdieu “a foundational presupposition not a hypothesis for testing.”\textsuperscript{394}

For instance, Bourdieu describes the ultimate insignificance of gifts and other forms of archaic economy when he reduces them to “misrecognized” exchanges. Gifts are best understood as exchanges, though this underlying exchange is “socially repressed.” Bourdieu even notes the inefficiencies that gifts cause in all of the effort made in “disguising the play of economic interest and calculation.” The distinction between gifts and exchange is their presentation. The presentation of gifts is often economically inefficient, but once one is able to cut through all of the aspects of gifts and archaic economies that “have the function of limiting and disguising the play of economic interest and calculation,” it “exposes the objective workings of the economy.”\textsuperscript{395} Elsewhere Bourdieu makes this point stating that we should “abandon the dichotomy of the economic and the non-economic which stands in the way of seeing the science of economic practices as a particular case of a \textit{general science of the economy of practices}, capable of treating all practices, including those purporting to be disinterested or gratuitous, and hence non-economic, as economic practices directed towards the maximizing of material and


\textsuperscript{395} Bourdieu, \textit{Outline of a Theory}, 172.
symbolic profit.”

Bourdieu, 183.


Derrida, Given Time, 7.

Derrida, 24.

Derrida, 13.
recognized as such. “The simple identification of the gift seems to destroy it.” Identifying a gift as such will immediately launch a return, whether that be gratitude by the recipient or self-congratulation by the donor, which is its own kind of return. It is paradoxical because “if there is no gift, there is no gift, but if there is a gift held or beheld as gift by the other, once again there is no gift; in any case the gift does not exist and does not present itself. If it presents itself, it no longer presents itself.”

The only way to imagine a pure gift is in connection to death. More bluntly, one must die in order to deny the possibility of any return for a gift. But Derrida’s definition of a gift as that which does not have any return, a modern conception of “pure” gift, is not a detail which can be passed over quickly. The modern imaginary in which this conception of gift is possible is shaped first and foremost by commodity transactions. So-called “pure” gifts in this context are simply “defined as what market relations are not.” Gifts are “opposed to exchange” rather than existing as their own category. In other words, the category of a pure gift does not exist apart from a market exchange but because of it. Milbank makes this point saying that “free gift” and “contract” are “within the terms of the genus ‘negative liberty’ which contains them both.”

Perhaps this is where the clearest comparison between Bourdieu and Derrida presents itself. For neither Bourdieu or Derrida, in contrast to Graeber, seem capable of imagining societies operating according to a moral economy other than exchange. Communism is simply not

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402 Derrida, 14.
403 Derrida, 15.
404 Derrida, 102.
405 Jonathan Parry, “The Gift, the Indian Gift and the ‘Indian Gift’,” Man 21, no. 3 (19860, 466 and 458. For a full discussion of how “the modern ideology of the ‘pure’ gift is the construct of a specific historical and cultural configuration—an invention of the modern West”, see Barclay, Paul and the Gift, 11–65.
406 Milbank, “Can a Gift be Given,” 126.
possible, and this is because for Derrida, the Inuit hunter’s fear of a “thank you” is well founded, and the return of gratitude or self-congratulation is unavoidable.

Highlighting the role of freedom and “negative liberty” reiterates the way in which the communities derived in Bourdieu and Derrida’s accounts are those that identify the individual subject as foundational. They promulgate the individual, freedom, and separation because both exchange and the pure gift make sense in the myth of barter. This reliance upon transactions that are perceived as commodity, or market, exchanges is significant when considered in light of Dumouchel’s description of the shift in social space that occurred as exchanges moved from a gift giving context to that of a market. This change was the creation of the individual outside of a social network. This person could be individually wealthy as described by Goodchild but was also exposed to scarcity and potential lack. The ties that interconnected individuals in the web of society were dissolved by this shift. The relations that continued, as mentioned above, were based simply upon a coincidence of need that spurred market transactions. The prevalence of this type of imagining of social relations in the modern context is visible in someone like Becker, the economist who suggests that family decisions, such as marriage and having kids, fit within a market rationale. But if the most ostensibly intimate relationships are nothing more than market transactions, then they are continually contingent upon the coincidence of needs or desires. This means that each person in this social context does not have any permanent social bonds or ties except for the temporary exchanges that are needed to make life possible. Everyone is potentially an estranged and isolated child awaiting a bill from his or her parents.

But if reducing gifts to exchange leads to the dissolution of community, so too does assuming they are pure gifts that are entirely unilateral. As Volf says, “Take reciprocity out of

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gift giving, and community disintegrates into discrete individuals.”

Derrida’s vision of a gift is one that liberates one from even these temporary moments of relation. A gift in his account is the action of one person freed from any possible return, “an effraction in the circle.” To step out of the circle, so to speak, which would be required for a gift, would require that there be neither a giver or receiver. For “where there is a subject and object, the gift would be excluded.” Derrida’s description of a true gift’s connection to death could be considered a version of “perfecting” his concept of gift, or more accurately, market exchanges. To perfect a concept, in this context, is to carry it out “to its endpoint or extreme.”

What Derrida reveals for us is that according to a structure where society is organized around the principles of market transactions, one that Dumouchel has described as creating individuals outside of the social space, the ideal manner of existence is death, perhaps the ultimate form of abstraction. For this becomes the only way to truly individuate oneself and escape any form of reliance upon the emaciated society that remains. It is the only way to ensure that one’s subject does not face an object. On this reading, Derrida is correct that to be alive and to exist apart from a return is “the impossible.” Derrida’s gift is the antithesis of relationship. It is the extreme escape from all possible ties, reliance, or obligation. What is striking about this is that Derrida’s attempt to achieve a gift, through his misconstrual of gift as the severing of relational ties, highlights how life itself is a gift that implies a relational aspect. The theological significance for thinking about gifts and exchanges in relationship to life and death become

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408 Volf, *Free of Charge*, 87.


410 Derrida, 24.

evident when one considers the contrast between imagining a gift as connected to death as opposed to the relationship of Creator and creature as a gift (see Chapter 9).

Imagining gift as conflated with exchange or seen as its alternative leads one to imagining the same, or similar, forms of life. Exchange is fundamental. Society is constructed of individuals who relate through exchanges and the possibility for an alternative is beyond imagination. It is odd then that Graeber so quickly dismisses gifts and categorizes them as exchanges. What makes Graeber so helpful is his ability to illuminate the relational import of economic transactions, but here he fails to account for the significance of categorizing gifts as exchanges. Perhaps the question that arises though for Graeber and Bourdieu is, if gift is ultimately an exchange, in what way are they differentiated enough to discuss at all? By answering this question in the next section, I demonstrate that even though we should not allow the distinction of gifts from exchange to lapse into imagining pure gifts, the distinction has important relational implications embedded within economic interactions.

8.6 The Recognition of Forms of Gifts and Exchanges

Graeber emphasizes the role of enumeration in exchanges. In the stories of the father and son as well as the hunters it is the counting that seems so crucial for Graeber. What seems to make gifts ultimately indistinguishable from exchanges is that they are counted. If they were not, how would the parties engaged know when things were even? Yet Marcel Hénaff rather summarily rejects this distinction stating, “The contrast often established between gift-exchange relationships, said only to involve quality, and commercial relationships, said to involve quantity, is based on a naïve assumption. Gifts can be numerated and quantified and still remain gifts.”

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Hénaff notes, in order to make this point, the way in which ceremonial monies function distinctly from commercial money. This ceremonial money might be used for “payment for the bride” but it cannot actually be used to buy anything. As Hénaff reminds, brides are not actually purchased, but clearly ceremonial money is counted and enumerated.413 Perhaps Graeber’s misplaced distinction is what causes him to conflate too easily gift with exchange despite his own recognition of the relational possibilities of an economic transaction.

In stark contrast to Graeber is Bourdieu, who much more successfully identifies the distinction between gifts and exchanges, even though he remains closed to the relational implications of gifts operating as distinct from exchanges. The point of the gift according to Bourdieu is that it fulfills a relational significance precisely in its form as a gift that could not be accomplished were it to take the shape of an exchange. This significance, however, is ultimately measured in terms of its efficacy according to the general economic logic. This importance of the form of gifts is perhaps Bourdieu’s most astute observation when it comes to the gift and is precisely the insight that cannot get lost in our discussion though it does in Bourdieu’s own. Bourdieu’s point fits with Viviana Zelizer’s analysis that identifies the way in which the media used in an interaction have profound implications for the meaning of the transaction. In other words, the exchange of values through a market exchange is not equivalent to an equally valuable swapping of gifts. The difference in means makes them mean differently. These means are, of course, lost in modern accounting as it strips all of the “extraneous” information away allowing the exchange to be d(en)ominated by numbers.

413 Hénaff, 305.
In making this point, Bourdieu identifies the distinction between gift and exchange as a “socially maintained discrepancy.” In other words, the distinction is “misrecognized” and socially maintained despite the fact that, as Bourdieu insists, gifts are ultimately exchanges. Bourdieu articulates clearly the source of the “discrepancy” saying, “Everyone knows that ‘it’s not what you give but the way you give it’ that counts, that what distinguishes the gift from mere ‘fair exchange’ is the labour devoted to the form: the presentation.” One way that Bourdieu illuminates this emphasis upon presentation is through an example of a mason who upon completing the construction of a house returned home without participating in the ceremonial meal that would typically be offered in his honor. Instead, he requested payment equal to the value of the meal in addition to his day’s wages. This, as Bourdieu explains, “caused a scandal.”

His demand for the cash equivalent of the meal was a sacrilegious reversal of the formula used by the symbolic alchemy to transmute the price of labour into an unsolicited gift, and it thus exposed the device most commonly employed to keep up appearances by means of a collectively concerted make-believe . . . the reaction could only be scandal and shock when a man took it upon himself to declare that the meal had a cash equivalent, thus betraying the best-kept and worst-kept secret (one that everyone must keep), and breaking the law of silence which guarantees the complicity of collective bad faith in the good-faith economy.

Bourdieu’s conclusion reveals perhaps his own worst-kept secret, that he thinks gifts really can be converted, or transmuted, into exchange. Ceremonial money is convertible into commercial money. In fact, gifts and the misrecognition of their fundamental exchange are exemplary of “collective bad faith” that work in service of “the good-faith economy.” The value

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415 Bourdieu, 194.
416 Bourdieu, 172–73. For an account that similarly highlights the incommensurability held between certain items in different societies consider James Ferguson’s discussion of the “bovine mystique” where cows could not be sold for commercial money as they operate in an entirely different realm; see James Ferguson, *The Anti-Politics Machine: "Development," Depoliticization, and Bureaucratic Power in Lesotho* (Minneapolis, MN: University of Minnesota Press, 1994).
of a gift is ultimately what it can accomplish as an exchange. What Bourdieu grasps that Graeber misses is the significance of the form of gifts. Whereas for Graeber there are three different ways of operating a society (communism, exchange, hierarchy) in which gifts are categorized as exchange, Bourdieu’s structure is different. Bourdieu sees gifts as distinct from “fair exchange” in a fashion that appears much more significant than Graeber. Yet where Bourdieu conceptualizes a distinction between gift and exchange, he (very much unlike Graeber) suggests that ultimately society is governed by exchange all the way down.

Because Bourdieu’s fundamental assumption is that underneath of it all there is an exchange, he seems to have more space to assess the way in which gifts function differently than “fair exchange” out in the open. As such, I think he gives a better account of the kinds of efficacy and effects the particular form of a gift has on an interaction in a way that Graeber does not. Bourdieu thus provides a better account of how gifts function (ironically) since his framework ultimately reduces all actions into exchange. What, unsurprisingly, the distinction comes down to between Graeber and Bourdieu is one of imagining how communities are bound together. What Bourdieu’s account alerts us to is that the form of a transaction is bound up with the form of life that it assumes and enacts. An honorary meal is not the same as a check for the amount that the bill would be; nor is paying a bill for expenses incurred the same as being indefinitely a father’s son. This is what the gift literature draws out and together: forms of economic interactions and assumptions about the kinds of transactions (exchanges, gifts, “pure gifts,” debts, credits, etc.) shape our vision of society, community, and how individuals within them relate. How we count reflects and enacts how we imagine being bound together.

One of the clearest accounts of the way in which the form of a transaction affects its relational significance is provided by Vivian Zelizer. She identifies, like Bourdieu, that it is not
only what is given, but how it is given that matters. Zelizer highlights the importance of attending to the fact that when people barter over interactions, they do not only negotiate “the amount of money due, but it is impressive how often they argue over the form of payment and its appropriateness for the relation in question.”

This bartering reflects the relational impact at stake. Zelizer provides a matrix of four elements that can be used to evaluate the ways in which people “establish boundaries between significantly different relations, marking those boundaries by means of labels and symbolically potent practices.”

The first of these characteristics is the relations, that is, the “durable, named sets of understandings, practices, rights, and obligations that link two or more persons.”

Second is the transaction itself, which is the defined, short-term interaction between two or more parties. Third, the media is considered, which is the tokens or mechanism of accounting used. Finally, boundaries, which are the “perimeters drawn around distinctive combinations of relations, transactions, and media.”

The significance of the interaction, the relational work that it does, its definition, maintenance, and potential transformation can only be grasped by attending to each of these characteristics.

Modern accounting is implicated in each of these aspects of the matrix, which is why it is so relationally potent. It casts economic interactions into a particular form. Tinker’s description of “developed exchange” in conjunction with modern accounting illuminates this point. Tinker states, “Developed exchange is distinguished from traditional exchange in two ways: first, by the extent to which it has become routinized, and second, by the need for customs and practices for

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418 Zelizer, 37.

419 Zelizer, 37.

420 Zelizer, 37.
establishing determinable reciprocal payment."\(^{421}\) The importance of modern accounting along with value theory is that “they provide the value rationales for determining the degree of reciprocity commensurate in an exchange, from both an individual and a societal point of view."\(^{422}\) The significance of this can be seen in thinking about the characteristics in Zelizer’s matrix. First, the “routinized” element of developed exchange means that the “relations” assumed in the transaction are all considered commensurate, which requires they all be assumed as abstract. Modern accounting is no respecter of persons (part of the impersonality which supports its claims to objectivity). The implication of the father treating his son’s upbringing according to developed exchange is to deny any special relation as father, suggesting instead that he was simply a care giver needing reimbursement for expenses just as any other person who might have cared for the child would.\(^{423}\)

The second and third elements in Zelizer’s matrix take on an obvious significance for modern accounting as the second element, the transaction, is defined by the third, the media or accounting used. As the first part of the project demonstrated, modern accounting provides a particular description of economic events that is neither neutral nor value-free. Zelizer’s claims resonate with my arguments about the moral significance of the practice accounting as a form of representation.

Zelizer’s work conclusively puts to rest the confusion or ambiguity in Posner’s discussion of spouses and hired sex workers. Zelizer’s work, *The Purchase of Intimacy*, actually develops

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\(^{421}\) Tinker, *Paper Prophets*, 93.

\(^{422}\) Tinker, 95.

\(^{423}\) There is a resonance between my critique here and an ethic of care that assumes that if we do not properly account for our relations to others, we cannot properly do ethics; see Virginia Held, *The Ethics of Care: Personal, Political, and Global* (New York: Oxford University Press, 2006).
the argument that meaning in transactions derives not just from amounts but through the form that they take by analyzing court cases where the relevant question at hand was whether or not two individuals should be considered lovers in a romantic relationship or whether one is a "companion" for hire. In exploring this question, it is precisely the distinctions in form, not the value, of "payments" that distinguish whether they were payments or loving gifts. The key distinctions emerged from questions such as, Were the "payments" made in money or easily convertible to money? Was their periodic giving routinized (bi-weekly, monthly, etc.) or were they attached to particular occasions (birthday, anniversary, etc.)? Was the giver giving the "payments" personally or through a mediator such as an administrative assistant? In distinguishing relationships based upon the form of the transactions, the courts (and Zelizer) distinguish whether the relationship was something like "authentic" love or merely an exchange. It was not simply the amount or value transferred that answered the question. It is rather remarkable that Zelizer, as a sociologist, turned to the field of law to demonstrate this point that so clearly disproves Posner’s argument that the relationship between spouses and sex workers are not fundamentally different given that Posner’s main field is law and economics. Posner’s approach to law and economics, however, is one that bends towards naturalism, presenting economic laws as natural and neutral. His assumptions about the practice of accounting follow, and as I have shown are untenable.

The final element of Zelizer’s matrix establishes boundaries of the relationship. The question of boundaries around a transaction has been wrapped up in much of this chapter’s argument, which has highlighted the different ways in which trust is produced and the possibility of risk in transactions. If modern accounting assumes certainty and provides trust, gifts are filled with risk and ambiguity. The trust required for a gift must reside within the parties involved; it
cannot be produced by a third-party. This is the transformation that Goodchild finds so fundamental to society in the creation of money by the bank. Exchanges facilitated by money backed by the bank do not require that the parties transacting trust each other in ways that were so fundamental to the prior network of creditors. These networks participated in each other’s lives in a way that was distinct from those where the exchange of money relied upon the bank to ensure money’s value. Value was no longer contingent upon the community in the same way. One was not bound to the success or failure of one’s creditors who relied upon their creditors. Because mainstream accounting is routinized, its use functions as a third-party production of trust. As Tinker said, it produces a “determinable reciprocal payment” amount. In doing so it can help resolve disputes, serving as a trustworthy arbiter. This may prevent fraud and remove contingency, ambiguity, and risk, but the good that comes with these changes are not unmitigated.

Hénaff notes the relational significance of precluding risk, which is fundamental to gifts. He says, “This is an essential point because the entire issue turns on this commitment, the risk taken, the challenge presented by an alliance—that is, the folly of binding oneself through reciprocal offerings. Therein lies the incalculable value of the thing given.” In other words, gifts are neither absent exchange nor reducible to it because “what is given in ceremonial gift exchange is oneself through the mediation of a good that constitutes a substitute and a pledge.” One gives not just a thing when one gives a gift, but oneself. There is no trust-inducing pledge or mechanism other than oneself. The gift of oneself is, of course, what opens up the possibility for oppression or coercion. It is also what makes a gift incommensurable though not necessarily

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425 Hénaff, 396.
uncountable. In fact, not only are gifts not uncountable but it is how they are counted that distinguishes them.

The value of a gift, its counted significance, can only be ascertained by the parties engaged. Gifts cannot be counted by a third-party. Third-party counting is the fundamental task ascribed to modern accounting by Tinker. As an abstract neutral, the very purpose of its counting is to provide certainty, erase ambiguity, and produce trust. Though if we live in a society where all trust is, or must, be produced by this third-part form of accountability, then Power would suggest we also live in a society void of interpersonal trust. Gift counting is different. There is no arbiter that ensures that gifts are counted accurately. In fact, the gifts are often not even counted together by the parties engaged. The recipient’s counting of the gift is only communicated through the counter-gift where attention to the value based upon the relations, medium, and boundaries is displayed in valuing the gift received and then in furnishing an equally valuable counter-gift that will equally attend to the form of the gift in producing its value. But because gifts are not counted together, one always risks miscounting or misconstruing the value of a gift. One risks giving a gift whose value related to the particular relation is not recognized as the relationship may not be counted as equally valuable by the other party. It may be undervalued or overvalued; both possibilities can cause problems.

This uncertainty in counting requires risk to continue in the cycle of gifts despite the unknown possibilities. It is, thus, in the act of counting carefully, well, and charitably that the binds of the relationship are strengthened. What Graeber fears about counting is not counting as such but a particular form of (ac)counting. Even our conception of risk, I would suggest, based upon Scherz, is a form of cost-benefit analysis largely contingent upon marginalist economic principles in considering the probable future outcomes of present actions. The risk is the
unknown, the ambiguity in the probable outcomes, or the inability to determine the probability. Decision theory seeks to mitigate, or ideally excise completely, risk without ever considering its positive potential. In discussing language in Chapter 10.3.1, I highlight how the potential for speaking truth comes alongside the possibility that one can lie as well. In other words, the steps that one must take to eradicate risk lead to the eradication of goods as well.

Gifts are subjective in ways that modern accounting is not, which is what produces their ambiguous form of counting. Should our societies be shaped around this kind of risk? Am I romanticizing lost communities that function according to baseline communism? No. Yet if this risk is to be feared at times, and I think it should be, so should its complete evisceration. What I am trying to highlight here is that even as modern accounting provides a different form of counting—one that can serve as a third-party arbiter—the fact that it is not narrowly objective and that it is embedded with relational and ethical significance means that it should not be applied blanketly. In other words, the contrast between gifts and modern accounting should not be emphasized to the detriment of losing sight their similarity. They are both forms of counting in a deeply Wittgenstinian sense. They are forms of counting that amount to agreed upon ways of tracking a progression and determining value. Both are well-suited for certain circumstances while woefully inadequate to others. Perhaps the greatest failure of modern accounting is that in its claims to universal objectivity it claims to be able to count everything. It loses sight of the fact that it is but one particular way of counting. My rejection of its narrow objectivity is not a naïve claim that modern accounting counts the same as gifts. Rather, my rejection of its narrow objectivity is a rejection of the assumption that we do not need to attend to questions of practical reasoning and truth when determining where modern accounting should be applied in precisely the same ways that we must attend to this question when considering the application of gifts.
Hénaff notes how the exporting of trust to a third-party shapes relational possibilities. Gift giving centers on “reciprocal recognition” something that he notes is displayed in the way the parties engaged in gift giving face each other, but “in political societies… The public recognition of each person is ensured by the law, before which all members of the citizen community are equal.” The role of law to provide this recognition is similar to the role of commercial exchange, which Hénaff says is “legitimate” and “it would be intolerable if every exchange of goods were understood as a request for recognition, but life would be unlivable if no exchange were understood as such a request.”

Modern accounting does something similar to law in the production of public recognition. It reckons the two parties engaged as equals through their acceptance of modern accounting as a third party. Modern accounting as third-party counting diminishes risk, and in doing so, removes the parties engaged from the transaction itself. In its fervor to prevent fraud, modern accounting loses track of its inability to facilitate direct recognition “sometimes destroying human dignity.” If all of life is captured by the modern accounting imaginary, then it “would be unlivable,” for it would foreclose the possibility of living in participation with others. It would deny the possibility that we can only make sense in community and not just as individuals. It would deny that our gifts, speech, and value are bound up and contingent upon the lives shared with us and with whom we share our lives.

There is risk of coercion in this form of life, and thus, it cannot be universally practiced. But by not applying it universally I simply avoid the concerns raised by modern accounting’s
penganct towards a search for universality and rule following—its own categorical imperative. There is a certainty of oppressing human dignity in lives lived without the possibility of direct recognition. A totalizing approach to preventing fraud in modern accounting produces a world absent of the goods of charity. The charity to share things, but more than that, to share life. The form of modern accounting makes this form of life “the impossible.”

8.7 Conclusion

Because modern accounting is not simply amoral—in contrast to immoral fraud and moral charity—we must consider the ways in which its counting is vicious or virtuous. As the previous chapters have shown, modern accounting is not neutral or (narrowly) objective. Chapters 5, 6, and 7 pressed this argument the furthest with Chapter 7 highlighting how modern accounting is a form of practical reasoning that should be evaluated as form of practical truth oriented towards particular ends and goals. Modern accounting can produce trust as a neutral third-party arbiter in society, but this form of counting has limits. The contrast to gift in this chapter highlights that modern accounting cannot (ac)count (for) everything. It denies the possibility of direct recognition, and life without that form of interaction damages human dignity.

These two arguments—modern accounting’s non-neutrality and its limits—are, in some ways, drawn to a close in this chapter. They are essential for understanding the final chapters, but these conclusions are assumed going forward. In that way, this chapter functions as a capstone for the chapters that have preceded it. But this chapter is an essential hinge, meaning that its engagement of gift provides a launch pad for the constructive claims in Chapters 9 and 10. This is perhaps most clear in a set of homologous binaries that are present throughout this chapter and the following two.
In this chapter, I have been at pains to articulate a concept of gift that is not a “pure” gift or an ideal opposite of strict obligation. This strict obligation/pure gift binary is the first in the set of binaries worth highlighting. In fact, what my analysis has shown is that the concept of the pure gift is not an escape from the logic of strict obligation but a continuation of it. A pure gift is conceptually dependent upon the strict obligation. My description of gifts as including exchanges but not being limited to them is a careful attempt to avoid lapsing into either extreme of these binaries. I have made the same careful effort in this chapter’s discussion of the relationship between individuals and community. The individual/community binary is another one where a modern accounting imaginary that assumes each person is an individual and pines for the lost community veers into the two extreme poles of the binary. My rejection of nostalgia for a lost “romantic community,” thinking instead of our economic processes as “supplementary” to the constitutive construction of individuals and community again charts a course between either extreme in the individual/community binary. The penchant to push towards the extremes of these two binaries and the others that I address—separation/unity, objective/subjective, naturalism/emotivism—is, I suggest, representative of the inability to escape the modern accounting imaginary. These binaries are well-trenched channels through which our concepts in various realms flow freely and easily. My arguments in the next two chapters constantly press through the tension of these binaries avoiding either extreme. In doing so, I am suggesting ways forward that avoid the penchant to the extreme poles of these binaries within modern accounting—that assumes strict obligation/pure gift—in various realms of life.

Because I see the core arguments of the dissertation having already been made in conceptual fashion, Chapters 9 and 10 function slightly differently than the previous chapters.

They provide direct discussions of Christian theology and ethics in light of the claims that I have made about modern accounting. In other words, if I have made explicit that modern accounting is not neutral and has implications for anthropology, sociality, and even ontology, what remains to be presented more thoroughly is how it impacts theology and ethics, as I claim it does. Chapter 9, therefore, takes up the concern of how the relational assumptions of modern accounting, when projected into Christian theology, clash with a theology of creation and life as gift. Chapter 10 provides an account of Christian ethics that functions according to a method of language as gift contrasted to the naturalism/emotivism of modern accounting. Chapters 9 and 10, thus, provide two tangible accounts of why the argument I have made up to this point matters.
CHAPTER 9
Of Reckoning with God

9.1 Of Reckoning with God Introduction

This chapter explores two gifts: the gift of creation and the gift of salvation. These gifts further highlight gift that I articulated in the previous chapter, which carefully avoided the extremes of the strict obligation/pure gift binary. Navigating these extreme ends of this binary will continue to be an important aspect of my discussion of these theological gifts. In doing so, I suggest that reckoning humanity’s relationship to God (i.e. thinking about the gift of salvation) must be rooted in the form of life of the gift of creation. I contrast approaching salvation this way to those that are rooted in modern accounting’s form of life. Additionally, this chapter extends the logic of gift, in contrast to a modern accounting imaginary, by considering further binaries that need to be navigated along with strict obligation/pure gift, such as separation/unity and objectivity/subjectivity. Just as modern accounting logic corresponded to strict obligation in the previous chapter, it also corresponds to separation and objectivity. All of these are themes that are part of the criteria of modern accounting to which I return below.

As a whole, this chapter serves to provide an example of the way that modern accounting impacts theological discussions. It is also a constructive proposal for thinking about how humans relate to God outside of a modern accounting imaginary and demonstrating the implications of that on the doctrine of salvation. If previous chapters have made clear the argument that modern accounting represents the world according to certain criteria, this chapter moves the conversation
into a theological register demonstrating modern accounting’s potential significance for shaping theological discourses. Even if one does not accept my constructive proposal, the role of modern accounting that I demonstrate in shaping the theological discourse supports my argument that modern accounting is theologically significant.

There are three main sections in this chapter. The first begins by noting the longstanding connection between discussions of morality, particularly sin, and economic and accounting language. I look specifically at the current discourse around debt to highlight the role of the practice of accounting for establishing criteria by which objects are made intelligible. I demonstrate how the conflation of modern accounting with the practice of accounting in general constrains the possibilities for addressing these topics. I return to an explicit discussion of the criteria of modern accounting to emphasize the theological implications of applying a modern accounting imaginary to these theological discussions. The second section moves to the gift of creation. By addressing creation, I outline an alternative form of life, one rooted in gift rather than the criteria of modern accounting. This form of life offers a way of imagining how humans are reckoned to God that is outside the possibilities of an accounting imaginary. In the final section, I return to the issue of sin and debt by considering the gift of salvation. I articulate the gift of salvation rooted in the form of life outlined in the discussion of creation. The gift of salvation, in my telling, avoids lapsing into salvation falling into the constraints of modern accounting, and therefore exchange.

9.2 Accounting for Sin and Debt

9.2.1 Accounting for Sin

The practice of accounting is inextricable from discussions of sin, guilt, morality, and debt. Even as modern accounting is presented as “just the facts,” the practice of accounting is
widely imbued with moral significance. Jacob Soll tells a history of accounting, for instance, that argues that fiscal responsibility and the ability to account well in the financial realm are not incidental to the broader moral status of a society but that "those societies that have succeeded (to do good accounting) are not only those rich in accounting and commercial culture but also the ones that have worked to build a sound moral and cultural framework to manage the fact that humans have a regular habit of ignoring, falsifying, and failing in accounting." And while one might raise questions about Soll’s argument as it works out in history, at a popular level, the type of connection that he is making between fiscal responsibility and morality is evidenced by those like Dave Ramsey whose success relies upon the plausibility, or perhaps taken for grantedness, of the interconnectedness of proper Christian living and debt-free finances.

Binding together morality and finances, however, is not a modern invention. Gary Anderson, in Sin: A History, highlights the use of debt as a metaphor for sin in the Hebrew Bible beginning in the second temple period. Imagining sin as a debt was firmly ensconced in the imagination of the New Testament writers and the early church. Anderson suggests this financial metaphor shapes not only theology around sin but virtue as well. In particular, the rise of almsgiving is unsurprising, for as Anderson puts it, “As soon as sins are thought of as debits one begins to think of virtuous acts as credits. If God keeps a record of what one owes, then there

430 Soll, The Reckoning, xii.

431 Dave Ramsey is a widely listened to radio show host and has written numerous books and courses that guide users through financial questions and challenges. Much of his advice focuses on the elimination of debt and budgeting systems based on cash rather than credit cards. His courses are frequently offered in churches as part of Christian education alongside courses focused on Bible studies or devotional topics.

432 Gary A. Anderson, Sin: A History (New Haven, CT: Yale University Press, 2009), ix. The metaphor took hold largely due to the linguistic influence of Aramaic, which contrasted the more common, earlier Hebrew metaphor of sin as a burden.
must be a corresponding ledger sheet that documents what one owns.”

Anderson notes that at times “the metaphor of sin as a debt seems to conjure the notion that God sits in heaven with his account books open and scrutinizes every human action with an eye toward properly recording it as either a debit or credit. There is little room for the merciful side of the Godhead to emerge. One need not study theology to understand this exacting or even punitive side of God; a degree in accounting may do just as well.”

Anderson’s claim of the long intertwining of theology and economics is borne out by others as well. Jennifer A. Quigley, in *Divine Accounting*, highlights the use of economic language in early Christianity, particularly in Paul’s letter to the Philippians. Quigley notes the intermeshed economic and theological realities in antiquity, describing them with the term “theo-economics,” which can highlight the way “the theological imaginary is lively in mundane economic activities such as banking, storage, purchases, and contracts,” how economic language is employed in theological descriptions, and polyvalent moments of language that “can have both theological and economic possibilities.”

Devin Singh’s *Divine Currency* argues that the shape of the economy infused the structure and meaning of early church fathers’ theologies, looking specifically at the theology of Eusebius. A similar line of thinking is drawn out by Barclay, in *Paul and the Gift*, where he considers the impact of employing the concept of gift by different theologians.

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434 Anderson, 105.

Nietzsche’s well-known section in *The Genealogy of Morals* addresses the connection of guilt, owing, debt, and ought in a similar and provocative fashion. According to Graeber, Nietzsche is not necessarily asserting that the relationship of creditor and debtor “precede any other form of human relationship.”

Rather, Graeber argues that Nietzsche is trying to suggest the implications of such an assumption about fundamental human relations are “insane” as is the assumption itself. Nietzsche highlights penal and debt codes that outline, rather graphically and in detail, how payments can be made with “a pound of flesh.” These charts map monetary values to particular body parts or forms of dismemberment. Sacrificial systems, including those involving human sacrifice, as religious cults and ways of satisfying deities are extensions of this system. For Nietzsche, this logic is exemplified in the Christian story of redemption where God, the creditor, upon realization that the debtors would be incapable of paying their debts, pays the debt personally, with a pound of God’s own flesh. Graeber’s reading leaves one to conclude that Nietzsche thinks Christianity is “insane” because the central element of its story results from bringing the “insane” assumption that humanity’s relations are based on exchange, as debtors and creditors, to its logical conclusion. Theology and economics—accounting and morality—have long traveled together. The deep-seated connection of guilt, debt, sin, and owing that animates so much of life and theology warrant reflection.

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436 Graeber, *Debt*, 76.

437 Graeber, 78.


439 I do not stake a claim on whether Nietzsche has followed the logic correctly in getting from humanity as fundamentally calculating agents who relate via exchange through to the atonement, but it seems imprudent to dismiss his claims lightly.
9.2.2 Accounting for Debt

As Anderson, Quigley, Singh, Barclay, et al. demonstrate, long have economic metaphors been used in theological discourse. If these economic and accounting metaphors have so long been used, then why have I set out to argue that modern accounting specifically shapes theological and ethical imaginaries? In other words, if accounting has so long been used in theology, why should we think now that there is theological import in modern accounting? One recent discourse within theology that sheds light on this question is the critical engagement with the concept of debt. In light of the neoliberal context, some hold the concept of debt to be tainted, if not at least complicated, when moved into a theological register. This has raised questions about whether the term and concept retain any usefulness or whether it should be discarded wholesale.

Hollis Phelps, for example, thinks the term should be jettisoned entirely. Phelps points to Maurizio Lazzarato’s “indebted man,” which Lazzarato posits as typifying social existence under the regime of neoliberalism. As if the fundamental relation of exchange was not bad enough, Phelps describes Lazzarato pressing even further saying, “The relationship between debtor and creditor shapes subjectivity itself, meaning that under neoliberalism we all, in one way or another, understand ourselves in terms of debt.” Phelps points to Anselm’s atonement theory as framing salvation in terms of debt, which in light of the subjectivity of the “indebted man,” makes it theologically insufficient.

Others argue that the term debt might be retained, but that it requires reconfiguring. Devin Singh, for instance, also considers Anselm’s account, but rather than arrive at the word

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debt and relate this directly to neoliberal conceptions, he investigates the concept of sovereign debt as an alternative. Sovereign debt is not synonymous with a neoliberal conception of debt, in part because it makes God not only a creditor but a debtor as well. Singh argues that this kind of debt can be helpful within a theological framework. A sovereign debt theology may also contain the resources to inspire more just approaches to economic practices according to Singh.  

In a similar argument, Andrew Sutherland retains debt by looking to Catherine of Siena’s theology of creation that imagines debt within relations of interdependence and mutuality. Sutherland considers what Siena might have meant when employing the term debt in light of her larger theology, coming to the conclusion that she could not have meant what debt means in a neoliberal context. Debt, in her account, is the opposite of the individualized, neoliberal approach. Theology might profitably use the term debt, according to Singh and Sutherland, so long as it does not simply mirror the neoliberal category.

It is not my aim to adjudicate these claims directly, but rather to use them to highlight the role of the practice of accounting in the relational environment of debt. Debt requires the practice of accounting. It need not be as sophisticated as modern accounting, or even DEB accounting, but one must be able to count and account to have debt. Reflecting on the practice of accounting, the type of writing (or even tally sticks) that makes debt possible, moves the conversation back one step. The practice of accounting, as I argued in Chapter 2, in Wittgensteinian rhetoric, focuses the discussion on the realm of criteria. What are the criteria for


443 As Graeber illuminates, debt is often considered to be a technological advance that comes after money (which is assumed to come after barter), but this story is neither true nor reflective of just how foundational debt is in social relations. Debt can precede money, but not accounting.
identifying something as debt? What are its features and significance? What is the form of life and the grammar whereby the use of this concept makes sense? What is the relational context in which something can be described as debt? What are the relational consequences of doing so? These are precisely the types of distinctions that the previous chapter made between gifts and exchange. Within this line of questioning, the debates about debt are just as much debates about what kind of accounting one should use. What should be the criteria when accounting for debt theologically?

Cavell highlights the Wittgensteinian significance of criteria by contrasting him with J. L. Austin,

The general relation between these notions of a criterion is roughly this: if you do not know the (non-grammatical) criteria of an Austinian object (can’t identify it, name it) then you lack a piece of information, a bit of knowledge, and you can be told its name, told what it is, told what it is (officially) called. But if you do not know the grammatical criteria of Wittgensteinian objects, then you lack, as it were, not only a piece of information or knowledge, but the possibility of acquiring any information about such objects überhaupt; you cannot be told the name of that object, because there is as yet no object of that kind for you to attach a forthcoming name to: the possibility of finding out what it is officially called is not yet open to you.444

I am suggesting that the practice of accounting that one chooses to use provides the criteria whereby the object debt is identifiable. It is only from a particular form of life that there is a grammar which can tell us what kind of a thing debt might be. A specific relational ordering is assumed and enacted through the shape of transactions, in this case debt, again building on the discussion from the prior chapter. The question that Phelps, Singh, and Sutherland all raise is what the criteria should be used in order to identify something as debt? All three, therefore, point to specific forms of life—neoliberalism, Catherine of Siena’s interdependent community, sovereigns—in order to identify the grammar in which something could be asserted as debt. The

differing social and relational grammars used to make debt intelligible are what lead Phelps to reject debt and Singh and Sutherland to retain it for theological use. To say that one is indebted to God simply does not say very much unless one knows the criteria for debt. In other words, one must first do accounting.

The practices of accounting establish criteria that determine how to (ac)count (for) things. The particularity of a practice of accounting means that while the practice of accounting requires the establishment of criteria generally, to practice accounting one can only ever apply specific criteria. Thus, modern accounting (and every other specific form of accounting) establishes a criteria whereby certain relational possibilities are taken for granted and others are “not yet open.” The criteria of modern accounting used to count individuals and relationships were discussed in Chapter 2.3.3 and have continued to be highlighted throughout the project. First, modern accounting is oriented towards possession and control. Objects in modern accounting are things which can be owned or controlled. Debt, in modern accounting, is a relation whereby one agent owes and the other owns, which explains the hesitancy to employ it theologically. Second, as evidenced by the balance sheet, individuals are discrete and fully separate entities whose relations are always extrinsic. Third, the income statement highlights the abstract nature of modern accounting. This abstraction demands that all things must be quantified and precise, and it posits modern accounting as (narrowly) objective.

These criteria are what attract modern accounting to the extreme poles of strict obligation/free gift. Similarly, the binaries of separation/unity and objectivity/subjectivity work out of these criteria. Highlighting the propensity to be located at the extreme poles of each of these ranges then is a way of bringing to the fore the presence of the criteria of modern accounting at work. The next section shows the way that the gift of creation eschews the extreme
poles of these binaries as a contrast. In other words, the form of life assumed in a theology of creation rooted in gift cannot be represented by modern accounting. The criteria of modern accounting are intelligible in a different form of life.

Debt, within modern accounting, demands the question, “who owes what, or how much, to whom?” This is the seemingly interminable question underneath too much of atonement theory. I suggest that when it comes to atonement, however, what is needed is to first ask a question about the criteria by which one is going to count. In other words, rather than assuming the relational framework of modern accounting when reckoning creatures to God in atonement theories, we must first ask, “how are creatures bound to God?” The practice of accounting is a representation of how things are bound together—how they are reckoned—as was discussed in the previous chapter. It is only in understanding the form of life that makes an object intelligible that one can (ac)count (for) it. Therefore, before we address atonement by asking, “who owes what, or how much, to whom?” or even “how was the debt paid?” we must try to understand the kind of relational grammar where humans owing God is intelligible. For this, I turn to the gift of creation.

9.3 Accounting for the Gift of Creation

9.3.1 Accounting for Possession and Separation

The gift of creation has caused a confounding problem, one that is an extension of the relational complexity seen in the previous chapter’s discussion of the son who receives the bill from his father. The resolution of the debt of the son to the father through a bill was, as Graeber put it, “outrageous.” The debt is seemingly unrepayable. Yet if one cannot repay the debt owed to one’s parents or ancestors, and to an even greater extent God, how is one supposed to live in relationship with them? We have thus moved from sin in the previous section to creation in this
section, yet questions of debt linger. This problem of the unpayable debt owed to ancestors and society is at the heart of Graeber’s myth of primordial debt. Graeber admits that the premise of primordial debt clearly makes a great deal of intuitive sense. After all, we do owe everything we are to others. This is simply true. The language we speak and even think in, our habits and opinions, the kind of food we like to eat, the knowledge that makes our lights switch on and toilets flush, even the style in which we carry out our gestures of defiance and rebellion against social conventions—all of this, we learned from other people, most of them long dead. If we were to imagine what we owe them as a debt, it could only be infinite.

But Graeber follows this description with the question, “Does it really make sense to think of this as a debt?” If the previous section showed three examples of asking what criteria for debt are fitting for theological use, here Graeber is asking whether this particular situation fits his criteria of debt. Does the form of life assumed in relationship to parents or God provide a grammar whereby one can understand those obligations as debt? What does it mean to say, one owes all of one’s life to God? Again, one must ask “how is one reckoned to God?” The gift of life, whether from God or from one’s parents, as Graeber himself says, is “nothing like commercial debts. After all, one might repay one’s parents by having children, but one is not generally thought to have repaid one’s creditors if one lends the cash to someone else.” Graeber’s conclusion to this discussion is worth quoting at length:

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445 The debt gets projected on to gods then kings and governments, which generates the idea of “debt to society.” Joseph explores how this works out, particularly in regard to prisons; see Joseph, Debt to Society. Graeber’s larger argument is how this myth is used to defend the state theory of money.

446 Graeber, Debt, 62.

447 Graeber, 62.

448 Graeber, as is discussed more below, predicates his definition of debt upon equality and separation between those engaged. Debt leads to inequality between the parties, which Graeber argues is what makes sense of some of the moral valence attached to debt. Those who were previously equals are no longer.

449 Graeber, 68.
Couldn’t that really be the point? … our relation with the cosmos is ultimately nothing like a commercial transaction, nor could it be. That is because commercial transactions imply both equality and separation. These examples are all about overcoming separation: you are free from your debt to your ancestors when you become an ancestor; you are free from your debt to the sages when you become a sage, you are free from your debt to humanity when you act with humanity. All the more so if one is speaking of the universe. If you cannot bargain with the gods because they already have everything, then you certainly cannot bargain with the universe, because the universe is everything—and that everything necessarily includes yourself. One could in fact interpret this list as a subtle way of saying that the only way of ‘freeing oneself’ from the debt was not literally repaying debts, but rather showing that these debts do not exist because one is not in fact separate to begin with, and hence that the very notion of canceling the debt, and achieving a separate, autonomous existence, was ridiculous from the start. Or even that the very presumption of positing oneself as separate from humanity or the cosmos, so much so that one can enter into one-to-one dealings with it, is itself the crime that can be answered only by death. Our guilt is not due to the fact that we cannot repay our debt to the universe. Our guilt is our presumption in thinking of ourselves as being in any sense an equivalent to Everything Else that Exists or Has Ever Existed, so as to be able to conceive of such a debt in the first place.450

The move Graeber makes here is not dissimilar to those of Phelps, Singh, and Sutherland. He considers the form of life between parents and children or gods and creatures to explore whether debt is an intelligible category when employed in those relationships. He concludes that it is not. The grammar of the relationship between God and creatures is one in which debt, in its modern economic sense, is unintelligible. This is the source of the confusion of the myth of primordial debt.

The most poignant part of Graeber’s critique is the assumption of separation built into debt. This assumption is of a piece with modern accounting’s assertion of individuals as the foundational unit when considering society described in the previous chapter. This separation is perfectly represented by discrete balance sheets. Viewing one’s life as a primordial debt is visible when Christians say, “I have a life that I owe entirely to God.” This formulation tempts one to think of the gift of life as a debt that must be repaid. It errs not because one does not owe

450 Graeber, 68.
God, but because one has misunderstood what it means to “have a life” and, therefore, how one is bound to God in the first place, and as a result, how or what one might owe to God.\textsuperscript{451} My life simply is not property in a way presumed by saying “I have a life.” Only in knowing how humans are bound to God can we know what kind of gift life is, and, therefore, what is owed to God the giver.

Proudhon’s discussion of private property as theft, which was explored in Chapter 7, proves helpful again here. Proudhon suggested that property is always made possible by the sacrifices of those who created its possibility. Thus, even taking one’s talent as basic property does not account for the fact that society, its education, skills, and knowledge made it possible. To act as if one’s talent is one’s own is theft. Imagining one’s life as something that is “had” works within modern accounting’s criterion of possession where lives are owned (and also spent or maximized). Adam Kotsko’s description of possession as “a relationship that is predicated on the negation of other relationships” highlights this relational assumption.\textsuperscript{452} To have a life is to construct it as a balance sheet whereby all other relationships are extrinsic to one’s being. Individuals hold their possessions, even as the dissolution of community has inaugurated scarcity. Possession thus marks the stunning separation that Graeber so deftly critiques. For it is only in the hubris of positing oneself as a discrete balance sheet that is separate from the universe that imagining having a life and owing a debt to God or the universe makes sense.

The practice of accounting as a form of practical reasoning, reasoning which is oriented towards particular ends and actions, is clearly visible here. For describing the obligation of creatures to God as a (modern accounting) debt assumes that one should desire freedom from

\textsuperscript{451} Alternatively, one might begin with a formulation, “I owe my whole life to God,” and consider how “my whole life” is a stand-in for “I have a life.”

\textsuperscript{452} Kotsko, \textit{The Politics of Redemption}, 193.
that obligation. If the relationship between God and creatures is not a debt to begin with, then one may, in fact, not want to be “free” from it. Again, Graeber’s story of the father who gives his son the bill for his childhood comes to mind. Did that son, or do most children, really want to be freed from what they owe their parents? Within the relational grammar of parents and children this desire to be freed from obligation also means aspiring to terminate the relationship in its current form. Saying that creatures owe a debt (in the criteria of modern accounting) to God not only misunderstands the relational grammar of the relationship between God and creatures but also orients creatures toward the desire to break the relationship entirely, or at least, fundamentally remake it. If modern accounting trains us to desire to be “freed” from God in the same way that the son was “freed” from his father upon receiving a bill, then it does not understand the relational grammar of God’s gift of creation.

Graeber, however, lacks either nuance or clarity as it relates to the binary of separation/unity. For while he shows the error in veering too far towards separation, which as I have shown is a deft critique of modern accounting, he himself lapses into an extreme unity. Graeber says debts rely upon both equality and separateness and argues that the key problem here is separation (though it seems separation assumes equality). What makes the notion of primordial debts a myth for Graeber is that one should recognize the total unity of one’s life with, rather than separation from, ancestors, the gods, or the universe. Our lives are not our own but participate in the lives of God, the gods, our ancestors, or all of creation. Graeber appears to eradicate any distinction whatsoever when he says, “you are free from your debt to your ancestors when you become an ancestor.” This correlates to the discussions in the previous chapter that highlighted socialities focused on individuality that romanticized lost community. Graeber, as Joseph articulated, falls into this myth of the lost community. Here we see a similar
mistake on his part. Imagining this form of perfect unity is like the pining for a “romantic community” that happens in response to the bent towards individualism. Thus, just as I have cautioned against the extremes of either strict obligation/pure gift or individual/community, here too, attention is needed avoiding the extremes of both separation and unity.

If Graeber is right that the gift of creation makes little sense if one imagines one’s own life as totally separate, this must be tempered with the recognition that in order to receive a gift at all, one must be separate to some degree. In making a point about language, specifically private language, Wittgenstein highlights this point about gift giving. He queries:

> Why can’t my right hand give my left hand money? – My right hand can put it into my left hand. My right hand can write a deed of gift and my left hand a receipt. – but the further practical consequences would not be those of a gift. When the left hand has taken the money from the right, etc., we shall ask: ‘Well, and what of it?’ And the same could be asked if the person had given himself a private definition of a word; I mean, if he has said the word to himself and at the same time has directed his attention to a sensation.\(^{453}\)

The existence of a private language would require imagining that an individual be divided into two. Stephen Mulhall describes this as an individual who is “capable of being both … giver and receiver: it is quite as if two people inhabit this body, each with its own hand.”\(^{454}\) But one person cannot sustain an I-Thou distinction. What is missing? Mulhall states that it is the “genuine internalization of otherness” that only comes with the “distance or difference between giver and receiver.”\(^{455}\) Gift giving is a social practice. It requires an other. As Derrida says, once there is a subject or an object, there is a gift. If separation conforms to the criteria of possession, complete unity lapses into it as well. For by denying the other, one usurps total control avoiding any of the

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\(^{454}\) Mulhall, 113.

\(^{455}\) Mulhall, 112.
risk of genuine encounter. If gifts contain with them risk in encountering the other, it is in part because one does not possess and one cannot control the other party. His or her response, or lack thereof, are uncertain. Giving oneself in gift cuts through the extreme element of separation, but the fundamental element of recognition in the gift also precludes lapsing into total unity.

Debt, in terms of the criteria of modern accounting, is inadequate to account for either the degree to which creatures are separated and united to God. Trying to reckon humans to God within this grammar leaves one outside of the form of life established by the gift of creation. The gifts of life and creation are not primordial debts; nor are they simply things to be possessed. We participate in them as Christians participate in the life of God in whom “we live and move and have our being” (Acts 17:28). Yet God remains, as Cavell says, “everything we are not.”456 We must look more closely at the relational grammar of creation that makes sense of how and what creatures owe to God. What I ultimately draw out in this chapter’s discussion of salvation is that modern accounting’s form of life makes one assume that freedom from the debt of sin, or salvation, is liberation from relationship with God. Whereas, what I propose is that by situating salvation within a form of life based on a theology of creation salvation is understood as being drawn further into the trinitarian life, quite the contrast to being “freed” from relationship with God. I, thus, move to theological claims about the relationship between God and creatures, focusing largely on the role of the Holy Spirit. I argue that a theology focused on the Spirit of creation is one that is saturated by the theme of participation, that eschews abstraction whose calculative quality assumes a certainty and predictability, and that works through the tension of separation/unity. It is thereby a theology of gift for which modern accounting cannot account.

456 Cavell, _Claim of Reason_, 496.
9.3.2 Accounting for the Spirit of Creation

The Spirit broods over the primordial water like a mother bird taming the chaos. Order, the goodness of creation, a sinless state—these themes sound notes that might bring resolution to the dissonance of sin and debt. D. Lyle Dabney describes several prominent trajectories within western theology. The first begins with the first article of the creed, making creation the starting point where salvation is “an ascent to knowledge of God the Father and Creator of the world through the assistance of grace.”\(^{457}\) The second trajectory centers on the second article of the creed where the starting point is “not the goodness but the sin and consequent incapacity of the creature for the Creator, not the yearning for but the flight from God.”\(^{458}\) My shift away from a discussion of sin and debt to creation, however, should not be taken as move away from a theology of the second article to the first. Instead, I move to a theology of the third article with an emphasis upon the Spirit springing from Pentecostal imagination. Wolfgang Vondey describes this imagination as “a play of expectations and affections, improvisation and transformation, self-determination, and mission.”\(^{459}\) Vondey notes the connection between this


\(^{458}\) Dabney, 18.

category of imagination to Steven Land’s emphasis upon Pentecostal spirituality, which
highlights the role of affective and embodied practices as integral to theology.⁴⁶⁰

The wind is blowing. This time it is seemingly not bringing order but chaos. The Spirit of
God descends upon the upper room on Pentecost. The scene is a theophany, an encounter with
God accompanied by sensational elements.⁴⁶¹ The sound of wind is swirling; flames are floating
about. It too is primordial, and it is a startling experience of the Spirit in contrast to the Genesis
account of creation where chaos is brought to order. The outcome of Pentecost, of this encounter
between the Spirit of Jesus and those gathered in Jerusalem, is unpredictable. As Wariboko says,
“the wind-sound phenomenon… represents excess that cannot be fully incorporated,
institutionalized, or controlled by a system or used as a basis for sovereignty of governance.”⁴⁶²

The gift of the Spirit sets the followers of the Way on a trajectory that is incalculable. These
contrasting descriptions of works of the Spirit are not an argument that God has changed. The
God of the Old Testament is the God of the New Testament, a fundamental argument laced
throughout Luke-Acts.⁴⁶³ The point is that creation as a creative act should not merely be
imagined as taming, ordering, and then releasing. It is not an abstract formula. God’s calling into
existence all of creation is an unleashing of unknown possibilities. As George Montague says,

⁴⁶⁰ Steven J. Land, *Pentecostal Spirituality: A Passion for the Kingdom* (New York: Sheffield Academic
Press, 1993).

⁴⁶¹ Frank D. Macchia, "Sighs too Deep for Words: Toward a Theology of Glossolalia," *Journal of
Pentecostal Theology* 1, no. 1 (1992), 56–60.

⁴⁶² Nimi Wariboko, *The Pentecostal Principle: Ethical Methodology in New Spirit* (Grand Rapids, MI:

notes that the Old Testament imagery with which Acts is suffused is part of the argument that God, while clearly
working in new and unexpected ways, is the same God of the Old Testament.
“the chaos becomes promise.” Promise in the life of the Holy Spirit is “new, life-renewing existence,” which is why Wariboko describes the Pentecostal principle as “the capacity of social existence to begin something new.”

When the Spirit erupts onto the scene in the upper room, speaking ensues. The followers of the Way specifically begin speaking in tongues and, in doing so, call into existence the church. Theologies of Genesis, however, often jump immediately to the speaking, to the calling of creation into existence. Yet, here too, as happens later at Pentecost, the Wind blows before the Word speaks. As Dabney says, “It is in the context of the blowing of God’s wind that God’s word is spoken.” Starting with the Spirit and pointing to the Spirit “as the possibility of God” draw out “a perspective that begins with the Spirit as the possibility of the trinitarian God which plumbs all things, even all that is not-God, and brings forth transforming life in relation to God.” Ashon Crawley highlights this possibility through a description of Blackpentecostal aesthetics where he utilizes the phrase “otherwise possibilities” rather than “new” as an indication that his account calls upon traditions and practices that already exist. They are not new, but otherwise. In beginning with the Spirit, we see that every new beginning is a gift

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467 Dabney, 92, 83.

468 Crawley, *Blackpentecostal Breath*, 6–7. I find Crawley’s point helpful, particularly in identifying the fact that every action is always an action made possible by the gift of life which is a participation in the life of the Spirit who is the context for the existence of all creation. I will, however, retain the use of pointing toward both the new and otherwise. There is an eschatological element to imagining things as new and otherwise as well. James K. Smith describes imagining as “at the heart of the pentecostal experience, and pentecostal eschatology in particular”; see Smith, *Thinking in Tongues*, 84. To Crawley’s point, the anticipation of the arrival of the end of time is
received from the Spirit who is the context in which creation unfolds. The possibilities for the new then are always otherwise, for they are always already participating in the Spirit. Whereas the abstract criterion of modern accounting conforms to a calculative, predictable, and formulaic quality, creation in the Spirit eschews those traits.

How we speak of creation, “the nature of the world,” is a reflection of “the nature of the Holy Spirit.” From a Pentecostal perspective the nature of the Spirit is intertwined with possibility and surprise. Wariboko notes that “the ‘surprises’ of the Holy Spirit” are “a central and non-negotiable aspect of the understanding of reality.” Thus, creation brought about by the Word, in the context of the blowing wind, resists a reduction of the Word to dictum of force and description. The following chapter will explore language more thoroughly, where its participatory rather than controlling or possessive qualities are highlighted. Language as representation involves participation in a shared form of life in a way that description does not. Placing the Word “in the beginning” in the context of the Spirit should prevent us from thinking of creation in terms of (a narrowly) objective and abstract command and instead imagine God’s participation in the world filled with an aura of play.

C. S. Lewis’s image of Aslan singing Narnia into being captures the fantastic of God’s creative speech much better. The possibility and surprise of the Spirit resonates in, through, and from all of creation. One might imagine the song of creation working similar to the way that Crawley describes noise as “that ephemeral movement that cannot be pinpointed, separated, individuated.” It “is irreducibly social, irreducibly formed by vibration off other surfaces,

highlighted by the inauguration of our present time seen in the arrival of the Spirit at Pentecost. All that is needed for the fullness of time already exists within God.


470 Wariboko, The Pentecostal Principle, 3.
through and against air such that vibration, movement, begs its being heard, its being listened to.”

Creation is thus inspired. The very breath of God becomes the air we breathe, which as Crawley notes, “is an object held in common, an object that we come to know through a collective participation within it as it enters and exits flesh.”

The breath of God in which all creation participates cannot be possessed. It is always moving. Creatures are, thus, never fully separate from God as God’s breath continues to inspire. God continues to sing and the creating continues. The singing of God in and through creation did not stop on the Sabbath to lie silent ever since. Pentecost is not a story that is conducive to understanding God as having set the world in motion according to naturalistic laws and abstract formulas to be left to its own ordered, and evermore, undisturbed mechanisms. Creation continues (creatio continua).

God continues to be present and participating in creation.

God’s continued participation and creative act(s) in the world within a Pentecostal imagination might be thought of as God at play. Vondey suggests play as a metaphor for the work of Pentecostal theology. He says, “The spirit of play is thus characterized by the risk, uncertainty, and tension that are necessary to challenge and overcome the ordinary conditions of utilitarian, materialistic, and performative world.”

Wariboko similarly says,

Play . . . is the signature of creativity, resistance to social formatting, and struggle against any finite form claiming the status of the infinite. True play has no end—it is non-instrumentalized—and is governed by non-zero-sum dynamics. It is a pure means, totally given to its freely evolving potentialities. Play as the intrinsic nature, potentiality of Pentecostalism is also threatened by the instrumental logic of capitalism.

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471 Crawley, Blackpentecostal Breath, 139

472 Crawley, 36.


474 Vondey, Beyond Pentecostalism, 174.

475 Wariboko, The Pentecostal Principle, x. The emphasis on play contrasts the teleological approach that Yong takes, though I do not think that Yong would argue against play as an important note in Pentecostal theology.
The creative act(s) should not be taken as instrumental, but rather a delight in themselves, which tells creatures of how they are bound to the Creator, how they should be counted or reckoned to God. God at play in creation presses against the criteria of possession and control. Creation is not to be instrumentalized or oriented toward goals of accumulation. The “creativity,” “resistance,” “risk,” and “uncertainty” are all ways of calling forth a relational grammar between God and creatures incongruent with the criteria of modern accounting.

This can be highlighted even further by thinking of the singing Word of God in connection with Pentecostalism’s frequent relating to jazz music. Music is guided and ordered by its counting. In Chapter 1, I compared the significance of counting to that of a director that sets the rhythm and tempo of our lives. The director leads musicians through the story of the song by counting its beats. How the director counts shapes the music that is played. Jazz as Wariboko says is “a free play of embellishment and enactment.” Jazz music negates the stable elements assumed in European or classical music, “such aspects as steady pitch, timbre, vibrato, and directness of attack.” What type of singing and music could bring about creation more

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It would seem though that Wariboko’s assertion of “pure means” would deny a telos tout court. A similar trajectory can be seen in his explication of “excellence” as a critique of virtue ethics in those such as Alasdair Maclntyre that are too teleologically bound and rigid. Instead, he builds off of Tillich and posits excellence as “becoming”; there again, the means, or process is central; see Nimi Wariboko, The Principle of Excellence: A Framework for Social Ethics (New York: Lexington Books, 2009). As my focus here on play suggests, I find these moves towards an emphasis on the means helpful though I would not extinguish the need for ends or telos entirely. In some sense, my description of gift works to illuminate my own position. For in gifts the end cannot be separated from the means. The form of the gift matters. Yet a gift itself is not the end. The receiver of a gift will not be thrilled if the giver is more infatuated with the gift than the recipient. The gift is bent towards the recipient. Here I hold on to the need for teleological concerns. Yet the play, the means, the form of the gift are inextricable to the ends. It is only in attending to the means that we learn and clarify the ends and only in trying to achieve ends that we acquire better means.


477 Wariboko, The Pentecostal Principle, xi.

478 Bruce Ellis Benson, "Improvising Texts, Improvising Communities: Jazz, Interpretation, Heterophony, and the Ekklēsia," in Resonant Witness: Conversations between Music and Theology, eds. Jeremy S. Begbie and
readily than jazz? When Pentecostals imagine God singing creation into being, they hear an improvised solo and maybe even a touch of scatting.\footnote{Casmier and Matthews, "Why Scatting Is Like Speaking in Tongues, 166–76.} And just as the breath of God resists possession, jazz and improvisation do as well. Even the very measuring of time—how it counts—resists the vision of time as something that can be possessed or commodified in the way that a “western musicology” assumes.\footnote{Crawley, \textit{Blackpentecostal Breath}, 146.} For jazz brings about otherwise possibilities and new futures through its adaptations of the past in the present. It does not erase the significance of time in the way that modern accounting’s abstract present detaches itself from the past and future. In doing so the improvisor creates something new through a participation in the old. Modern accounting’s approach to counting, to time, however is rooted in a model of possession where the past and present are possessed in the abstract present.

Starting a discussion of creation with Pentecost opens our imagination to see creation as a moment when the creative force of the Spirit of God at play is unleashed in manifestly unpredictable ways. If modern accounting works within a form of life and through a grammar that establishes certainty through possession, control, and abstraction, this is not the form of life of the Spirit at creation. Rather than God being distant and working in abstract, formulaic, or calculative means, God is engaged and participates with creation in a way unlike the kind of separation demanded by modern accounting balance sheets and subjected to critique by Graeber as primordial debt. How can modern accounting capture the relational grammar of creatures who are participating in continuing creation with the Spirit of the Creator? This Spirit is moving in and through them as breath never fully possessed or controlled but inhabiting the gift of creation.

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\footnote{Steven R. Guthrie (Grand Rapids, MI: William B. Eerdmans Publishing Company, 2011), 307. Thanks to Michael Bradford for drawing my attention to several of these sources related to jazz and theology.}

\footnotetext{479} Casmier and Matthews, "Why Scatting Is Like Speaking in Tongues, 166–76.

\footnotetext{480} Crawley, \textit{Blackpentecostal Breath}, 146.
with its surprises, risks, and joys, which are neither instrumentalized and calculative nor targeting returns or profit.

But just as a theology of creation presses against an emphasis upon separation, it also avoids veering too sharply towards unity. The gift of the Spirit and creation draw humans into participation in the trinitarian life, but creatures are still distinguished from the Creator. Dabney highlights this tension saying,

For from the very beginning there is a relationship between Creator and creature from God's side, a relationship in the Spirit as the breath of God for the world and the possibility of the world for God, a relationship that even permits the speaking of a/the w/Word to an o/Other and the hearing of the w/Word of the o/Other. For breathing does not only effect life and movement in the creature, it also relates all living things to the otherness of a reality outside of themselves, to that which is other than themselves, in the most concrete way possible.481

David Burrell outlines a similar point about the interaction between humanity and God envisioned in the Christian tradition. Drawing on Aquinas, Burrell states that God’s “creative activity” is visible “in creatures, as each participates in the gift of existing as it comes forth from the creator, who has been identified as ‘existing itself’ (ipsum esse).”482 The idea that life, and all of the universe, is a gift from God is, thus, a Christian conviction (Burrell notes that it is Jewish as well).483 God’s relationship to creation in this fashion asserts that God is, on the one hand, of an entirely different order than all that is created and exists in and through God. On the other hand, Burrell highlights that this relationship prevents God from being imagined as an entirely “separate being, since every creature exists only by participating in the inexhaustible act of existing which is the creator. That is, no creature can be without its inherent link to the creator,

481 Dabney, “The Nature of the Spirit,” 100.
483 Burrell, 143.
so these ‘two’ [creator and creation] can never be separate from one another, as individual creatures are from each other.”

Dabney continues to work through this tension between separation/unity by considering the relationship between humans and God in relationship to another binary: objective/subjective.

The Spirit of God is thus not to be identified with individualised human spirit aspiring to the divine, but neither is it the subjectivity of an individualised God making an object of the human. Rather, in contrast to 'subjective' or 'objective', the Spirit of God is better conceived as 'transjective', that is to say, that by which we as individuals are transcended, engaged, oriented beyond ourselves and related to God and neighbor from the very beginning.

Dabney’s point is helpful both for further pressing on the way that envisioning life as participation in the gift of God avoids either total separation or a complete conflation. Total unity is rejected as the Spirit is “not to be identified with individualized human spirit aspiring to the divine.” On the other hand, God as a subject does not simply make an object out of creatures because of how creation participates in the life of God. Dabney’s use of “transjective” highlights a way of working through this objective/subjective binary where the Spirit is both on the one hand the animating subject of creation yet on the other hand the Spirit does not objectify creation.

The gift of life from the Creator binds the creature to the Creator. If death, for Derrida, was the means of escaping even a coincidental bond caused by a gift, then it is not coincidental that it requires the extinguishing of one’s life—the cessation of shared breath being inspired and expired—in order to be “freed” from the circle of gift giving. For to live is to participate in the gift of the Spirit as the breath of the Creator who is “existence itself.” These are dogmatic

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484 Burrell, 22.

theological statements, but they are also claims about ontology and metaphysics. Derrida, on my reading, while understanding that death is the only effraction from the circle of reciprocity misses the more fundamental claim about what that means about life as a gift. Likewise, modern accounting’s claims of a monadic individual who exists as a discrete agent makes ontological claims about the possibility of one’s existence as an individual. If McPhail and Cordery have called for descriptions of accounting as a form of theology that points towards ontology, this contrast of modern accounting to a theology of creation highlights the degree to which modern accounting is embedded with ontological claims. Modern accounting asserts a form of being that does not participate in the life of the Creator nor in the lives of any others. It is a form of life where individuals can imagine their own being as separate and distinct from all others. Life is not a gift and one need not imagine that one’s life necessarily participates in and with the lives of others, not the least of which being the Creator.

Having explored creation and the participatory relationship between creatures and God and highlighting the relational grammar by which humans are reckoned to God, we are now prepared to address atonement. It is within the relational grammar of creation that sin and salvation must be intelligible. God’s creation, as has been made visible, eschews the central characteristics of modern accounting criteria. God has not made creation to possess or control, and the participatory nature of the relationship between humans and God cuts through the middle of the binary of separation/unity highlighting its giftness, which is neither strict obligation or pure gift. And as Dabney has just highlighted, this also forces us to avoid the extremes of the objective/subjective binary.
9.4 Accounting for the Gift of Salvation

9.4.1 Accounting for Atonement

Atonement theories require the practice of accounting. In the first part of this section I consider two specific models—substitution and exemplarism—to show how they exemplify the criteria of modern accounting. In the next part of the section, I contrast Khaled Anatolios’s description of atonement through “doxological contrition” where the gift of salvation is intelligible in the grammar of the gift of creation.

Kotsko’s *The Politics of Redemption* focuses on the relational significance underlying different approaches to atonement. He argues that the two widely held theories of atonement are substitution (often typified by Anselm) where Jesus dies in the place of sinners and the moral influence model (typified by Abelard) whereby one attains salvation through modeling Jesus. These two theories are essentially the positions staked out in the fundamentalist-modernist controversies in the early twentieth century. The fundamentalists held to substitutionary atonement as one of the five fundamentals in The Doctrinal Deliverance of 1910 in response to the “liberals,” later referred to as “moderns,” who had been influenced by higher criticism casting suspicion on the miraculous elements of the Bible. The moderns’ rejection of Calvinistic

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486 This is why Case takes his claim that humans are accountable animals to provide the logical basis for assessing issues related to salvation such as purgatory and hell; see Case, *The Accountable Animal*.

487 Kotsko’s claim is not necessarily that these models in their current iterations are the best interpretations of Anselm and Abelard. His own reading of them would suggest otherwise. My own aim is not to stake out a proper interpretation of either of these figures, but rather, to consider how these two competing theories get picked up in the twentieth century. How Anselm and Abelard are used frequently tells us much more about their interpreters than the authors. For alternative readings of Anselm, consider, David Bentley Hart, "A Gift Exceeding Every Debt: An Eastern Orthodox Appreciation of Anselm's *Cur Deus Homo,*" *Pro Ecclesia* 7, no. 3 (1998), 333–49 and Anatolios, *Deification through the Cross,* 272–76.

488 That these two models of salvation become solidified through the work of Gustaf Aulén’s *Christus Victor* (1930), which came out in the wake of the fundamentalist-modernist debates, does not seem incidental.

489 The other fundamentals included the authority of the Bible, Jesus’ virgin birth, resurrection, and miracles.
doctrine led them to focus on “the consciousness and teachings of Jesus, the supremely God-dependent man who exemplified loving self-sacrifice in service of others. Their Jesus offered a model and inspiration for people of goodwill in any age and culture.”

The criteria of modern accounting are visible in these theories of atonement in two ways. First, these ostensibly opposite positions rely on the same logic, much like strict exchange and pure gifts. Substitution abides by strict obligation, falling perfectly in line with the logic of sin, guilt, and debt that must be paid (debits that must be credited). Anselm, as it often happens, is read like his intended audience is accountants. The moral influence approach parallels this ledger-keeping, recalling Anderson’s point that virtue rose alongside debt. For instance, Alister McGrath, speaking specifically of Hastings Rashdall, says exemplarism “amounts to nothing less than a doctrine of salvation by merit.”

But as Oliver Crisp points out, that may not be the main problem with exemplarism, in part because Crisp wonders if moral exemplarism is “an example of salvation at all.” The issue may not be that moral exemplarism functions according to strict obligation, but rather pure gift. It loses touch with the significance of sin and any of its damage. As Crisp notes, even as he defends exemplarism against common criticisms, it still lacks any

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492 Crisp notes that there are two forms of exemplarism that are worth separating. The first, he calls “mere exemplarism,” which does not actually contain any salvific element. It functions as modeling any moral exemplar (divine or human) does. The other, which he calls “extended exemplarism,” does contain an element of reconciliation to God through the transformation of the individual though he does not think it should be criticized as “salvation by meritorious works”; see Oliver D. Crisp, "Moral Exemplarism and Atonement," *Scottish Journal of Theology* 73 (2020), 146.
expiation for sin. Even “extended exemplarism,” which Crisp describes as having a salvific element, focuses on the transformation of the individual rather than the consequences of sin.

Substitution is bound by the objective measuring of sin and the cost of its repayment, while moral exemplarism pushes to the subjective transformation of the individual leaving behind any need to pay for sins. These two theories slide into the ruts of the extremes of modern accounting’s strict obligation/pure gift and objective/subjective binaries. One side imagines Nietzsche’s world of punishment, while the other side emotes salvation as a gift based on God’s grace and faith alone.

The second impact of modern accounting on these theories is visible in the relational structures assumed by them. One of the core elements of Kotsko’s argument is that atonement theories all require a way of arranging and relating agents to each other and the world around them. In terms recalling the above discussion of debt, they rely upon a particular way of accounting for everyone. What is significant about the modernists and fundamentalists prioritization of substitution and exemplarism respectively is not the use of the practice of accounting generically, but the narrow relational possibilities that are assumed in the practice of accounting they use.

Kotsko describes both substitutionary atonement and moral influence theories as individualistic as they begin “with particular individuals (both human and non-human), relegating the relationships among them to secondary status.” Summarizing these two theories in that light he says, “The starting point is two particular individuals—whether Christ or the believer, or the indebted sinner and God—who are then brought into a more or less extrinsic

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relationship in the process of the Incarnation.”495 Whereas Kotsko defines this individualism as making relationships secondary, I would suggest not that relations are secondary but that relations are defined in a particular fashion in which they are always already extrinsic. This is in line with how I described economic practices in Chapter 8 as “supplementary” that do not simply eviscerate communities or establish monadic individuals but create different forms of both constitutively. How the individual is defined shapes and constrains the possibility for social relations, and the form of relationality at work affects the type of individuality possible. It is not possible for the individual to be formed and then relations created after. The individual and relations are shaped concurrently, and the nature of each impacts the other concomitantly.496

The relational significance of these models, however, is often masked by the model approach in general. Khaled Anatolios points to the use of models in modern discussions of atonement as a cause of confusion.497 Anatolios traces the development of the modern models approach. He begins by looking at Gustav Aulén who posits Christus Victor as the one true model and ends with John McIntyre’s claim that there are thirteen! But the problem is not (only) with “the increasing fragmentation and multiplication of such putative models” but with “the dialectic of analysis and synthesis, as well as that of the metaphorical and the literal within this discourse.”498 Models are taken to have their “own intelligible self-sufficiency;” each can be

495 Kotsko, 25.

496 Conversations with Tyler Womack were helpful on this point.

497 He suggests two other reasons for confusion, which are "modern discomfort with the claim that Christ's suffering and death directly effect a salvific reconciliation between God and humanity" and "modern theology, spirituality, and pastoral practice have all largely failed to provide adequate experiential access to the contents of this doctrine"; see Khaled Anatolios, Deification through the Cross: An Eastern Christian Theology of Salvation (Grand Rapids, MI: William B. Eerdmans Publishing Company, 2020), 1–2.

498 Anatolios, 22.
viewed “as a free-standing and intrinsically discrete and self-sufficient thought world.” The challenge of dialectic analysis and synthesis arises with the proliferation of models. How, if at all, do the various models relate to each other? For example, what hath the models of “ransom,” “reconciliation,” and “expiation” to do with each other, to name three of the models in McIntyre.

Models, it is often assumed, work at a metaphorical level. Colin Gunton explicitly argues that models should be treated as metaphors. But even Gunton resorts to the use of language that is at times either analogical or literal, which leads Anatolios to argue “that soteriological discourse cannot be so consumed with the task of rhapsodizing on the epistemological splendors of metaphor as to neglect the need for an underlying dogmatic sense.” There must be “some foundational judgments in relation to which all metaphors and putative models must be related and by which they must be normed.” Anatolios notes that one proponent of the model approach, H. E. W. Turner who posits four models, “always ends up describing and distinguishing these four conceptions of salvation according to christological criteria.” Even though Turner does not say so explicitly, he seems to have a “sense of the christological determination of soteriological doctrine.” In other words, whether Turner admits it or not, the metaphors and models are grounded in a Christology by which they make sense. Christology is not a model, and it is not a metaphor. When Anatolios refers to dogmatic claims that ground salvation, he has things like Christology in mind. He, thus, defines his own project as clarifying the “dogmatic foundational sense formed out of the syntax of trinitarian and christological

499 Anatolios, 20, 15.
500 Anatolios, 19.
501 Anatolios, 23.
502 Anatolios, 16.
503 Anatolios, 16.
doctrine, which ought to regulate and inform any and every claimant to the status of a ‘model’ of Christian salvation.”

There is a resonance between Anatolios’s claim that atonement theories contain within them claims about Christ and the trinitarian life and Dabney’s point that our descriptions of the world reflect our descriptions of the Holy Spirit. Atonement theories, no matter how internally sound from the perspective of a self-contained logic, spill out in making claims about God because they assume criteria, a form of life, and a relational grammar that speaks to who God is and the relationship of creation to God. When an atonement model is shaped according to the criteria of modern accounting, it is significant not merely because it is a bad metaphor for describing salvation, but because it makes implicit claims about God, God’s nature, and God’s creation. In these instances, modern accounting is bringing with it its own embedded theological as well as ontological claims.

Consider again Kotsko’s point about the individualistic relations assumed in substitution and exemplarism, which comes in part because for both of them “the starting point is two particular individuals—whether Christ or the believer, or the indebted sinner and God…” What this does not seem to consider is the way in which Christ is unlike a “believer.” The nature of Christ as both fully God and fully human makes it quite odd that any form of individualism could result from starting with Christ. In other words, the starting point is not so much Christ or the criteria that makes sense of Christ as the Word incarnate or the second person of the trinity but of an individual, call it a balance sheet. Christ is then made to conform to the criteria of “an

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504 Anatolios, 23.

505 Kotsko, Politics of Redemption, 25.
individual.” Only in describing Christ as more like a balance sheet than as a member of the trinity can Christ be intelligible in an individualistic grammar.

Atonement theories, therefore, give an account. But how one (ac)counts (for) salvation depends upon the criteria used. This is why Anatolios is right to focus the discussion of atonement on the dogmatic claims of the trinitarian life and Christology to establish the criteria by which humans will be reckoned to God. Before concluding the chapter, I provide a brief outline of Anatolios’s account of atonement drawing as well on Frank Macchia to highlight the significance of Pentecost. The goal is not to provide a definitive account of salvation. That would, in itself, be another project. Rather highlighting this account of salvation presents atonement according to the criteria of the gift of creation. In the conclusion of this chapter, I articulate explicitly how this description of atonement both avoids the extreme poles of the various binaries within modern accounting as well as articulates how it resonates with the relational grammar outlined in creation. This draws together all of the components of this chapter.

9.4.2 Accounting for the Trinitarian Life

I begin a summary of Anatolios’s account where I began this chapter, with sin. As I have argued the main question that needs to be answered related to sin is not “who owes what, or how much, to whom” but “how are humans bound to God.” Thus, an analysis of sin requires thinking

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506 Thus, while Brendan Case offers a nice theological discourse on several elements of theology based upon the theme of accountability, as he describes it, it is really a theological account grounded first in a particular kind of justice. For he defines accountability as a particular kind of justice and then applies that justice to issues such as salvation by looking at purgatory and hell. In other words, Case’s helpful account tells us the theological implications of assuming a particular kind of accountability as basic to human nature though that is not the same thing as simply saying accountability in general is basic. For the criteria for the practice of accounting which will maintain the accountability must be set. There are other ways that one might imagine humans to be accountable though. My description of Anatolios’s account of sin and salvation below provides another possibility. The methodological question raised by Case’s project is whether one form of accountability makes sense to be applied to every aspect of life. Is the kind of accountability that justifies corporate responsibility really the same kind of accountability by which soteriology makes sense?
about the relational ties within the trinity and between God and humanity. Perhaps then it is more
correct to say that the discussion of salvation and sin begins with the trinity, which resonates
with a Barthian sentiment that would reject the possibility of discussing sin without first
beginning with Christ. While I began this chapter by discussing sin, the main argument
throughout this chapter has been that while one must account for sin, in order to do so, one must
first choose a form of accounting. Different forms of counting are rooted in different forms of
life. My claim is that the form of life assumed by modern accounting is incongruent with the
form of life that emerged in my description of creation. Properly counting sin and salvation,
therefore, requires counting that is intelligible according to the form of life visible at creation
rather than in a modern accounting imaginary. Though, even if one rejects my constructive
account of salvation, presenting it in contrast to the counting of modern accounting still supports
my thesis that modern accounting can significantly shape and constrain theological discourses.

Anatolios does not point to creation directly in his discussion of sin but grounds his
relational grammar in the trinitarian life, which resonates with the participatory and shared vision
of life featured in my description of the gift of creation. Anatolios describes humans as homo
adorans who “exist in order to glorify God by knowing, loving, and serving him.”507 A human,
according to Anatolios, can be thought of “as a doxological being who is called to participate in
intra-trinitarian glorification.”508 The end to which humans are oriented is defined by claims
about the intra-trinitarian life, the “communion of mutual glorification among the divine
persons.”509 In the same way that the Spirit as the breath of the Creator moves in and through

507 Anatolios, Deification through the Cross, 264.
508 Anatolios, 267.
509 Anatolios, 298.
humans, *homo adorans* exist through and for God. It is this relational grammar that makes Anatolios’s account of sin—and, therefore, his account of salvation—intelligible. The gift of life and creation, which is sharing in the trinitarian life, establishes the criteria by which the salvific reckoning of humans to God is also truly a gift.

Sin in this relational grammar is anti-doxological. Anatolios describes it as the “deprivation of divine glory and . . . the falsification and misrepresentation of the divine intra-trinitarian self-glorification.” Not to make too simple of a claim, but sin is a real problem. If one imagines God maintaining a ledger book where sins are accruing debts that must be paid, it may make sense to ask, why God does not just erase the debts? But that would be a pure gift and does not grapple with the reality that sin marks “enmity between God and humanity that requires reconciliation.” The enmity and separation from the divine life does not only need repair due to the consequence of death, but death is, in fact, a consequence. In accepting death and divine judgment Jesus tramples death through his own death though his death was “not merely to substitute for humanity’s punishment or even to compensate for humanity’s incapacity to accomplish an adequate repentance on its own, but rather to enable humanity to attain such an adequate repentance.” In other words, Christ saves in part “by vicariously repenting for humanity’s sinful rejection of humanity’s doxological vocation and its violation and distortion of divine glory.”

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510 Anatolios, 311.

511 Anatolios thinks that the most popular conceptions of salvation (liberation theology, Girardian theory, and penal substitution) are those that give significant attention to the weight of sin; see Anatolios, 285.

512 Anatolios, 285.

513 Anatolios, 381.

514 Anatolios, 32.
Sin and repentance are not subjective feelings or matters of mere affect. Sin cannot simply be emoted away. Something is, in fact, due to God. Exemplarism fails because it slides into a subjective approach that does not recognize the objective reality of the harm of sin, that something must be done about sin. This reality is addressed at the cross, which is at the center of Anatolios’s atonement theology. It is Jesus’s “outward actions [that] actually change the situation between God and humanity.”\textsuperscript{515} The cross “is not merely a heuristic symbol or dramatic representation of Christ’s interior suffering of contrition for human sin.”\textsuperscript{516} There is in this regard an objective element to salvation. Sin has external consequences that require more than just the subjective transformation of the believer. Humans cannot be reckoned to God simply through interior affect.

Yet while Anatolios avoids a subjective approach resembling exemplarism that writes off the consequences of sin, he also avoids an approach that establishes sin as merely an objective debt in need of payment. Retaining sin’s significance does not lead Anatolios to thinking of “payment” within the criteria of modern accounting. Anatolios does not picture the Nietzschean problem caused by sin as there being insufficient pounds of human flesh to pay the debt and as a result God becoming human in order to pay with God-incarnate flesh. Within the relational grammar of the intra-trinitarian life and humanity’s participation in the gift of creation the problem caused by sin is that humanity fails to fully participate in the divine life, and thereby God does not receive the glory that is rightfully due. A doxological understanding of sin and judgment not only sees death as a consequence of sin “merely as the automatic ontological consequence of humanity’s withdrawal from participation in divine life but also as God’s

\textsuperscript{515} Anatolios, 379.

\textsuperscript{516} Anatolios, 380.
reproclamation of his glory in the form of a refutation of the pretense that humanity rightly reflects divine glory in its state of sinful disobedience.” What is needed is a restoration of God’s full glory, something which will rightly re-present God in light of the idolatrous misrepresentation of sin. Anatolios’s doxological contrition thus recognizes how “Christ saves us by fulfilling humanity’s original vocation to participation, from the position of the Son, in the mutual glorification of the persons of the divine Trinity.”

Perhaps there is no greater contrast between Anatolios’s account of salvation and that of modern accounting than the relational implications highlighted here. In a grammar of modern accounting the payment of debt “frees” one from relational ties, while in the grammar of mutual intra-trinitarian glorification the “payment” for sin frees one to participate more fully in the relationship. For modern accounting imagines debt as something from which someone desires to be freed. This was visible in Graeber’s assumption about the primordial debt to the gods or one’s ancestors. But as we have already seen there are forms of life where one does not necessarily seek to be “freed” from one’s debt. Fathers and sons come to mind. Thus, Anatolios’s description of salvation is the exact opposite of the grammar of modern accounting that imagines the payment for the debt of sin as “freedom” from relationship. Anatolios describes it instead as a reintegration into the mutual glorification of the trinitarian life.

This account of sin and salvation cannot be reduced to the removal of sin through something resembling a balanced transaction. As Anatolios says, speaking of doxological contrition means that “we would not have merely one weight (the perfect glorification of Christ)

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517 Anatolios, 380.
518 Anatolios, 32.
canceling out another (human sin as an affront to divine glory).”\textsuperscript{519} Rather than imagining atonement as a matter of counter-weights offsetting each other, “the very content of sin [is] transformed in Christ into the glorification of God. In the face of human sin and in solidarity with human sinners, Christ’s glorification of the Father would thus include an exemplary and representative repentance for humanity’s sinful misrepresentation and desecration of the Father’s glory.”\textsuperscript{520} Thus, while sin is an object of real significance that requires action to be dealt with, it is not resolved through an offsetting payment. It is not a debit to be credited. Sin is transformed as is the relationship between humanity and God opening up the otherwise possibility of believers being reintroduced to the doxological life of the trinity. In other words, while sin requires that action be done (it cannot be addressed only through interior affect), there is also a transformation of sin, humanity, and the relationship between humanity and God. Salvation, in Anatolios’s account, is a gift that lapses neither into strict obligation nor pure gift.

This transformation is crucial for it also maintains the tension between the objective/subjective binary. Anatolios wants to ensure that the honor being paid to God and the sin that is canceled are not treated as extrinsic to each other. Rather what Christ does (glorifies God) and, therefore, what Christ gains (the grace of repentance) for humans are intertwined in the logic of the hypostatic union.\textsuperscript{521} Anatolios sees this in a Cyrillian approach (glossing Matthias Joseph Scheeben) where everything that humanity receives from Christ is first gained in Christ. Through the hypostatic union it is passed on to the rest of humanity. I suggest that there is a parallel between this point about Christology and Dabney’s pneumatological

\begin{footnotes}
\item[519] Anatolios, 330.
\item[520] Anatolios, 330.
\item[521] Anatolios, 330.
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description of the Spirit as “transjective.” For the Spirit is not identified with the individualized spirit of humans in a subjective sense. Likewise, salvation is not and cannot be a matter of personal, subjective transformation. Christ as fully God must act. But neither is the action of the Spirit something that works on humanity in an extrinsic fashion as if humans are entirely separate objects. The work of Christ transforms humanity and unites humanity to the intra-trinitarian life of mutual glorification. What Christ gains is passed to humanity through his own humanity, and humanity is thereby, through the Spirit, drawn into the divine life.

This crossover between Christology and pneumatology points to the possibility for highlighting the significance of Pentecost for atonement, something to which Anatolios gestures though his focus remains on the cross. If on the cross, Jesus’ “vicarious contrition for human sin was completed and perfected” accomplishing “the slaying of sin through his death,” then through the ascension “humanity’s access to the divine glory through his perfect contrition for human sin” is retrieved as Jesus takes his place at the right hand of God's throne.522 Pentecost, however, marks the moment when “Jesus gives human beings the capacity to enter fully into his own saving doxological contrition.”523 It is the moment when otherwise possibilities are poured out. The gift of salvation reckons humans to God so that they might participate fully in the gift of creation and the trinitarian life in which it participates.

In the section on creation, I pointed to Pentecost as a work of the Spirit that informs our understanding of the Spirit’s work in creation. I want to conclude this account of atonement by similarly pointing to Pentecost to inform the work of salvation. In contrast to Anatolios’s Christology focused on the cross that sees Pentecost as an extension, Macchia suggests that the

522 Anatolios, 381.
523 Anatolios, 381–82.
life and mission of Christ are fulfilled at Pentecost. Macchia’s account resonates with
Anatolios’s. He sees Christ’s victory over sin and death as making possible the baptism on
Pentecost. But Macchia argues that it is in the baptism at Pentecost where the unity between
Jesus, God, and the Spirit is most clear as it is “the point where God self-imparts to creation in
such a way as to take the creation into the divine embrace, not just representatively—ultimately
in the cross and the resurrection—but actually at the point of the impartation of the Spirit to all
flesh.”524 At Pentecost Christ “binds us by this same Spirit to his embodied life and destiny out
of love for us.”525

If accounts of atonement rely, as I have argued they do, upon first understanding “how
we are bound to God” rather than jumping straight to “who owes what, or how much, to whom”
then looking to Pentecost as Macchia describes it is clarifying. It is the clearest enactment of
humanity being bound to and participating in the life of God. It is not surprising that Macchia
describes speaking in tongues, a manifestation of the baptism at Pentecost, as “participation in
mystery.”526 This is not a corrective to Anatolios’s account, but rather a suggestion that the
teleological orientation of humanity towards participation in the mutual glorification of the
trinity can be seen (at present) most fully at Pentecost. In the same way that the Spirit inspired
life into humanity at creation, humanity is re-inspired at Pentecost. The gift of salvation, the
restoration of humanity into full participation in the gift of the life of God, unfolds in as close to
its entirety as we have yet seen at Pentecost. Pentecost, thus, I suggest serves as an appropriate

524 Frank D. Macchia, Jesus the Spirit Baptist (Grand Rapids, MI: William B. Eerdmans Publishing Co.,
2018), 5.

525 Macchia, 5.

526 Frank D. Macchia, “Babel and the Tongues of Pentecost: Reversal or Fulfillment? A Theological
Perspective,” in Speaking in Tongues: Multi-Disciplinary Perspectives, ed. Mark J. Cartledge (Eugene, OR: Wipf
starting place for thinking about how humans are reckoned to God in both the gifts of creation and salvation. In the next chapter, I will continue to reflect on Pentecost and the gift of tongue(s) as a starting place for thinking about how humans are reckoned to others to inform our ethics.

9.5 Conclusion

I have argued in this chapter that reckoning humans to God is a form of the practice of accounting. I have explored the prevalence of this in discussions of sin, debt, and atonement. Rather than asking “who owes how much, or what, to whom?” I suggest that we must first ask, “how are they bound together?” The practice of accounting is the grammar that makes relations intelligible. I therefore pointed to the gift of creation as the form of life that might help establish the criteria by which humans can be reckoned to God in order to shed light on the gift of salvation. Whereas the criteria of modern accounting sounds notes of control and possession highlighting the extremes of binaries of strict obligation/pure gift, separation/unity, and objective/subjective, creation is a gift. It involves lives participating together in the breath of God that is not possessed but inspired and expired, constantly moving and shared. The gift of creation eschews separation from God and the desire to be “freed” from the debt that God is owed. It also avoids a total conflation of humanity into God. The significance of identifying the gift of creation as the form of life by which the gift of salvation is made intelligible is that theological discussions such as atonement rely upon dogmatic claims about who God is and how humans are reckoned to God. When the criteria of those discussions conform to modern accounting, the environs of intra-trinitarian mutual glorification or humanity’s participation in the divine life as homo adorans becomes foreclosed. Gifts become unintelligible, and God is construed according to the criteria of modern accounting.
I provided examples of atonement accounts that conform to modern accounting criteria before outlining Anatolios’s account of atonement. Anatolios’s soteriology is exemplary within my larger argument for several reasons that are worth making explicit. First, his critique of the approach of modern models demonstrates the need for foundational dogmatic norms. Within my argument, I have described those dogmatic claims as establishing the criteria by which one accounts. They answer the question, “how are we bound to God?” which must be asked before any questions related to debt or owing can be broached. The model approach often bypasses this foundational question, but Anatolios identifies it as essential for understanding atonement.

Second, Anatolios’s description of trinitarian life and humanity’s relationship to God at the heart of the gift of salvation resonates with the criteria of the gift of creation. This is clear from Anatolios’s description of the intra-trinitarian life and the doxological orientation of humanity to participate in the communion of mutual glorification within the divine life. Salvation within this account is not something that one possesses. It is something in which one participates. Just as our lives are not something that we have, but a gift of God in which we participate. The Spirit that moves in and through us like breath is the same Spirit that at Pentecost draws us into the divine life so that we may access fully Jesus’ doxological contrition. The gift of creation, which burgeons out of the trinitarian life, is the relational grammar in which this account of the gift of salvation is intelligible.

Finally, Anatolios’s account offers a critique of the use of the criteria of modern accounting in Christian theology through the way that it navigates the tension of the three binaries that I have thus far noted in modern accounting. For salvation to be a true gift, it must avoid the extreme poles of each of these. First, salvation is achieved neither through the logic of strict obligation or pure gift. As Anatolios is careful to point, out sin is not offset by a
counterweight of Christ’s action or payment, but it is also quite clear that sin is not something that can just be “written off” on a whim to provide salvation as a free gift. Second, salvation is also clearly not separation. The eradication of sin does not “free” humanity from a debt that releases them from God. Understanding how humanity is bound to God makes this clear. Salvation is, quite the opposite, to be freed to participate fully in the divine life. But the distinction between God and humanity is maintained as well throughout Anatolios’s account. It is perhaps clearest in the discussion of Pentecost, which Macchia describes as making Christ’s divinity and unity with God and the Spirit clear. For it is in the work of imparting the Spirit on creation (the other) that Christ’s Godhood is evident. Jesus’ distinction from creation is evidenced by his ability through the Spirit to give the gift of salvation to an other. Finally, salvation does not slide into a purely objective account of sin and its repair. It is the transformation of sin through the action of Jesus that is so significant. But neither is salvation a subjective transformation of individuals. Sin must be dealt with and these two components come together in what Christ gains for humanity through his action (Christologically in the hypostatic union) or the Spirit’s impartation onto creation from Christ that draws them transjectively into the divine life.

Salvation like creation is thus properly thought of as a gift. My accounts of both of these gifts relied upon looking to the gift of the Spirit at Pentecost. The following chapter will continue the focus on Pentecost as I look to the gift of language to illuminate how humans are reckoned to others. Pentecost shows us that in Christ, “we are joined to the Spirit, and in the Spirit we are joined to” Christ. And in being joined to Christ, “we are also joined to his mission in the
Knowing that we are participating in the divine life and mission should tell us something about how we should live in the world.

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527 Macchia, *Jesus the Spirit Baptizer*, 3.
CHAPTER 10
Of Reckoning with Neighbors

10.1 Of Reckoning with Neighbors Introduction

Pentecost is the culminating aspect of the Christ event. As I outlined in the previous chapter, it is the moment when the Spirit is poured out on creation to draw it into the divine life and the fulfillment of Jesus’ salvific work. I also used the work of the Spirit at Pentecost as a starting point for thinking about the work of the Spirit at creation. What emerged was a description of the trinitarian life and how humans are reckoned to God that established the criteria for thinking about discussions of atonement. Pentecost, however, is not only significant for its insight into humanity’s relationship to God but also how humans are reckoned to each other. The church is birthed at Pentecost. Likewise, the gift of the Spirit also points to how humans are related to other creatures. As Daniela Augustine says, “The Holy Spirit catches up not only humanity but the whole created realm into the life of God.” The gift of the Spirit, thus, speaks not only to the reckoning of humans to God but also to neighbors, anthropic and non-anthropic alike.

Knowing how humans are reckoned to God is not merely a matter of theoretical reasoning. In recalling the discussion of truth in accounting in Chapter 7, it is a matter of practical reasoning. How we account for things orients our actions going forward. How we are

bound to neighbors, shapes how we “go on” with them. There is a parallel between knowing how to account for neighbors and Rowan Williams’ description of understanding language as “knowing how to ‘go on’, how to follow what has been said or done with an intelligible next move.” In the previous chapter, I suggested that how one reckons humans to God has implications for the doctrine of salvation. It is only in knowing how humans are bound to God that what one owes can be made clear. In the same way, this chapter suggests that it is only in knowing how one is bound to neighbors that one can know how to go on together.

Rather than looking to modern accounting to determine how neighbors are reckoned, I look to language. I thus propose a different way of reckoning, and I also point to an alternative to modern accounting’s criteria, hospitality, to shape how to “go on” with neighbors. How humans are reckoned to their neighbors is connected to how they are reckoned to God. In that sense, this chapter’s proposal is an extension of the constructive theological claims made in the previous chapter and a further critique of a modern accounting imaginary being used in all domains of life. In the same way that the previous chapter exemplified the implications of modern accounting on Christian theology, this chapter explores its significance in ethics. By proposing an ethical approach to relating to neighbors that functions according to the logic of gift, I am making three arguments. First, the contrast between the ethic I propose to that within a modern accounting imaginary demonstrates the ethical significance embedded in modern accounting. In the same way that one does not need to assent to my constructive theological proposal in the previous chapter to agree to my argument about modern accounting’s theological impact, one

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need not assent to my constructive ethical claims to be persuaded of modern accounting’s ethical significance.

Second, my description of language in this chapter provides a methodological approach to ethics. This approach avoids the extremes of one final binary: naturalism/emotivism. Chapter 6 already highlighted that modern accounting’s naturalistic approach corresponds to an “is” that leaves its ethical claims about “ought” to be a matter of emoting. By holding a tension between this binary, I propose a method of ethics that is neither subjective nor that purports to be narrowly objective. One essential point about this proposal of a method is that the tension of flexibility and yet constraints within language contrasts modern accounting’s claims to universality. Thus, while in the later portion of the chapter I propose a specific way of relating to neighbors outside of the imagination of modern accounting, it is part and parcel of my approach that I do not assume that we can universalize how we relate to others. I do not parse out examples of how and where we should relate to neighbors in which ways. Part of the suggestion of the method is that one of our main ethical tasks is to make judgments about how to “go on” with neighbors. In other words, counting is an ethical task, but perhaps the primary ethical task is determining what kind of counting one should do. Similar to my argument in the previous chapter, before we can ask what we owe to our neighbors, we must first determine how we are bound to them. Finally, I provide explicit arguments about instances where I find the application of a modern accounting imaginary to be inadequate. Specifically, I explore stewardship, humanitarianism, and environmental ethics where a modern accounting imaginary is employed through the category of “stewardship.”

The chapter begins by exploring how language avoids the extremes of the naturalism/emotivism binary. Using discussions of both ordinary and ecstatic language, I show in
the next section how language is, on the one hand, projected into new contexts and cannot be confined by a reductionistic naturalism. In the next section, I consider how, on the other hand, language is not a matter of subjective emoting but is normed by a form of life. Language, ordinary and ecstatic, is a true gift that demonstrates a way of reckoning with neighbors that cannot be captured by modern ledgers. I conclude the discussion of language by identifying the theme of hospitality at Pentecost as the criterion by which to understand how neighbors are bound together in contrast to the criteria of modern accounting. The final section of the chapter considers how approaches of “stewardship,” both in humanitarianism and the environment enact the relations of modern accounting rather than that of hospitality.

10.2 Participating and Projecting in the Gift of Language

Throughout this entire project, I have drawn comparisons between the practice of accounting and language. This chapter’s focus on language brings full force to the reflection of the practice of accounting as functioning like language. Language, as will be made clear, requires knowing how one is bound to one’s neighbor. Asking and answering this question, “how are we bound together,” I suggest is a fundamental question of ethics that precedes other questions such as “what do we owe each other.” While I have demonstrated throughout the dissertation that modern accounting does, in fact, operate like a language, the objectivity that is often ascribed to it is unreconcilable to language. Thus, what follows is a critique of the neutral and objective assumptions about modern accounting as insufficient for thinking about ethics, though, as I have mentioned, this does not mean that modern accounting cannot or should never be used (though it should be more forthcoming about the kind of counting it is actually doing).

Language is not static or stable, a point that is illuminated through explorations of both ordinary and ecstatic language. Nor is language traded back and forth by monadic balance sheets.
In recalling the participatory relational dynamics of the gift of creation, the gift of language contains a similar vision of lives participating together. Individuals do not possess, own, or control words or language; they participate with others in them. There is a flexibility that comes as a result of this participatory dynamic that precludes the possibility of language conforming to a mechanistic naturalism. Words are not simply measured or added and subtracted, and their meaning is much more than simply a logical correspondence between a word and something in the world. This section explores this flexibility of language that highlights the communal participation built within it as a way of thinking about how neighbors are bound together in a way that reaches beyond two discrete balance sheets trading assets, or rather words.

10.2.1 Knowing What Is Next

Learning a language is not simply a matter of learning words and definitions. As Cavell says, in the process of language learning “you learn not merely what the names of things are, but what a name is.” Likewise according to Williams, language is more than simply an “index-like relation” between language and that which it represents. One’s understanding of language is demonstrated by “knowing what to do or say next.” Cavell glosses Wittgenstein to make this same point that “to know the meaning of a word, to have the concept titled by the word, is to be able to go on with it into new contexts—ones we accept as correct for it.” In other words, “our ability to project appropriately” into new contexts is the marker that a word has been learned. Cavell describes what it means to project a word by looking at the word “feed.” A beginner

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531 Williams, *The Edge of Words*, 60.
532 Wiliams, 68.
534 Cavell, 169.
understands what it means to “feed the kitty” and thereby is able to make intelligible the phrase “feed the meter” after having parked, and intuits the fact that a person who “feeds his pride” will see that pride grow. The flexibility that Cavell attributes to language is remarkable, suggesting that a core concept may have an “indefinite number of instances and directions of projection.”

My language-learning toddler is constantly attempting to project words into new contexts in ways that demonstrate just how flexible and ambiguous words are. He underwent a period where he responded to any suggested activity that he did not want to do by saying “it’s too hot.” This raised some confusion when asking him to eat at meal time or take a bath since both of these are activities where it would be reasonable to avoid based upon it being “too hot.” Yet, he continued to use this expression when being asked to pick up his toys or brush his teeth. It became clear that he had not fully learned what “it’s too hot” meant. He was projecting incorrectly. It was only after some reflection (and paying close attention to when I said “it’s too hot”) that I realized that having endured a summer of extreme heat where his frequent requests to “play outside” or “go to the park” were constantly denied based upon the words “it’s too hot,” that these words were taken by him as a refusal in general. Because “it’s too hot” had become the standard formula to affect the response “no” in reply to the request for outdoor activities, he assumed (quite reasonably given the intensity and persistence of the heat) it could be applied in such a fashion to any activity.

Williams describes language in light of this projectability in a “metaphysically ambitious” way, one that cannot be captured by a naturalistic system. He calls language “an act of faith which assumes that words can be persuaded to say more than they initially seem to
The projectability of language comes out in Williams’s use of the word “representation” rather than “description” in his discussions of language. Description involves “cataloguing elements in what is perceived, diagrammatic and mathematical reductions.” In other words description would be adequate to describe the activities within a mechanistic system. Representation may include these aspects but cannot be reduced to them. Instead, Williams outlines a “more metaphysically ambitious language . . . as fusing the agency and energy of this particular bit of the environment with my own agency, allowing the external stimulus to shape my action, yet also shaping the stimulus in particular ways as I make it my own.” This vision of language is one where the language user is not merely extrinsically relating to the world around her. It is a participation whereby her being and the world are made in conjunction with each other. When Williams says that “I make [language] my own,” he does not mean that we can think of language as a possession. He notes that we do not “possess” our own words. Even the words we first use when embarking on an exchange or dialogue are words that we have previously received, and we are constantly aware of being shaped by the words we continue to receive and trade back but “have never completely or definitely laid hold of.”

The projectability of language as highlighted by Cavell and Williams escapes a naturalistic system and is more “metaphysically ambitious,” but perhaps even more fundamental than that, language is a form of participation not possession. We are shaped and shaping when we engage language in a way that marks language as a practice that is not only a matter of

537 Williams, *The Edge of Words*, 146.
538 Williams, 189.
539 Williams, 188.
540 Williams, 147. Tupamahu makes a similar point saying, "language has never been owned by one person only. One person’s language is also somebody else’s”; see Ekaputra Tupamahu, *Contesting Languages: Heteroglossia and the Politics of Language in the Early Church* (New York: Oxford University Press, 2023), 216.
information transmission, but of encounter, recognition, and acknowledgement. Gifts, as a particular way of counting, also contain this metaphysical ambition. As Chapter 8 described, the direct recognition is a recognition of human dignity in the other. They are ultimately a gift of one’s self. I have already pointed toward the ontological and metaphysical claims of thinking about life as a gift, but here to thinking about gift in light of language points to how we engage with neighbors in ways that are more than mere exchanges of objects or words. The flexibility and participatory nature of ordinary language takes on a heightened role when looking at ecstatic speech, to which I now turn.

10.2.2 Glossolalia Makes Spirit Not Sense

Macchia describes tongues as “the language of love, not reason.” He says, “Tongues cannot be turned into a law that governs how Spirit baptism must be received without exception with the actions of a sovereign God…Tongues symbolize this self-transcendence and bridge-crossing,” what Dabney describes as “transjective.” Wariboko’s phrase, “It does not make sense, but it makes spirit” is exemplified by tongues. Like all language, therefore, tongues-speech resists mechanistic naturalism. Tongues-speech, however, marks a particularly profound resistance to technocratic systems given that sounds, not even full words, are reformulated and put together in new and otherwise ways. Since these languages are not learned or memorized, phrases are not repeated; they always mark the new.

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542 Macchia, 281.


544 For a sociological definition of the phenomenon of glossolalia, Vern Poythress captures some of the primary contours, some of which are alluded to here. He says, “Free vocalization (glossolalia) occurs when (1) a human being produces a connected sequence of speech sounds, (2) he cannot identify the sound-sequence as belonging to any natural language that he already knows how to speak, (3) he cannot identify and give the meaning of words or morphemes (minimal lexical units), (4) in the case of utterances of more than a few syllables, he
The distinction between glossolalia and xenolalia highlights this resistance to a mechanistic system. Crawley notes the importance of this distinction. Xenolalia is the practice of speaking in tongues where the language spoken is a foreign language unknown to the speaker who can thereby communicate to an ordinary speaker of that language. Glossolalia is the practice of speaking in tongues where the language spoken is “heavenly” and unintelligible as an existing language; it is archetypal ecstatic speech.\textsuperscript{545} While these two forms of speech are at times simply conflated under the category of tongues-speech (Crawley notes James K. Smith’s lack of distinction), Crawley argues that xenolalia corresponds to the practice of translation, which is stable and static, whereas glossolalia coheres with interpretation.\textsuperscript{546} Xenolalia, for Crawley, is a form of encountering the other and a way of perceiving knowledge that “resemble[s] settler colonialis[r]t theological-philosophical imperatives because with xenolaliac utterances is the concept of language as pure, coherent, stable in its enunciation, such that each language maintains purity.”\textsuperscript{547} The stable and static vision of language given by xenolalia does not account for the way in which words are projected, the participatory nature of language whereby it is created and creates. It assumes, instead, a naturalistic approach to language where monadic agents encounter each other and exchange static words.

\textsuperscript{545} For a history of the development of the interpretation of glossolalia, see Tupamahu, \textit{Contesting Languages}, 12–48.

\textsuperscript{546} Tupamahu also outlines how translation can be “an act of violence” silencing other languages through translation can also be act of hospitality by drawing someone into the conversation; see Tupamahu, 209–10, 217–18.

\textsuperscript{547} Crawley, \textit{Blackpentecostal Breath}, 212.
Xenolalia as a result represents a specific way of encountering the other that, as Crawley highlights, can overlap with racial and colonial imaginations.\textsuperscript{548} He says,

Xenolalia operates by a peculiar conception of self and Other, and the conceit of xenolalia is not by imposing State language—of the Americas, for example—on the Other. What it does is, perhaps, more insidious. It imposes the logic of a State language through the refusal of linguistic difference, through the nonacknowledgment of idiomatic expression internal to the languages of the Other; it assumes that all one needs is translation, rather than interpretation. So not only does it assume that translation is more consequential than interpretation, but the logic is grounded in the necessity of the ongoing difference, the ongoing nonconvergence of the self and Other.\textsuperscript{549}

Imagining that words can be “possessed,” stable, and translated in perpetual “ongoing nonconvergence” leads to imagining that one can possess others, a concern that Crawley raises given the way that xenolalia fueled colonial imaginations. It never requires a response to a call beyond ourselves and is neither metaphysically or relationally open. Xenolalia implies a form of language in stark contrast to that of the representation described by Williams. It upholds a pure separation—as if those engaged were discrete balance sheets who do not participate in the shared gift of creation or in each other’s lives—by reducing language to something like the transmission of description (in Williams’s terms) or translation (in Crawley’s terms).

Tongues-speech, in Smith’s account (despite not highlighting the distinction between glossolalia and xenolalia), is a practice that encounters “the world as a kind of ‘open system’—as a site for the inbreaking of the divine.”\textsuperscript{550} This fits with Crawley’s description of glossolalia as “the eruption and enunciation of irreducible, nonlinguistic, nonrepresentational vocalizing,


\textsuperscript{549} Crawley, \textit{Blackpentecostal Breath}, 221. There is a resonance here between Crawley’s concerns about the imposition of a colonial logic and the way that Smith talks about the adoption of naturalism as being necessary to take on the language of a Rawlsian original position, which is the price of admission to public discourse: “But paying that price of admission requires pentecostals to pawn what is essential to pentecostal spirituality: the Spirit’s miraculous surprises”; see Smith, \textit{Thinking in Tongues}, 105.

\textsuperscript{550} Smith, \textit{Thinking in Tongues}, 139.
ecstatic language.” Xenolalia implies a formula whereby knowledge and information are transmitted in a perfectly fungible manner between languages. Yet, glossolalia performs and enacts the projectability of all language in a remarkable way. It draws the speaker into an open system whereby she is exposed to and encounters others and the Other in profound ways. Glossolalia not only affirms the miraculous, though it does that, it affirms a way of being in the world where one is constantly participating in the life of God. In a parallel fashion, ordinary language models how creatures are always participating in the life of neighbors. Both reach beyond the scope of a reductionistic system of naturalism and highlight how neighbors are bound to each other through the gift of language.

10.3 Attuning and Staying in the Groove of the Gift of Language

The gift of language implies a relational grammar beyond the capacity of a system of naturalism. But a true gift must avoid the other extreme, which in this case is emoting. Language, in order for it to function, requires some way of constraining the flexibility featured in the possibility of projection. If there were no bounds, language could be inhered with possibilities beyond a formula but with no means of making sense of each person’s own whims, desires, and subjectivities. This section proceeds like the previous section beginning with ordinary language and then moving to ecstatic speech in order to highlight the significance of attunement and forms of life that allow for improvising while avoiding the extreme of subjective emoting.

10.3.1 Attunement and Forms of Life

If language is not a reductive index-like function of describing, neither is it a process of subjective emoting. Teaching a language is not a matter of telling someone “what words mean” or “what objects are.” Instead, it is a process of initiating them “into the relevant forms of life

551 Crawley, Blackpentecostal Breath, 211.
held in language and gathered around the objects and persons of our world.”\(^{552}\) Wittgenstein portrays language as a gift that is received from elders and draws one into their social world. Mulhall refers to this as a form of being integrated, or “grafted,” into a social context.\(^{553}\) To be able to communicate with someone hinges upon “shared forms of life, call it our attunement or agreement in our criteria.”\(^{554}\) This attunement and shared form of life is precisely what xenolalia, discussed in the previous section, precludes. Language is a gift in which we participate not something we possess, and to participate fully and properly our lives must be properly attuned to the relevant form of life.

The shared forms of life highlight that while Cavell emphasizes flexibility in language, he is just as concerned to note “that this variation is not arbitrary.”\(^{555}\) Language, like love, “is tolerant and intolerant of differences, as materials or organisms are of stress, as communities are of deviation, as arts or sciences are of variation.”\(^{556}\) The example of my son using the expression “it’s too hot” demonstrates this. For my son and I share a “form of life” (one shaped by the heat of a Texas summer and the constant desire of a young child to “go outside,” “go for a walk,” or “play at the park”) where our lives are so attuned that I can recognize the expression “it’s too hot” as a synonym for “no.” But I also deny his projection of the word to being a claim to reason. I tell him “the toys are not hot” because the form of life that makes his projection intelligible is

\(^{552}\) Cavell, The Claim of Reason, 178.

\(^{553}\) Mulhall, Private Language, 35.

\(^{554}\) Cavell, The Claim of Reason, 168.

\(^{555}\) Cavell, 185.

\(^{556}\) Cavell, 182.
not one shared by most English speakers. His use of the word “hot” demonstrates whether he is attuned with the world into which he is being grafted.\textsuperscript{557}

The significance of this attunement to a form of life (both to language’s flexibility but also to its boundaries) demonstrates, according to Williams, that “communication is not . . . passing on information but establishing a world in common, where someone who is radically unsure as to whether their own response to the environment is recognizable and viable can find assurance that they are not isolated.”\textsuperscript{558} Liberating words to do more than merely describe, but to represent, opens the possibility for sharing a world, a form of life, and thereby attuning oneself to the other. To speak and use language thrusts one into an open and unresolved encounter with others where one is continually shaping and being shaped in a process that Williams describes as “a convergence or confluence of action between object and subject.”\textsuperscript{559}

Language is not merely a mechanism to transmit information, but rather a practice that develops “mutual recognition.”\textsuperscript{560} In so doing, it involves risk. Speech can be misinterpreted,

\textsuperscript{557} Cavell gives an example of different forms of life in people who “sell wood not according to what we call ‘the amount of wood’ in a pile, but according to the amount of ground covered by a pile, regardless of its height.” Cavell considers what it might mean to “measure” wood in the way as an example of a different form of criteria. If, rather than dismissing these people as irrational, we assume they have a coherent logic for their measuring, we would need to consider other questions. For instance, does the cutting and harvesting of trees mean that it makes no sense to gather or “pile” wood, such that the “non-piles” give a clearer sense of the amount of wood. Or, could it be that either architectural constraints or restraints make it that each building uses the same amount of wood. Our assumption that you need more wood for a bigger home assumes a particular approach to architecture. Or perhaps they believe that each person only needs one structure. All of these aspects, these particular elements of a “form of life,” make sense of a way of measuring wood. Suddenly, an “entrepreneur” appears in the community who is “crazy to expend labour nudging logs closer together for the sole purpose of getting more wood than he can use for his house in order to accumulate more money to buy wood with” though we might find this to be the logical step to take. Yet, Cavell notes that this does not mean that we should understand the community not to buy, sell, or measure wood only that to understand what they mean by those terms requires inhabiting the “form of life” that makes sense of those words, which in the case of these wood cutters is a form of life unlike \textit{our own}; see Cavell, 115–17.

\textsuperscript{558} Williams, \textit{The Edge of Words}, 99.

\textsuperscript{559} Williams, 20–21.

\textsuperscript{560} Williams, 99.
reinterpreted, or rejected. Risk is essential to the direct recognition involved in gift giving, the particular way in which gifts cause those involved to participate in each other’s lives in contrast to exchanges. There is no third-party, objective arbiter of value. Likewise, risk can be seen in language’s potential to be used to lie, which is also what gives it the possibility of telling the truth. Williams says,

To struggle, to test and reject and revise, is to experience language as a project requiring intelligent discernment, choice and action: language cannot be left to the realm of fixed and predictable responses to the environment. It creates a world, and so entails a constant losing and rediscovering of what is encountered. The connectedness of language to what is not language is a shifting pattern of correlation, not an index-like relation of cause and effect. We cannot easily imagine human speaking without the risk of metaphor, without the possibility of error and misprision, without the possibility of fiction, whether simple lying or cooperative fantasy. In other words, the human speaker takes the world as itself a 'project': the environment is there not as fixed object for describing and managing but as a tantalizing set of invitations, material offered for reworking and enlarging.561

Thinking about truth in speech then moves beyond just accurate description, “an index-like relation of cause and effect.” An index—a quintessential mainstream accounting-like piece of catalogued knowledge—is stable and rigid and can be employed in a mechanistic system. Truth in language, much as it is in the practice of accounting, is not just a matter of accurate correspondence, but the shaping of desires and orientation. It is practical. Becoming attuned to a shared form of life directs us on how to go on.

Shared forms of life bound our language, preventing it from becoming subjective emoting that is nonsense removed from a grammar whereby it could be made intelligible. In this way, the gift of language can avoid the extremes of both naturalism/emoting. If this danger is present in ordinary language, it is especially prevalent in ecstatic speech. In the next section I consider how Pentecostal reflections on the themes of spirituality, jazz improvisation, and the

561 Williams, 59–60.
altar function to develop a form of life in which glossolalia, and the miraculous more generally, are intelligible and have limits.

10.3.2 Improvising the Altar

Just as one does not learn to speak in tongues didactically, Pentecostals see spirituality, the shaping of affections through embodied practices in order to develop orthopathy, as central to learning the Christian life. Through performing spirituality, Pentecostals are grafted into a form of life that prevents a subjective emoting. Tongues-speech is no exception to this. While the stream of sounds pouring forth makes any individual word indiscernible and thereby impossible to assess whether a particular word has been projected correctly, assessing the form of life in which tongues-speech is embedded can still function as a “grammatical” analysis by looking at it as a much larger form of practice.\(^{562}\)

If one considers a “grammatical” analysis as extending beyond purely linguistic syntax, one can identify tongues-speech as a practice situated within a particular form of life. There are particular times and places when tongues-speech might be anticipated. For example, speaking in tongues can occur within a setting that is otherwise recognizable as a time of prayer based upon the physical environs, body posture, etc. One does not typically begin speaking in tongues during

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\(^{562}\) Tongues-speech is perhaps the most iconic of the gifts, signs, and experiences that is often associated with Pentecost and Spirit baptism, but Spirit baptism should not be reduced to tongues-speech. In line with Pentecostal scholars such as Macchia, I conceive of Spirit baptism as “a baptism into the love of God that sanctifies, renews, and empowers until Spirit baptism turns all of creation into the final dwelling place of God.” The “baptism into divine love” is “poured out so as to draw humanity into the \textit{koinonia} of God and to gift and empower the church to participate in the mission of God in the world”; see Macchia, \textit{Baptized in the Spirit}, 60, 258. Spirit baptism, according to Macchia, is better considered as an organizing principle that touches other major aspects rather than its own distinct doctrinal element. The focus offered on speaking in tongues should not be taken as reducing Spirit baptism to that particular phenomenon. Vondey describes such reductive approaches as “pneumatobaptistocentric” and notes the way that tongues “imprisoned the emerging Pentecostal theology in a matrix of one particularly exuberant practice”; see Vondey, \textit{Beyond Pentecostalism}, 189. My use of the gift of tongues then is a synecdoche for Spirit baptism (and all of Pentecostal spirituality) even as I recognize that Spirit baptism cannot be reduced to a “pneumatobaptistocentric” approach that sees tongues as encapsulating the whole of its significance. Rather, thinking about the form of life that makes tongues-speech intelligible leads to a discussion of the altar in Pentecostal imagination and how it can be properly improvised.
dinner conversation precisely because it would be shorn of its proper context. Likewise, public
instances of glossolalia that are intended to be prophetic, or interpreted, tend to happen at
particular moments within a service/liturgy (this is, of course, in tension with the fact that these
moments are often touted for their “spontaneity”). This timing, along with other elements of the
performance, makes them recognizable as a public giving of tongues. The performance includes
more than just the tongues-speaker. For instance, if musicians are playing, the tongues-speaker
must be recognized such that the musicians can quiet, or stop, their playing to allow the speech
to be heard by the entire congregation. If musicians (whose instruments are often amplified
through a sound system) do not stop, they might play right over the (unamplified) tongues-
speech and prevent any “tarrying” for an interpretation. The nonconvergence of the speaker and
the musicians identifying it as a gift of tongues to the church silences the words rendering them
ineffective.

Tongues-speech, however, might occur (and be heard) but rejected even in communities
open to such manifestations if other elements of the performance are not fit properly to the
practice. It would be unusual, for instance, for tongues-speech to occur during the second point
of the pastor’s sermon. Engaging in tongues-speech at that time might leave it so far detached
from the proper grammatical context that it would not be received as a prophetic utterance or
work of the Spirit. On the contrary, it might be perceived as an unwanted disruption and greeted
with the ushers trying to quiet or remove the speaker. Much of the meaning of glossolalia, as it is
with gifts, comes through the form not just the content. The immediate unintelligibility of the
content makes this particularly evident.

The quintessential form of life for thinking about tongues-speech and Spirit baptism is
the altar. Prayer for salvation, Spirit baptism, healing, etc. accompanied by the laying on of
hands and tongues-speech are activities that are most frequently associated with the altar. Yet, the altar for Pentecostals is like language: neither static nor stable. The altar as a theological metaphor extends beyond the front of church building and marks a sacramental view of the world where God can be encountered anywhere. Testimonies often reflect this dimension where God meets individuals right where they are, even if that is at work, in a bar, or out fishing. As Smith says, "The tangible, visceral, emotional nature of pentecostal spirituality works as a pedagogy of the affects, an education of the emotions, priming disciples to precognitively construe the world of their experience in a certain way outside of worship." The altar is projected out into the world.

This capacious view of the altar can make sense of tongues-speech almost anywhere, but even that does not simply render all projections or improvisations valid. Improvisation is full of otherwise possibility. Life under the direction of the Spirit is not the same as being under “the director of a scripted drama.” Pentecost is taken by many Pentecostals to be “an unscripted event.” But not all improvisation is valid; not all dissonance is good. In this way tongues-speech can be thought of in relation to jazz. Speaking in tongues, as a model of living in the Spirit, is constantly improvising. It is singing. It is “jazzolalia.”

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564 Smith, *Thinking in Tongues*, 80.


567 This expression comes from Martin W. Mittelstadt.
Jazz, as was previously discussed, points to the new and otherwise possibility of music. Improvising demonstrates flexibility beyond a static and stable script, but it is not a matter of pure emoting. For while a musician who is improvising is in some ways playing her own song—it is obviously more than a repetition of scripted notes, and it is essential that her voice be heard—she is bound by certain restraints. The improviser’s performance demonstrates that others do not own the music, but neither does she herself.\textsuperscript{568} She is bound by the time and harmony, and her style should be befitting of the piece within which she is performing; she must “stay in the groove.”\textsuperscript{569} Her counting must converge with the counting of others even as she illuminates otherwise possibilities.

Improvising the altar may lead to tongues-speech and other forms of Pentecostal spirituality spilling out into the public. I have witnessed tongues-speech at a basketball game where a previously cacophonous high school gym was silenced by a player crashing to the ground and then beginning to seize on the floor. The audience’s shock-induced silence was only broken by a parent in the crowd who began uttering in tongues. It was a projection that demonstrates the way that the altar of healing enacted and performed in Pentecostal practice can burst into view, into the public beyond the physical confines of the church. If one’s life has been grafted into practices where the Spirit is called upon via tongues-speech in order to be made present in times where healing is sought, then such a response makes perfect spirit.

The form of life inhabited and established within the church goes with the believer wherever she is such that when a crisis is encountered where God’s presence is needed, the

\textsuperscript{568} Jazz, and its history particularly as it relates to race and issues of appropriation, presents a complex case in this regard.

\textsuperscript{569} I am grateful for discussions with Michael Bradford about jazz, improvisation, and rubrics for competitions and adjudication.
believer knows how to act. Yet there are limits. Limits which are taught through the same habituation and practices of spirituality in the community. One would not pray at that same basketball game as a player was shooting in hopes that the winning shot would go in. To do so would be to misunderstand the altar, God’s presence in the world. It would be like my son responding to my request for him to pick up his toys by saying “it’s too hot.” Learning to speak in tongues, to operate in the gifts of the Spirit or to be membered in the body of Christ, is an education that resonates with the social element of language seen in the way that Wittgenstein explores the process of language learning in children. To know when to speak in tongues is a matter of being adequately grafted into Pentecostal spirituality, to know how to improvise, how to “stay in the groove,” how to count, and what counts. It requires shaping and forming not only one’s orthodoxy but orthopathy in order to know how to enact and experience the world as an “open system” where God can meet you at the altar wherever you are. Operating in an open system, one where God can provide gifts requires knowing when and how to make such requests. Just as giving a gift poorly suited for the recipient reveals a misapprehension of the relationship, requesting an ill-suited gift can be similarly telling.

Participating in the gift of language together creates a convergence between those engaged. Attunement to a shared form of life creates a shared orientation of desires. In this way, “staying in the groove” and knowing how to “go on” are forms of practical reasoning. While maintaining the flexibility of projecting and improvising, they constrain one based upon the shared form of life. But as we have seen language and gifts are risky. One is reminded of the proverb that says, “where no oxen are, the manger is clean” (Proverbs 14:4, NASB). In the case of spirituality, there is a risk that someone will play who is not properly attuned to the altar. Living in an “open system” heightens that concern as corrupted desires may pursue miraculous
interventions that are invalid improvisations. Smith points to examples of this in Pentecostals who, “ally themselves with power and the status quo— with ‘law and order’ and military might, rather than the meek on the earth and ‘weak things of the world’ (1 Cor. 1:27).” The believer might request that the game’s winning shot go in, a flippant request, but one that is made intelligible by a far different form of life than the parent praying over the seizing player.

A more serious example of projecting the Spirit that demonstrates the desire of alliance with power is the role of Pentecostals on January 6, 2021 where the storming of the capital was accompanied by groups of Pentecostals who were gathered and participating in practices that resembled a typical worship service. These Pentecostals believed in the transformational power of the Spirit, but what is the form of life that makes the demand upon that power in this instance intelligible? Does the improvisational act of speaking in tongues and prophesying that the election results be overturned adhere to the form of life in which the Spirit works or is it an example of allying “with power and the status quo”?

If learning to stay in the groove is a matter of being grafted into Pentecostal spirituality, then it is, like language learning, not merely a didactic transmission of knowledge. Smith thus links his criticism of recent Pentecostal social engagement to a critique of spiritual practices. He says that Pentecostals, particularly in their “emphasis on cultural transformation,” have fallen into patterns that require “critical reflection on contemporary practice.” In other words, Pentecostals worshiping and seeking the miraculous overturning of the election on January 6,

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570 Smith, Thinking in Tongues, 46.

571 Creighton Coleman suggests, “The insurrection was a Pentecostal event, and a relatively ordinary one at that”; see Coleman, Creighton, "From Contempt to Encounter: Pentecostal Political Theology and Democratic Life." (PhD diss., University of Virginia, 2023, 7, https://libraetd.lib.virginia.edu/downloads/ gt54kp190?filename =1_Coleman_Creighton_2023_PHD.pdf

572 Smith, Thinking in Tongues, 46.
2021 in the shadow of the US capitol is an unsurprising projection and improvisation given the extent to which Pentecostal churches in the United States are used on national holidays to honor country and are year-round adorned with American flags looking down on the altar. There are boundaries to the practices of worship and beseeching the miraculous, and those boundaries are taught through practices in the church. They are taught at the altar in order to learn where and how the altar might be projected in convergence with the Spirit, Word, and community.\textsuperscript{573}

What this section has outlined is the way that language avoids becoming subjective emoting. It is bounded by shared forms of life into which we are grafted as children or through spiritual practices that train us how to improvise. In terms of tongues-speech, and Pentecostal spirituality more broadly, I have considered the altar as a theological category for thinking about how the church views God’s activity in the world. In doing so, I have raised questions about recent improvisatory trends among Pentecostals.

What my analysis of language has so far illuminated is the connection between the practice of accounting and ethics. In as much as the practice of accounting requires determining how things should be reckoned in order to determine how to count them, it functions much like language that develops a shared form of life in order to know how to “go on.” One of the central critiques of this dissertation is the conflation of modern accounting with the practice of accounting in general. Ethics requires us to know how to count, and modern accounting is only one way of reckoning with neighbors.

In the next section I make explicit a criterion, namely hospitality, associated with the gift of Pentecost as an example of reckoning with neighbors other than through the ledgers of

\textsuperscript{573} This is an allusion to Yong’s work as providing a hermeneutic principle of discernment. Amos Yong, \textit{Spirit-Word-Community: Theological Hermeneutics in Trinitarian Perspective} (Eugene, OR: Wipf & Stock Publishers, 2002).
modern accounting. Hospitality tells us how neighbors are bound together as a result of how humans are bound to God. In describing hospitality, I provide an alternative criterion to the criteria of modern accounting by which to think about how to go on with neighbors.

10.4 Hospitality as a Criterion of Pentecost

We return to where the previous chapter left off, Pentecost. Pentecost is a crucial element of the Christ event. As I described, Anatolios sees it as a crucial extension of deification through the cross while Macchia goes even further saying it is the fulfilment Jesus’ life and mission. Pentecost, therefore, serves as a hinge from the previous chapter’s discussion of how humans relate to God to the present chapter’s discussion of how humans relate to neighbors because at Pentecost the church is birthed through the participation in the divine life via the outpouring of the Holy Spirit. At Pentecost, how neighbors are reckoned to each other is inextricable from how humans are reckoned to God. Daniela Augustine puts it this way,

It is impossible to think about redemption as a socially disembodied personal experience. Instead, it should be understood as the process of bringing all social relationships that comprise human identity within the presence of God—within the fellowship of the communal Trinity. Christ's incarnation makes this redemption possible by birthing forth the embodied reality of the eternal Logos as the-Word-in-relationships, as the-Word-applied to the totality of human social existence. This is an extension of the hospitality of God, who has not quarantined himself away from human life, but has taken it upon himself, sanctifying andredeeming it in his own divine communal reality.574

In connection to last chapter’s argument about salvation as “doxological contrition” one might imagine the work of Christ in the incarnation and on the cross as an example of hospitality. The “hospitality of God” extended through the Incarnation is manifested further not only in the processing forth of the Spirit at Pentecost, but also in the community birthed out of that event.575

574 Augustine, Spirit and Common Good, 43.

575 This connection between the participation in the divine life to the participation in the life of others is at the heart of Wariboko’s Pentecostal principle which points to the new as an ethical framework and why Smith
In the previous chapter, I offered a constructive proposal for the Christian doctrine of salvation in the place of soteriologies that rely upon a modern accounting imaginary which I see as inadequate. Here I offer a constructive proposal for Christian ethics thinking about criterion that I draw from Pentecost for how to go on with neighbors that can be employed where modern accounting is not well-suited. My proposal makes specific ethical claims, and in doing so it reveals the implications of simply assuming a modern accounting imaginary when reckoning with neighbors in order to determine how to go on.

Pentecost also serves as a bridge between the first two sections of this chapter which have highlighted how the gift of language exemplifies how we might think about going on with neighbors in a way that avoids both mechanistic naturalism and subjective emoting. It is a form of ethics based upon projection, improvisation, and forms of life. But as I noted, in order to know what it would mean to improvise the altar properly, the criteria of the altar have to be asserted. I propose here the criterion for one way of counting and improvising. If participating in language attunes lives together, the form of life that makes glossolalia intelligible is Pentecost. Pentecost serves as a foundational model of the altar. It is the epicenter of the concentric waves of the traveling church that goes out upon receiving the power of the Holy Spirit (Acts 1:8). At Pentecost, I argue, a criterion for the form of life that emerges is hospitality. I explore hospitality briefly here as a way of establishing a criterion for thinking about how to improvise the altar and go on with neighbors, which I raise in regard to stewardship, humanitarianism, and environmental ethics in the following section.

suggests tongues-speech raises not only conceptual discussions but ethical ones as well; see Smith, *Thinking in Tongues*, 123.
The theme of hospitality draws out how humans’ reckoning with neighbors is shaped by humans’ reckoning with God. Luke Bretherton notes that the church is “a blessing to all peoples by participating in the Spirit’s” work.\textsuperscript{576} The diversity of tongues at Pentecost is emblematic of how participation in the divine life and the lives of others draws “neighbours into its common life.”\textsuperscript{577} In fact, Bretherton distinguishes hospitality from toleration by the emphasis upon forging a “common world of meaning and action between giver and receiver while recognizing actual or latent conflict and difference.”\textsuperscript{578} While one might offer or give someone hospitality, we should not conceive of it as a “free gift.” “[I]t is not a form of . . . one-way giving without the expectation of a return.”\textsuperscript{579} Instead, we must recognize that "the gift of hospitality both signals respect and demands reciprocal recognition from the other, a demand that presumes and intends the possibility of a common life."\textsuperscript{580}

Bretherton’s description of hospitality resonates with Hénaff’s description of gifts that are built upon mutual recognition. The point of hospitality, for Bretherton, is not that the gift and counter-gifts must be equivalent; they can be unequal. In fact, the inequality might be reflective of the way in which hospitality moves past “more tame” approaches of entertaining those already in one’s community to one that, as Christine Pohl says, “welcomes ‘the least’ and recognizes their equal value can be an act of resistance and defiance, a challenge to the values and


\textsuperscript{577} Luke Bretherton, \textit{Hospitality as Holiness} (Surrey, England: Ashgate, 2010), 143.

\textsuperscript{578} Bretherton, \textit{Christ and the Common Life}, 272.

\textsuperscript{579} Bretherton, 272.

\textsuperscript{580} Bretherton, 272–73.
expectations of the larger community.”581 This, of course, “always involves risk and the possibility of failure,” but demonstrates that the initial giver and receiver have “standing in relation to each other.”582

The connection between hospitality and gift is highlighted further when Bretherton says, "Ultimately, hospitality is a gift of oneself. It demonstrates that, first, you are someone who can participate in reciprocal relations over time, and second, you recognize you (and your household) are not self-sufficient but need others.”583 It was Hénaff who said that ultimately what is given in a gift is oneself, and the notion that one is insufficient in oneself is at the core of thinking about a creature’s life as gift of the Creator in which they participate. Bretherton’s account of hospitality, thus, resonates further with Hénaff’s description of gifts as well as the previous chapter’s discussion of creation. The tangibility and directness of the gift in hospitality contrasts the abstraction in the criteria of accounting. For accounting makes commensurate all things reducing them to a number, but Pohl points out that “hospitality in the abstract lacks the mundane, troublesome, yet rich dimensions of a profound human practice.”584 It is “often inefficient,” but the type of “recognition and respect” required by hospitality “cannot be sustained at the level of abstract claims or commitments.”585 Pohl’s account of hospitality is clearly not counting to the beats of the Chicago School’s economic direction finding efficacy in inefficient and non-scalable actions.


582 Pohl, 14; Bretherton, Christ and the Common Life, 272.

583 Bretherton, 273.

584 Pohl, Making Room, 14.

585 Pohl, 170, 63.
If we imagine the initial giver in hospitality then as a host, true hospitality “demands that hosts become decentered and transform their understanding of themselves in order to make room for encounter with others.” The host offering hospitality is not trying to control the guest as if to take possession of him. The invitation of hospitality is like an invitation to discourse, of sharing words and language that are already gifts, which can be traded back and forth in new ways where neither interlocutor fully owns or possesses them. Thinking about hosts and guests connects hospitality to the life of Christ where he was both a journeying host and guest. Being both a guest and a host prevents hospitality from becoming a form of possession, control, or mere stewardship and ultimately avoids it becoming hegemonic. Jesus’ model of hospitality is his pilgrimage “to Jerusalem where he is the rejected guest who in turns becomes the gracious, crucified host,” offering hospitality while receiving rejection.

Hospitality then, as a practice that recapitulates the Christ event at Pentecost, is a practice where one is both guest and host. The Galileans were hosts as witnesses to the birth of the church but also guests as they were thrown into the wider world of diverse languages, previously unknown and unencountered. As Willie Jennings describes it, "The disciples were made to submit to languages and (worlds represented by those languages) worlds not their own, not of their own choosing." The church is invited to draw the neighbor into its common life as a host, but rather than expect to remain stable and static as if its hosting would remain “monoglossic,”

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586 Bretherton, Christ and the Common Life, 282.
587 Bretherton, Hospitality as Holiness, 135.
588 Tupamahu, Contesting Languages, 199.
the church must make space for the stranger and become their guest through changing its own habits and patterns.\textsuperscript{590}

The communal dynamics of hospitality seen in the themes of participation rather than possession and control come out in the practice of speaking in tongues at Pentecost. Pentecost exemplifies the singing church as united but not monolithic or hegemonic. While it is tempting to think of a harmonious chorus of Creator and creation singing together at Pentecost, the theme of jazz music points towards “heterophony.” Bruce Ellis Benson describes heterophony in jazz as “differing voices, dissonance, cross-rhythms, and multiple versions of melodies.”\textsuperscript{591} Jazz features heterophony because of “its fundamental openness to heteronomy or alterity in which new improvisational possibilities are continually opening up.”\textsuperscript{592} In other words, attending to possibility, the propensity for the new, renewed, and otherwise lends towards a heterophonic chorus rather than one perfectly pronouncing rigid and unchanged notes. The music flowing forth from the church at Pentecost is “jazzolalia.”

The unity and participation in the communal response of speaking in tongues to Spirit baptism at Pentecost is essential, but it does not erase difference. As Macchia notes, while Pentecost is often seen as a reversal of the disunity caused at Babel, in this instance, it also marks a continued criticism of the “monolithic, idolatrous, and oppressive” forces around which Babel was unified. It is neither a mandate to ally with power or to institute one’s own hegemonic force. The unity at Pentecost inspired (and respired) by participating in the breath of Christ and being membered in the body of Christ amplifies diversity rather than diminishes it. Tongues represent

\textsuperscript{590} Bretherton, \textit{Hospitality as Holiness}, 140.

\textsuperscript{591} Benson, “Improvising Texts, Improvising Communities,” 307.

\textsuperscript{592} Benson, 307.
unity in a “concrete and pluralistic” fashion rather than the hegemonic and universal characteristic of Babel. Ekaputra Tupamahu highlights the significance of hospitality in the diversity of languages at Pentecost. He reads Luke’s narrative in Acts as resisting a “monoglossic imagination” for the church. Tupamahu’s emphasis upon heteroglossia (taken from Mikhail Bakhtin) resonates with the emphasis on heterophony. What Tupamahu presses his readers towards is reimagining tongue(s) “as a project of hospitality, a radical openness to the others” or as Bretherton describes it, as an “imperative to enter into relationship with, and accommodate, those who are different.” As Tupamahu says, “In this sense, heteroglossia is always a space of hospitality. It welcomes, affirms, and invites others to engage in an active dialogic interaction.” This, of course, does not leave the host unchanged. As Jennings point out, “Anyone who submits to another people's language is allowing their life to be interrupted. Whether by choice or circumstance, submitting your life to a tongue different from your native

593 Macchia, "Babel and the Tongues of Pentecost,” 44.

594 Bretherton, Christ and the Common Life, 147, 131.

595 Tupamahu, Contesting Languages, 200. This comes as part of Tupamahu’s larger argument that interpreting speaking in tongue(s) as a form of ecstatic speech is a recent development. Instead, he reads the Pauline discussion in Corinthians of tongue(s) as disruptive in the church’s proceedings not as a matter of an uninterpreted heavenly language, but as the silencing of minoritized, non-Greek-speaking participants. Acts 2 provides a helpful parallel for Tupamahu since it explicitly points to tongue(s) as being intelligible foreign languages. I continue to follow the distinction between xenolalia and glossolalia as outlined by Crawley, which Tupamahu’s interpretation challenges. Despite their differences in interpreting glossolalia, I think it is a fair reading of both Crawley and Tupamahu to put them in harmony in emphasizing the theme of hospitality at Pentecost.

596 Tupamahu, 215.

597 Bretherton, Hospitality as Holiness, 148.

598 Tupamahu, Contesting Languages, 216.
language alters your life, changes your path in life."599 Hospitality draws the host and guest into a common life for it, like speaking another’s language, allows an other “to make a claim on your very life."600

Hospitality thus cannot be rigid. It requires improvising in the way that Vondey describes as “a ‘singing in the Spirit’ . . . that can evolve with the history, culture, and language of each community.”601 The church can learn from “the world in good and generative ways” and be “unlike the world in negative and degenerative ways.”602 Yet there are also many idolatrous towers to heaven in constant construction. The power of monolithic forces in our present context, whether it be linguistic, nationalistic, economic, ethnic, gendered etc., is everywhere visible. This makes Pentecost easier to envision than realize. The church aspires to live in the age of Pentecost while being constantly reminded of its “not yet” realities. Kelly Johnson summarizes this tension nicely saying, we must learn “to act prior to, but logically in confidence after, the wedding banquet of the Lamb. This is not a reckless self-destruction, but it is vulnerability adopted in the hope of, and indeed already in confidence of, a fuller and new return.”603 The church must improvise, to ever learn how to go on, in our present realities in the Spirit of Pentecost. There will be risk involved, but projecting hospitality and improvising in the groove of Pentecost is the criteria by which we can learn how to go on with others.

600 Jennings, 229.
601 Vondey, Beyond Pentecostalism, 44.
602 Bretherton, Hospitality as Holiness, 106.
If hospitality is a criterion of the altar at Pentecost, then many Pentecostals on January 6, 2021 miscounted the rhythm and moved out of the groove. Their actions were exemplary of what Bretherton describes when saying that “Pentecostal performances of democratic citizenship often result in the other appearing as an enemy to be defeated through spiritual warfare rather than a neighbor to be loved and cared for as part of a shared common life.” The spiritual warfare unfolded next to the use of physical violence; neither provided any way forward with neighbors as either hosts or guests. It was an attempt to ally with power and assert that power in a “mimetic rivalry with other groups who are seen as subject to demonic powers.” Rather than the hospitality of Pentecost, it evoked the hegemony of Babel.

10.5 Going On with Neighbors

What I have presented so far in this chapter is a way of reckoning with neighbors using the concept of gift and language rather than modern accounting. While accounting plays important functions in society, I argue that there are limits to its ability for guiding ethical decisions in relating to others. I have demonstrated the way in which the category of gift can help avoid the binary of naturalism and emotivism that come out of a modern accounting imaginary by relating the task of ethics, of knowing how to go on with neighbors, to the practice of language. Ethics is not a matter of a rigid set of rules. The flexibility of both ordinary and ecstatic language demonstrates that. But ethical claims are bounded, and they are bounded because our lives are shared. And as Jennings has said, sharing a language is a way of submitting to another person’s claim upon you. Theologically speaking, we as creatures participate together in the divine life of the Creator. That shared form of life spills out into sharing lives with

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605 Bretherton, 146.
neighbors. Language represents a convergence and shared form of life that can help us envision a way of living together, of going on together. For those operating in the community birthed at Pentecost, this way of sharing life together is grounded in the criterion of hospitality.

The concept of gift that I have used as a contrast to modern accounting in the previous chapters is tied to the previous section’s discussion of hospitality, which I suggest is a criterion for a form of life that contrasts the criteria of modern accounting. In other words, not only does my critique of accounting via the concept of gift provide a proposal about how we might go forward doing ethics in general, I also am providing content—a specific proposal—for thinking about an alternative to the criteria of modern accounting for grounding a form of life and knowing how to go on with neighbors. In this final section, I want to outline practical ways in which modern accounting shapes our ethical imaginations by considering the topics of humanitarianism and environmental concerns. What I demonstrate is that through the metaphor of “stewardship,” humanitarianism and environmental ethics often assume the criteria of modern accounting rather than hospitality. The implications for the choice of different sets of criteria are significant. For the church, assuming the use of a modern accounting imaginary—as a result of conflating modern accounting with merely the practice of accounting—leads to neglecting the form of life rooted in hospitality that burst forth at Pentecost. While I continue to hold space for using modern accounting as a way of counting, its universal application demands attention. My suggestion is not that modern accounting is unable to help with concerns of helping the poor or climate change. The church, however, must determine if it is adequately adhering to the criterion of hospitality when it engages in humanitarian and environmental actions. Modern accounting constrains the possibility for how we imagine reckoning with neighbors, and as a result, can lead us to act in ways that move out of the groove of Pentecost.
As I explored in Chapter 8, economic actions are often easily categorized as amoral in contrast to the moral actions of charity or altruism. As a result, acts of giving to the poor or humanitarianism have a moral hue while we assume “purely” economic exchanges to be matters of the laws of economics. This distinction, as the whole argument up to this point should make clear, is fabricated. It is, in fact, a reflection of the two common extremes in thinking about gifts: those, such as Derrida, that hold gifts to be “pure” or those, such as Bourdieu, that ultimately reduce them to strict obligation. This distinction enacted in the grammar of modern accounting presents the illusion that our economic actions are unconnected to our altruistic or humanitarian activities. This assumed distinction makes sense of the paradox that Didier Fassin calls “humanitarian reason” where the inequality and precariouslyness produced by a particular economic logic persist side-by-side a moral compulsion to address the very problems this economic logic creates.606 In other words, individuals feel a moral compulsion to act altruistically to help those whose precarity may be caused by the actions of the humanitarians, though those actions are considered to be morally neutral.

Cavell advises, “Don’t trust your description of a situation in which a problem has emerged; the problem may be produced by the description itself.”607 His claim is helpful for identifying that modern accounting’s description of the world—its way of seeing and unseeing, hearing and unhearing, and ultimately saying—as it relates to this distinction between amoral economic actions and morally inflected altruism causes obviously paradoxical action. To gloss the earlier quote from Hauerwas, we will have to say the world differently in order to be able to see it anew and open the possibility for new ways of acting.


607 Cavell, Claim of Reason, 157.
I raise two concerns about the categorization of amoral exchanges and moral gifts that I want to explore here with specific examples. First, we lose the ability to evaluate economic actions as either moral or immoral, rather than assuming them to be amoral. Second, we are unable to query whether modern accounting’s form of life makes the concept of humanitarianism and altruism intelligible. Let me take each of these in turn.

The critique of assumptions about modern accounting that have run through this project have repeatedly highlighted that modern accounting’s representation of the world is not neutral. It is filled with various genres—ways of counting and writing—that bring with it an ideological bent towards particular economic policies, ways of viewing time, property, truth, and relations. It is its own form of practical reasoning. Assuming that economic actions are amoral, leads to a form of abstract analysis of economic actions and activities that considers only the returns on property (consider the historical rise of DEB corresponding to the accumulation of capital). It assumes the form of practical reasoning and truth toward which modern accounting is oriented. This form of practical reasoning focuses on the calculation of profits and returns as was argued in Chapter 6’s discussion of the income statement. Because this form of reasoning is often taken as morally neutral, it is often assumed that it can be harnessed for good. Many altruistic endeavors, for example, are built upon this type of thinking. Capital is used to generate profits that are then given away as charity. This is a quintessential example of a stewardship ethic about which more is said below. But, if as we have seen throughout this project, modern accounting’s practical reasoning is not neutral then we need to consider the actions—and not just the outcomes—towards which it orients us for their moral value.

Recalling again Anscombe’s work on intentional action provides a useful guide and parallel. Anscombe’s critique of ethics as being the domain of voluntary action is that it does not
attend closely enough to what we intend to do in our actions. Part of Anscombe’s argument is that intention is much more frequently obvious given a person’s actions than is generally assumed. She rejects the notion that intentions are interior to an individual and unknowable to others. Instead, Anscombe argues that we can

‘Look at a man and say what he is doing’—i.e. say what would immediately come to your mind as a report to give someone who could not see him and who wanted to know what was to be seen in that place. In most cases what you will say is that the man himself knows; and again in most, though indeed in fewer, cases you will be reporting not merely what he is doing, but an intention of his—namely, to do that thing. What is more, if it is not an intention of his, this will for the most part be clear without asking him.\[^{608}\]

The significance of Anscombe’s point for evaluating moral actions can be seen in her famous criticism of Truman for his decision to drop atomic bombs on Hiroshima and Nagasaki, which was defended by arguing that it ended the war. What Anscombe’s analysis shows is that a proper description of dropping the atomic bomb on those cities is an intentional act of killing civilians, as many as possible. Anscombe’s argument about intention is deeply connected to uncovering how it is that Truman could intentionally cause a mass killing of innocents without any repercussion, instead often being honored.

The failure of description when thinking about altruism is similar. For donors of massive amounts of money are hailed for their (moral) actions, but have their actions that generate the funds in the first place been properly described? In other words, those that harness the exploitative potential of financial markets in order to maximize return on investment in order to be able to give as efficiently as possible to charity are praised in much the same way Truman was for his putative role in ending the war. But, when we name the economic actions—this person has maximized his or her profit through paying employees an unlivable wage, reducing benefits,

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minimizing costs in ways that are environmentally detrimental, or investing in financial instruments that destabilize the economy, exacerbate the housing crisis, or increase inequality in ways that destabilize society—we name what this person intended to do.

The form of reasoning that Anscombe is critiquing relates closely to the probability theory that was explored in Chapter 4’s discussion of time and modern accounting’s abstract present. Scherz highlights how probability theory has become aligned with a certain view of time over the last several centuries. It is now common to imagine the many possible futures that result based upon one’s decision. As he says, “This vision becomes instantiated in the technology of managerial charts, in which possible futures lie in a plane organized as a flow chart.” Action becomes dominated by cost/benefit analyses of the results of one’s action in terms of possible futures. Rational action in a world of probability and decision theory as described by Scherz is action guided by the practical reasoning of modern accounting’s cost/benefit analyses and opportunity costs. The emphasis on this form of thinking shapes our view of time such that every future chosen also foregoes other possible futures. We become, in a sense, responsible for the future that comes to pass as a result of our action as well as all of the futures that do not come to pass. As I argued this leads modern accounting to abstract itself from the actual past and future inhabiting instead an abstract present. This abstract present, filled with possible futures, loses sight of the intention of one’s actions taken in the tangible present.

The evaluation of decisions becomes based upon the foreseen consequences (the probability of future results) of our actions, rather than focused on the actions themselves, to echo Anscombe’s critique of modern moral philosophy. Actions are no longer assessed based

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609 Scherz, *Tomorrow's Troubles*, 46. Recalling that managerial theory comes out of managerial accounting theory helps identify just how closely this is related.

upon virtues such as justice. Anscombe criticizes Henry Sidgwick for his responsibility in this shift of defining intention based upon foreseen consequences. In fact, by focusing on foreseen consequences, she notes that “one sometimes conceivably ought to do injustice.” This is why, she concludes that there is no way to prevent someone from deciding that they “ought” to “procure the juridical condemnation of the innocent.” In this form of consequentialism, one is left powerless to say that “you should not take action x;” all that can be said is that “you should not take an action resulting in x.” The significance of the shift to this form of reasoning on the transformation of usury laws is both interesting and telling. For it was only in imagining usury not as selling time, but in “accepting reimbursement for a possible future that is foregone” that it became acceptable. This same kind of cost/benefit reasoning that approves of certain actions as “right” when they might be unjust continues in financial decision making.

One way in which intentional actions are glossed over and justified as they relate to humanitarianism is through the language of stewardship, which exemplifies the criteria of modern accounting. This is a particularly striking point given that stewardship arose during medieval manorial audits as I noted in Chapter 2. Those audits were a way of producing accountability for those managing in the owner’s absence. But modern stewardship is not simply


613 Anscombe, 19.

614 Scherz, *Tomorrow’s Troubles*, 69. This shift might also explain why as Bretherton says, “What neither Marx nor [Michael] Hardt and [Antonio] Negri address is how the enclosure of time through usury precedes the enclosure of common-pool resources and the commodification of people.” In other words, usury is rarely thought of as directly buying and selling time within a certain view of possession even by those who bring otherwise incisive critiques of capitalism’s propensity to render potential common goods as private property; Bretherton, *Christ and the Common Life*, 155.
accountable action. It goes beyond a way of addressing the “agency problem,” where the manager and owner are no longer identical. Rather modern stewardship assumes a particular form of practical reasoning that mirrors that of modern accounting. It tells the story of accumulated capital and relies upon the amoral economy and moral charity distinction. For modern stewardship bifurcates the act of generating as much wealth as possible from the potential consequence of giving to charity. It can, therefore, possess, control, and generate returns without having to describe the intentional action of maximizing ROI on capital. Instead, the actions are described based on the foreseen cost/benefit analysis where the profits may result in charitable giving. Stewardship combines not only a way of reasoning that is geared toward future consequences, it is also rooted in the criteria of modern accounting as it is grounded in a particular notion of property rights oriented towards the criteria of possession and control.

While modern stewardship language is often accompanied by a disclaimer about ownership and possession, Johnson’s exploration of the concept connects it to what she sees as the conceptual distinction between use and ownership that facilitated the hypocritical wealth of the Franciscan order alongside their vows of voluntary poverty. Johnson also describes the early stewardship practices in the context of manorial audits and sovereign properties. Even if these audits did not feature all of the characteristics of modern accounting, she does note that “the stewardship ethic arose among holders of substantial wealth and power, and it has repeatedly been used to reinforce their property rights, even as it calls for generosity and responsibility.”

The accumulated wealth that produced the need for DEB in the Italian port cities was also connected to the concept of stewardship. The need for this kind of management, and to justify it,

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615 Johnson, *Fear of Beggars*, 72.
came historically “in a period that needed a name for the dubious but necessary function of managing the church’s wealth.”616

This focus on possession, and its subsequent return, according to the orientation of modern accounting helps eventually insinuate that “effective, productive administration which cares for the needs of the poor is the righteous use of property” and the “stewardship’s attribution of ownership to God makes renunciation and voluntary poverty unnecessary and excessive.”617 In other words, what stewardship language veils is that financial action is guided by the intention to act according to modern accounting’s practical reasoning. Assets and possessions are held in order to be maximized. This maximization of returns can be “morally” justified through considering future benefits, which allows the intention of economic actions to be passed over without reflection upon their connection to matters of justice or other virtue or vice. Pohl describes how “the temptation to use hospitality for advantage remains an important issue today because we tend to be so instrumental in our thinking, so calculating, so aware of costs and benefits. We continually ask, almost as an expression of good stewardship, ‘Well, what will it accomplish? How is it useful?’ Hospitality is rich with blessing but such benefits come as gifts, and we must be wary of efforts to turn hospitality into some form of commercial exchange.”618

The discourse in the United States around refugees raises these same elements within humanitarianism, though not explicitly focused on economics. Many refugees from Latin America—not to mention the growing number of climate refugees—have been displaced due to actions taken by the United States to protect its own national and economic interests. How is it

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616 Johnson, 82–83.
617 Johnson, 84.
618 Pohl, Making Room, 144.
that accepting an asylum seeker who has been exploited by the United States’ national interests can be framed as a moral question, one of *noblesse oblige*, while the protection of economic interests is a matter of cost/benefit analysis. The separation of these different decisions into different “moral” categories as well as the reduction of intention to foreseen consequences allows one to view the world through a modern accounting imaginary where we are bound to others in only minimal ways, and we go on with them based upon the foreseen consequences of our actions. By sitting with Anscombe who requires us to describe this action we avoid jumping too quickly to the morally inflected altruistic action and instead can assess the moral or immoral nature of what is assumed to be narrowly economic action.

The second concern that I want to raise in regard to a modern accounting imaginary and humanitarianism is that not only does humanitarianism often not adequately consider the moral significance of economic actions through the distinction of neutral economics and moral charity, it also adopts a modern accounting imaginary when it comes to assumptions about the forms of life in which humanitarianism is intelligible. The form of life in which stewardship finds humanitarian actions recognizable is a form of life with the criteria of modern accounting. It is grounded in assumptions about separate lives, possession, and control in ways that starkly contrast the description of hospitality in the previous section where lives are intertwined and participate together.

The modern accounting tendency to abstraction causes us to lose sight of the fact that there is no such thing as humanitarian action, only specific instances of it. The criterion of abstraction in modern accounting tempts us towards imagining humanitarian acts without asking what form of life makes sense of them. We might, for instance, assume the act of giving bread to another person is an act of charity. But we must first ask, what are the conditions under which
doing so makes sense as an act of charity. When I give my son toast in the morning, is that charity? When the baker hands me a loaf of bread after I have paid for it, is that charity (Adam Smith certainly does not think so)? We imagine giving bread as charity as a transfer taking place between two very particular kinds of agents, one who has and one who has not. Bretherton highlights this saying, "Humanitarianism conceives generosity in terms of noblesse oblige and philanthropic donation, both of which emphasize rather than bridge the distance between giver and receiver and too often leave intact structures of economic and political exclusion." The contrast here to the way that Pohl describes hospitality is striking when she says, ""If hospitality involves sharing your life and sharing in the lives of others, guests/strangers are not first defined by their need. Lives and resources are much more complexly intertwined, and roles are much less predictable."

Bretherton further highlights this distinction by noting that the generosity of humanitarianism “may give abundantly but does not necessitate any form of shared life” in contrast to hospitality which “seeks constructive movement toward a different or new form of common life.” In contrast to the way in which hospitality requires a participatory nature of the lives of hosts and guests, humanitarianism reifies the “sense of distance and superiority” between the giver and receiver. It is the conditions of these distinct lives that create the institution in which humanitarian action is identifiable whereas the persistent distinction between guest and

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619 Giving someone bread might be similar to delivering potatoes as Anscombe describes in “On Brute Facts.” The question, of course, is what is “the institution behind” this delivery that is presupposed in making something count as humanitarian aid; see G. E. M. Anscombe, "On Brute Facts," Analysis 18, no. 3 (1958b), 72.

620 Bretherton, Christ and the Common Life, 67.

621 Pohl, Making Room, 72.


623 Bretherton, 59.
host marks the failure of hospitality. Only by failing to be hospitable can one engage in humanitarianism. This is because “humanitarianism is in part an attempt to articulate what duties of care the rich and powerful have toward the poor and powerless by dint of their shared humanity.” This form of giving is “a one-way, philanthropic donation.” The modern stewardship model is again implicated here.

The good steward makes an ideal humanitarian and must maximize the return on her wealth. This means that even how someone gives is gauged based upon the efficiency of the return on capital—a modern accounting mentality to be sure. Johnson notes, that in a stewardship ethic one should not give indiscriminately, but rather, “the wise steward (as opposed to those who are improvident and reckless) will give rather to common funds for large projects than, for example, beggars. The steward will give systematically, regularly, not in such a way to reduce him or herself to dependence, but aggressively funding the reign of God . . . True spiritual poverty is fully compatible with sound investment policies.” Sound investment policies operate according to the value of efficiency, economies of scale, a close tracking of profits and returns, or marginalist economics. In maintaining a distinction between the giver and receiver, this humanitarian approach works in the abstract present that glosses over the historical realities

624 Bretherton, 284.
625 Bretherton, 59.
626 Bretherton, 71.
627 Consider how basic this assumption is in regards to interpretations of Jesus’ parable of the talents. Johnson, however, considers an interpretation where it is the servant who buried his talent as a demonstration that money is not fecund for it would have multiplied in the soil if it was. In doing so the servant resists an overbearing master who “reaps where he does not sow” an act which one might consider unjust. The degree to which this reading mars the servants who multiplied their talents through good stewardship is counterintuitive (and hard for readers to grasp when explained, let alone imagine on their own) is an indication of just how deep-seated a stewardship ethic is in modern Christian thought; see Johnson, Fear of Beggars, 199.
628 Johnson, 92.
leading to these actions and separates them from any account of justice or virtue. For, following Bretherton again, privileged humanitarians “think their situation is natural or deserved. Within this justificatory logic, the giving of alms, rather than being either an act of either reparation, redistribution, or the sharing of what some received for the good of all, becomes the noble and private gesture of the privileged toward the poor . . . Moreover, helping the poor becomes part of the structure of legitimacy through which domination is sanctioned and authorized.”

The humanitarian form of viewing altruism that I am describing here is one that eschews the form of participation that I have described both as creatures in the life of the Creator or in speaking language together. There is no convergence of lives drawn together. There is no hospitality. The question here is not just a matter of how one uses property but the fact that “modern private property rights are founded on a narrative of strangerliness, which is to say managed enmity.” Yet, the stranger, in Bretherton’s telling is the ideal of one’s neighbor as displayed by the parable of the Good Samaritan. It is in welcoming the stranger and treating them not only as a guest, but also as host that requires the reconfiguration of one’s own life that demonstrates true hospitality. In other words, the modern steward engages altruism as a host who gives out of the profits of his wealth and does not recognize his wealth as a form of participation in the life of God or other creatures. The interchanging of being both host and guest in hospitality is lost. The modern steward is one who is never imagined to receive anything. They offer a pure gift with little reflection given to whence their wealth has come. It is, at times, considered a gift from God though that language betrays the true ownership in the stewardship model. For if it

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629 Bretherton, Christ and the Common Life, 71.

630 Johnson, Fear of Beggars, 216.
was God’s wealth, it might more properly be considered a loan than a gift.\textsuperscript{631} Stewards do not participate in the gift of God, but rather possess and control it and in giving restrain the recipient in a position of the other not imagining that their lives might converge together.

All of the issues that I have highlighted here with stewardship language when it comes to altruism are relevant when considering stewardship as an approach to environmental concerns. In fact, further issues arise. For the distinction created in describing the environment as something to be stewarded is not that of the separation between giver and receiver but between the possessor and the possessed. It imagines creation outside of humanity as assets that whether they are owned, borrowed, or stewarded, are possessed and controlled. They are part of a dominion that is to be managed well, which means produce a return.

Managing a neighbor rarely, if ever, makes it possible to imagine oneself as that neighbor’s guest. Focusing on possession and control of other portions of creation tempts humans to lose sight of their own creaturliness. Instead, humanity imagines itself as distinct from creation, an eternal host of other creatures. The lack of recognition for the shared nature of creatures cannot but go hand-in-hand with a forgetfulness of the way in which all creatures depend on and participate in the life of God. If describing humanity’s role in creation as a steward errs in describing how humanity is bound to its neighbors and other creatures, it also fails to describe well how humanity is bound to God. It imagines God as an absent owner. Humanity, in that model, can be and exist apart from God. Upon God’s return, what we have done with the possessions we have been given will be counted.

But God is present among us. God is not an absent owner as the discussion of \textit{creatio continua} illuminated. We are not God’s possessions but rather participate in God’s life as a gift.

\textsuperscript{631} Johnson, 88.
There is no more gracious host. And Jesus reminds us, perhaps warns is a better description, that he is not only present as our host. Jesus is our guest as well. When we see the stranger, give the naked clothing, visit the sick or imprisoned, he is present (Matthew 25:31–46). This is the hospitality of God. In failing to describe properly how we are bound to God, we fail to understand the life we share with neighbors and reason practically about how to go on together.

In participating in the life of God, we learn how to participate in the lives of neighbors. In learning to be God’s guest, we should come to learn how to be Jesus’ host as well. This means that hosts cannot remain hosts, but must become guests. Taking care of the poor and marginalized cannot be done in ways that reify the distinction that precludes the possibility of shared lives. Hosts must participate together in the lives of neighbors who participate together in the life of God, as hosts and guests. Rather than counting or fearing being counted, we find that we are reckoned in another fashion. As Bretherton says, “By forging a common life with the destitute, powerless, and afflicted in and through Christ, the privileged deconstruct their structural advantage and thereby participate in the extension of God’s rule, which brings salvation to a sinful world.”

The gift of the Spirit at Pentecost then is the gift to participate in the divine life, to be drawn in with all of creation, with those that speak other tongues allowing them to make a claim on our own life such that we are hosts and guests. This shows us how the gift of salvation that comes through participating in the life of God can also be the gift that brings salvation to the world.

10.6 Conclusion

How we reckon ourselves to our neighbors is foundational for how we imagine ourselves going on together. In this chapter, I have continued to utilize the concept of gift as a contrast to

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632 Bretherton, Christ and the Common Life, 77.
modern accounting to provide a constructive account of ethics. I have done so by identifying how ethics must move beyond naturalism and emoting, pointing towards language as giving a vision forward that is neither too rigid nor too nebulous. I have also, in the final two sections, pointed to the criterion by which neighbors are reckoned to each other at Pentecost, namely hospitality. The discussion of hospitality highlights the way in which host and guest participate in each other’s lives, which is a fitting description following the previous chapter’s description of creation. I have concluded by identifying humanitarianism both to the poor and the environment as an example of charity that does not take into account the way in which neighbors must participate in each other’s lives, but rather comports with a modern accounting imaginary.

The two core critiques of modern accounting that I have made in this dissertation run through these final two sections that provide my own constructive ethical claims. First, in identifying the way that modern accounting bifurcates amoral economic and moral altruistic actions, I highlight that modern accounting is not neutral. It is not simply counting but a particular way of counting. And second, I propose hospitality as an alternative to the criteria of modern accounting suggesting that modern accounting should not be applied universally to all realms of life, humanitarian action being one of those. My claim throughout the dissertation has been, not that we must dispel entirely with modern accounting, but we must attend to its moral, metaphysical, ontological, and theological significance so that we can recognize its limits. My description of hospitality rooted in Pentecost here is not a claim that we should be bound to all neighbors according to that criterion.

This chapter has demonstrated how thinking about ethics as a form of language can provide a method for considering the forms of life assumed by various forms of counting avoiding the universalizing impulse of modern accounting. Doing ethics requires making
judgments about how we are bound to others so that we can account for those relations properly. We must know how we are reckoned to our neighbors so that we can know how to go on together. It has also, in proposing the criterion of hospitality and applying that to the topics of humanitarianism and environmental ethics, demonstrated the impact that assuming a modern accounting imaginary can have on one’s approach to ethics.
CHAPTER 11
Of Recounting

11.1 Of Recounting

On accepting the tax collector’s invitation to “Come and look at the ledger,” we have counted and recounted the ledger, and we have seen that modern accounting names, numbers, and narrates. These functions of modern accounting, however, are not what often come to mind or are presumed when discussing modern accounting. It is perceived as neutral, objective, and fair. One of the things that this dissertation has brought to light is that modern accounting may be fair but not neutral, and it may be widely objective but not narrowly. These nuanced distinctions have led me, even as this dissertation is filled with criticisms of modern accounting, to continue to hold space for modern accounting’s significant and important social functions.

My description of modern accounting as a political tool to resolve disputes and provide agreed upon information that can be trusted might be taken as an underhanded comment. To be sure, the comment does call into question modern accounting’s objectivity, but I have demonstrated that modern accounting need not be narrowly objective in order to fulfill the social role of producing trust. In fact, while one of the central arguments of the dissertation is that modern accounting is not objective in the way that it claims to be, I do not take that to be a fatal critique of its practice. Its lack of objectivity is not necessarily a problem. The issues arise when, due to its presumed objectivity, it is perceived as neutral and that, as a result, it can be universally applied.
I have provided a detailed account of the practices of modern accounting that accountants and non-accountants alike may find surprising. This venture has taken us across time and space. We have recounted primitive record keeping done via notches on sticks, and we traveled over oceans to the medieval Italian port cities (not to mention their interconnectedness with global trade) where the accumulation of capital launched DEB into being. Modern accounting itself has a history that while often centered on North American factories and railroads is woven throughout the global slave trade and its plantations. The practice of accounting evolved over time, as one of the seminal texts in accounting history by A. C. Littleton makes obvious in its title, *Accounting Evolution*. In situating modern accounting in its proper historical context, we resist the urge to conflate all forms of accounting with modern accounting.

It is easy to lapse into the assumption that modern accounting constitutes simply counting that produces modern facts. Modern accounting is a form of writing that calls upon various genres, such as mathematics and science, to bolster claims of objectivity and facticity. The balance sheet formula, for instance, provides a universal, mathematical approach to modern accounting. In the same way that mathematics makes universal claims to truth, so too, seemingly, can modern accounting. This deductive reasoning is augmented by the empiricist approach of counting that relies on science and its claims to certainty. Yet, we have seen that objective counting is subject to the careful construction of particular circumstances. The close examinations of the balance sheet and income statement made this abundantly clear. For while modern accounting appeals to universal formulas, debates over equity theory demonstrate there is disagreement about what the balance sheet formula is. The implication for this in calculating income is that there are multiple ways that one can count based upon what one decides counts as income. How income is counted is a reflection of the demands of particular historical and social
contexts not an expedition in properly tracking an existing reality in the world. The balance sheet constructs the agents that it purports to describe, and the income statement establishes the category of income that it is ostensibly measuring.

The abstract nature of modern accounting obfuscates just how deeply embedded modern accounting is in particular contexts. Its appeals to numbers gloss over the other genres of letters that make up its writing, those of *apologia*, history and prophecy, and fiction. The fiction(s) employed by modern accounting allow it to present its information through conventions that excise any particular features of the counter. They bring to life the tax collector’s invitation where anyone in the audience can count and obscure just how relationally significant economic interactions are. The other party in the transaction is cut out, as is any narrative retelling, and pushed into the background and formatting on the page. It is hard to see the social implications of modern accounting when the only thing left of the other encountered is the header at the tops of the ledger’s columns: debit and credit.

In the same way that modern accounting leads us to imagine it outside of any relational network, it appears to be ahistorical as well, operating in the abstract present. Yet property can only be understood historically and the claims of modern accounting are not only about the past or present; they are prophetically bringing about a particular future based upon its claims about the present. In that way, and others, modern accounting is always providing an argument. In the Middle Ages this included a moral justification of the profits of merchants. The success of modern accounting’s moral justification of profits seems to be reflected in the difficulty of even suggesting that (non-fraudulent) profits might be ethically suspect.

This moral tenor is muffled by modern accounting’s presentation of facts, which are assumed to be just data. But modern accounting is a form of practical reasoning oriented to
specific practical truths that it seeks. It is a practice of counting that is not narrowly objective or neutral. It is value-laden and cannot simply provide an “is” perfectly distinct from an “ought.” Modern accounting’s orientation towards “decision usefulness” strikes one quite differently upon realizing that the decisions towards which modern accounting directs its users are embedded with their own telos and vision of the good. This particular point, which highlights the importance of accounting in ethics, also points to the implications for thinking about ethics in accounting. If one takes the conclusions of this project seriously, then it follows that ethics in accounting must be more than following the rules and standards properly. The rules, standards, and form of modern accounting are forms of practical reasoning that make claims to practical truth. Ethical reflections must include whether or not practical truth is indeed being furnished. Are the actions that modern accounting’s practical reasoning leads us to ones that will help construct lives well lived? This is a question that should be asked by regulators and standard creators who are developing the rules. It should also be asked by individual practitioners when thinking about the implications of their own production of knowledge in their particular context. As we have seen, modern accounting can produce moral goods in some instances while being vicious in others. Ethics in accounting requires being able to distinguish between those different scenarios in order to know how to go on.

The problem that this dissertation has drawn out is not so much that modern accounting will necessarily produce vicious results or that it cannot play an important social and ethical function. The problem is that we misunderstand what modern accounting is doing such that we apply it in ways that lead to distorted social, ethical, and even theological conclusions. In that sense, its significance stretches far beyond just those working in the field of accounting. I have drawn out this particular element of the problem by contrasting modern accounting to the
category of gift. Just as I have avoided a caricature of modern accounting that assumes it to be either amoral or immoral, so too I have been careful not to present gift as a pristine category of unvarnished morality. Rather the distinction between modern accounting and gift brought a more significant claim to the fore; gifts and modern accounting both imply different socialities. To draw on the lexicon of linguistics, these two different interactions are only intelligible within specific forms of life. Before we can count, we must determine what kind of counting should be done. In other words, rather than simply assuming that modern accounting should define any and every social relationship, we must evaluate whether the sociality implied by modern accounting is fitting to the relational, social, and moral context at hand.

I have suggested that in at least two scenarios modern accounting is an inadequate form of accounting. Discussions of sin, debt, and salvation in Christian theology are one example. Exporting modern accounting’s form of counting brings with it assumptions about how humans are reckoned to God that do not comport with the Creator’s gift of life to creatures. Situating doctrines of atonement in the participatory relational context of the gift of life and the trinity leads to a different way of reckoning sin and salvation. What humans owe to God can only be determined if one has first accurately identified how humans are bound to God.

Drawing on this discussion, I suggest that rather than ethics being a matter of detailing what is owed, it must for fundamentally be a matter of determining how neighbors are bound together. Language provides us a way of thinking about how to go on that is both flexible yet can retain boundaries. We can see a way of reckoning with neighbors that contrasts to modern accounting by looking at the gift in Pentecost, which is rooted in the criterion of hospitality. I have demonstrated the implications for approaching humanitarianism and environmental action through the criterion of hospitality in contrast to the criteria of modern accounting visible in a
modern stewardship ethic. How one imagines reckoning with neighbors will determine how one thinks they should go on together. Just as modern accounting is not well-suited for reckoning humans to God, it also has significant shortcomings when it comes to scenarios of humanitarianism and environmental ethics.

Despite my critiques, I do not wish to see modern accounting relegated to the dustbin of history. Rather, I have attempted to count and recount what modern accounting is doing so that it might be applied in virtuous ways and avoided where it might be vicious. If I have argued that modern accounting is not amoral and highlighted instances where it is immoral, we cannot forget that it also has the capacity to be moral. The ability of modern accounting to furnish accountability, for instance, is crucial. We do not want to rid ourselves of accountability. Yet, the question we must ask is, is the form of (ac)counting that is being used producing the type of accountability that is needed? We saw that corporate managers in the twentieth century came to manage “by the numbers” at precisely the moment when they no longer had the information relevant to best manage their companies. Modern accounting provides only one type of accountability. Is that type of accountability well-suited to the form of life in which it is being employed? Are the assumptions that modern accounting brings with it about what it means to be an agent and how one relates to others oriented towards the telos fitting to that particular situation? At times, the answer to this will be “yes,” but we should not assume that modern accounting is objective and thereby respond “yes” to this question universally.

What do we owe to God? What do we owe to our neighbors? These are (ac)counting questions. They are also theological and ethical questions. Can we entrust such theologically and morally infused questions to the practice of accounting? I suggest we must, but not in the way that is assumed. Rather, before we count what is owed, we must determine how we are reckoned
together. We must decide what kind of accounting to use. This means that the question of accounting is not only one of counting but of determining what counts. It is only in knowing how humans are reckoned to God that we can move forward with discussions of sins, debt, and salvation. And it is only in knowing how we are reckoned to neighbors that we can know how to go on with them.


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