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Accounting and happiness

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ABSTRACT

This paper begins with the observation that happiness is the primary goal of human endeavour. One critical element of human endeavour is business, leading to the proposition the primary objective of business is to contribute to happiness, with profit being a means towards this end. This central idea linking business and the pursuit of happiness is used to critique the capability of accounting to contribute to lofty objectives leading to the central question if the goal of business should be the pursuit of human happiness, can accounting contribute to this goal?

The notion of happiness is explored by comparing hedonism with Aristotle's eudaimonism, leading to a comparison between the conceptual underpinnings of eudaimonistic happiness and the Buddhist concept of nirvana. The shaky conceptual ground on which accounting is built is exposed by its opposition to the fundamental nature of reality as described by the four seals of Dharma which describe the central truths of Buddhist philosophy. The critique of accounting is performed across the seven themes of truth, time, dualism, objectivism, interconnectedness, morality and measurability. The paper concludes by identifying the equivalent philosophical assumptions which underpin both critical accounting and Buddhism, confirming the relevance of a Buddhist critique to accounting.

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1. Introduction

Accounting has developed into a measurement science enabling performance to be evaluated toward the assumed organisational objective of profit maximisation. Despite critique from some within the profession, accounting is considered as *the language of business* (Evans, 2004); *the mother tongue of capitalism* (, p. 476); and an essential tool in the pursuit of optimal financial performance.

Although within business and accounting there is still widespread acceptance of the assumption that the primary objective of business and the corporation's fundamental *reason for being* is to earn profit, a strong critique of this position is found within the *sustainability accounting* literature, where much has been written about accounting for an organisation's performance towards the multidimensional objective of sustainability. Accounting research establishing sustainability as the primary objective of business has led to reporting frameworks such as the *Global Reporting Initiative*, which provides a diverse array of sustainability indicators to facilitate an assessment of the triple bottom line of environmental, social and economic performance.

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18 However there is legitimate concern that sustainability reporting has been captured by corporate interests and recast in a
19 form supporting the *status quo* of profit before all else, contributing to the failure of the social and environmental accounting
20 project to achieve a clearly positive net outcome for either society or the natural environment (Gray, Dillard, & Spence, 2009;
21 Milne, Ball, & Gray, 2008).

22 Within economic theory it is also firmly established that profit maximisation is the primary objective of business. Whilst
23 there is critique of this assumption, see for example Hicks (1935), Sen (1977) and Pirson (2010), the strongest conceptual
24 challenge to the legitimacy of profit maximisation as the primary objective of business can be found within stakeholder
25 theory literature. The basic tenant of stakeholder theory is that business organisations must meet the needs of multiple
26 stakeholders (Jones, Wicks, & Freeman, 2002), where shareholders are one of many stakeholder groups who may hold
27 competing or conflicting interests in organisational performance.

28 Within the corporate social responsibility discourse some broadening of business objectives has been achieved whereby
29 social and environmental objectives are combined with economic objectives to produce a multidimensional set of business
30 objectives under the banner of *social responsibility* or *sustainability*. How the various elements of multidimensional
31 sustainability are ranked against each other or balanced where they represent competing interests, is not clear. This
32 flexibility tends to lead to interpretations which suit the preferred agenda (Milne, Kearins, & Walton, 2006), whether that is
33 economic, environmental or social.

34 This research builds on the assertion by DesJardins (2007) that the primary goal of business is to contribute to social well-
35 being by producing goods and services that help people live happy and meaningful lives; with the role of profit being a means
36 to this end. DesJardins uses an analogy to explain the role of profit in business; comparing the purpose of breathing to the
37 business objective of earning profit. Whilst breathing is essential for life, it is not the major purpose for which we live. Breath
38 and the life it sustains is a means to the higher objective of achieving something meaningful.

39 DesJardins suggests profit is essential to business as it provides the means to financial viability and the continuation of the
40 business; however profit is not the primary goal which, according to DesJardins is confusing the means with the end; profit
41 as the lifeblood (or breath) of business is the means to business contributing to the higher social goal of a happy and
42 meaningful life.

43 There is historical support for DesJardins' view as the original corporations were created to provide essential
44 infrastructure and engage in domestic and international trade to serve the public good (Seavoy, 1978; Kelly, 2001).

45 At its origin in Massachusetts the corporation was conceived as an agency of government, endowed with public
46 attributes, exclusive privileges, and political power, and designed to serve a social function for the state (Handlin &
47 Handlin, 1945, p 23).

48 The primary goal of these early corporations was to meet vital human needs and the business corporation was seen as an
49 effective legal vehicle for achieving this goal.

50 The aim of this paper is not to discuss the diverse range of economic objectives which business pursue, or the
51 consequential social and environmental impacts of business, or whether the primary objective of business *should* be
52 economic or social. Instead this paper accepts the assertion that the primary goal of human endeavour is to achieve
53 happiness, with business being a critical component which should contribute to, or at least not conflict with this primary
54 goal. The profit versus happiness dichotomy, although simplistic, reflects a divergence between underlying objectives of
55 business, leading to a discussion of the role of accounting given the assumption that profit is only a means towards the
56 primary end of happiness.

57 Furthermore there is no intent to provide a conceptualisation of what an *accounting for happiness* might look like;
58 however brief examples of attempts to measure happiness are provided to inform the critique as to whether accounting is
59 capable of contributing to a lofty objective such as happiness. This leads to the question central to this research which is *if the*
60 *goal of business should be the pursuit of human happiness can accounting contribute to this goal?*

61 The paper proceeds with a comparison of the hedonism and eudaimonism schools of happiness research followed by a
62 brief discussion of Bhutan's *Gross National Happiness* project. This leads to a discussion of the Buddhist view of happiness and
63 the conceptual link between Aristotle's eudaimonism and the Buddhist concept of *nirvana*. The distinguishing principles of
64 Buddhism, referred to as the *four seals of Dharma* provide the conceptual foundation for challenging the capability of
65 accounting to contribute to happiness.

66 2. Happiness research

67 Happiness research can be broadly classified into the two schools of *hedonism* or *eudaimonism*; although there is
68 considerable overlap between these philosophical views regarding what happiness is and how it should be measured.

69 2.1. Hedonism

70 The hedonic view is that happiness is about feeling pleasure and avoiding pain (Morgan & Farsides, 2009), equating
71 happiness with a continuous (hedonic) flow of pleasure or pain experiences. This tradition has its origins in Bentham's
72 utilitarianism where positive net utility, which can be interpreted as a general state of happiness, is achieved if pleasurable
73 experiences outweigh painful ones (Thiroux & Krasemann, 2011).

Hedonism defers to the subject's own judgement and intuition about their true state of being, and as such is prone to error caused by subjective and sometimes erratic changes in one's own perception of their wellbeing. A person may feel momentary happiness for example by consuming psychotic drugs which induce a temporary euphoric state; however this is contrary to a longer term rational judgement of the need to maintain good physical health to sustain happiness. Hedonism is potentially superficial as it reduces happiness to a series of mental episodes regardless of individual values and rational judgement (Haybron, 2008).

Measures of subjective well-being require respondents to evaluate their personal life satisfaction (Wills, 2009). Survey questions used to measure hedonic happiness ask respondents to (for example) measure their level of perceived satisfaction with their life and personal circumstances which may include their financial situation, family life and employment (Layard, 2010). Hedonism is rejected by those who believe happiness is something more akin to achieving important goals, living by one's values and self-fulfilment.

2.2. Eudaimonism

Eudaimonic well-being is concerned with the realisation of human potential, which according to Aristotle is achieved by living a virtuous moral life (Wills, 2009). The path to happiness is to lead a *good* life, which within this ethical tradition is akin to a moral life with spiritual meaning (Pojman, 2005). Waterman (1990) refers to eudaimonism as living in accordance with the true self and fully realising one's individual potential. Haybron (2008) rejects subjective accounts of well-being in favour of eudaimonistic fulfilment of our nature; that is we flourish by living true to our nature and realising our natural potential. What this potential is attests to the very nature of who we are, and its fulfilment determines whether we can be authentically happy (Haybron, 2008).

Much of the research suggests pleasure, engagement and meaning all have relevance to a state of happiness; however engagement and meaning provide stronger predictive capability (Morgan & Farsides, 2009). Personal meaning suggests a feeling that one's life is *significant, important, worthwhile or purposeful* (Morgan & Farsides, 2009, p 198), and is essential to avoiding suffering *meaninglessness* which leads to apathy and boredom.

Eudaimonistic fulfilment is concerned with a deeper form of life satisfaction (Wills, 2009), requiring authentic self-fulfilment with one's own autonomous, rather than manipulated values. This level of satisfaction penetrates to the spirit, where spirituality implies a personal relationship with the transcendent; something beyond the here and now (Webb, 2009).

Attempts to measure eudaimonic happiness utilise surveys to ask questions requiring respondents to (for example) measure their success (or failure) in accomplishing their life's objectives, rate how worthwhile their life has been, and to measure the degree of control they have over their life (Peterson, 2013).

2.3. Material wealth and happiness

A relevant question regarding our inquiry into accounting and happiness is the link, if any, between income, wealth and happiness. If more income means more happiness, then by contributing to improved financial management, accounting could contribute to increased happiness.

The *Easterlin paradox* suggests society's average happiness is unchanged by increases in income (Easterlin, 2005). However in wealthier countries there appears to be a link between well-being and income at low income levels, and then above this low level no relationship is evident (Wills, 2009); supporting the existence of a curvilinear relationship between happiness and income (Brockmann, Delhey, Welzel, & Yuan, 2009).

Using evidence from China, Brockmann et al. (2009) explain the Easterlin paradox and the observation of falling happiness in China during the 1990s despite rapid increases in income by

- (i) *norm adjustment*—that is people adjust to what they have and regard this as the norm; and
- (ii) *relative advantage*—whereby happiness is determined by one's position compared to others.

Ball and Chernova (2008) found that non-monetary variables have more relevance to happiness than income; but also of particular relevance to the impact on happiness is what people actually do with the extra income. These studies linking wealth and happiness use subjective measures of happiness based on individual preference equating happiness to a *hedonic treadmill* (Graham, 2005).

Whilst the link between hedonic happiness and income is contested above low levels of income, this research focuses on eudaimonistic happiness which, in the next section of this paper is linked to the Buddhist concept of nirvana, providing a conceptual base for a critique of accounting.

3. Buddhist teachings

Buddhist tradition is founded upon the teaching of *Siddhartha Gautama* who, according to earliest Buddhist scripture, became disenchanted with his relatively affluent life as a young prince, and embarked on a spiritual journey ending in a profound experience that led to his awakening as a *Buddha*, with a clear understanding of the true nature of suffering and the path to liberation from suffering (Gethin, 1998).

As Buddhism spread throughout Asia, the original teachings were interpreted in different ways and cultural contexts leading to its division into multiple sects and the development of the three major Buddhist traditions of *Hinayana*, *Mahayana* and *Vajrayana* (Banerjee, 1997). Buddhist teachings utilised in this research draw primarily on the *Four Seals of Dharma*, which together with *The Four Noble Truths* and *The Eightfold Noble Path* are considered 'non-sectarian' secular truth based on the actual teachings of the Buddha (Khyentse, 2007).

However this research does draw significantly on the Tibetan Buddhist teachings of Dzongsar Jamyang Khyentse, a teacher from the Mahayana tradition, and specifically on his teachings of the four seals of Dharma and his commentary on the *Madhyamika* (*The Middle Path* teachings) which form an important component of the Mahayana tradition. Later in this paper the *Madhyamika* teachings concerning absolute and relative truth are used to begin the critique of accounting.

3.1. A Buddhist view of happiness

Buddhist philosophy focuses on the alleviation of suffering which is considered equivalent to happiness (Nitnitiphrut, 2007; Chang, Davis, & Kauffman, 2012). Happiness is achieved not by seeking pleasure, but by reducing suffering which can only be achieved in a peaceful state of non-attachment to desire. The path to the alleviation of suffering is described by Buddhism's Four Noble Truths (Lama, 1998); a path that requires spiritual practice, studying the *Dharma* (Buddhist teachings) and living an ethical life (Tashi, 2012). The goal of Buddhist spiritual practice is *nirvana*, a state of enlightenment characterised by the cessation of suffering (Kyabgon, 2003).

In 1972 the fourth King of Bhutan, a small nation in the Himalayas, declared *Gross National Happiness* (GNH) as the national goal of Bhutan (Royal Government of Bhutan, 2012), reflecting the prioritisation of social welfare ahead of the accumulation of economic wealth. Underpinning Bhutan's Gross National Happiness project is Bhutan's strong Buddhist tradition (Thinley & Chopel, 2012). The Bhutanese view of *happiness* is that it is much more than material wealth.

Happiness is not simply sensory pleasure, derived from physical comfort. Rather, happiness is an innate state of mind, which can be cultivated through spiritual practice, overcoming mental and emotional states, which induce suffering (, p. 222).

This concept of happiness connects human suffering with attachment to and grasping for sensory desire caused by negative mental states such as greed and selfishness. Buddhist teachings link the desire for *more* (money, material goods, wealth, fame etc.) to suffering; by contrast happiness can only be achieved by *the cultivation of values within one's mind, such as insight, compassion, tolerance* (, p 224) and equanimity.

The Bhutanese Government has implemented a GNH measurement project to enable progress toward GNH to be monitored. GNH is not the aggregate of individual happiness (Mancall, 2004); rather the measurement methodology involves a performance indicator based approach measuring progress toward all round social wellbeing throughout Bhutanese society, using a diverse array of social, environmental and economic indicators (Dixon, 2004).

The GNH measurement framework is a national welfare measurement project which has parallels with other macroeconomic welfare measurement projects such as the *Genuine Progress Indicator* (Cobb, 1995). These projects are not further explored, as the focus of this paper is accounting at the micro level; however the GNH project informs this research by reinforcing a deeper, more spiritual understanding of happiness than that described by hedonism, as well as suggesting that (accounting) measurement systems may have a role to play in progress towards such goals.

3.2. Nirvana and eudaimonic happiness

There are striking similarities between eudaimonic happiness and the Buddhist concept of *nirvana*. Hasselberg (2010) notes that Aristotle's eudaimonic happiness equates to self-actualisation, enlightenment or awakening. Nirvana is a state where the individual realises their Buddha nature and awakens to the true nature of reality (Khyentse, 2003). By understanding and avoiding the causes of suffering, they experience their inherent goodness (Buddha nature) and enjoy a blissful state, free from confusion and ignorance (Kyabgon, 2003).

Nirvana is not a state of hedonic happiness. Attachment to hedonistic experiences is in itself a cause of suffering and a barrier to nirvana (Tashi, 2012; Patrul Rinpoche, 1998). The similarity between nirvana and eudaimonic happiness is strong (Keown, 2001) as both concepts

- reject the superficial hedonic experiences as a source of true or lasting happiness;
- involve the realisation of the individual's full potential;
- involve a spiritual, deep experience with a focus on giving rather than grasping at short term pleasure experiences;
- require living an ethical and meaningful life;
- lead to a life free from suffering cultivated through spiritual practice;
- reflect a need to find meaning in one's life and to live a virtuous life as the path to happiness;
- deny the link between material consumption and happiness; and
- view happiness as the realisation of our human potential to be good.

Acknowledging the conceptual equivalence between eudaimonic happiness and *nirvana* this paper examines the (in)compatibility between the basic foundations of Buddhism and conventional accounting principles, to determine whether accounting could contribute to happiness as conceptualised in the Buddhist context. A potential source for incompatibility lies in a comparison of the fundamental set of beliefs that underpin Buddhism (the view that informs the *Dharma*) with the belief system that underpins the theory and practice of accounting.

It might also be appropriate to compare the Western philosophical roots of eudaimonic happiness with accounting principles; however comparison to Buddhist principles is chosen here given the almost complete absence within accounting literature of an examination of accounting from a Buddhist perspective. Given the conceptual similarities between eudaimonic happiness and *nirvana*, it is reasonable to propose that if accounting and *nirvana* can (not) co-exist, then it follows that accounting and eudaimonic happiness also could (not) co-exist.

The aim of this paper is therefore to determine whether accounting as we currently understand it, can contribute constructively to the goal of achieving a deeper meaningful version of happiness such as *eudaimonic happiness or nirvana*, where the individual realises their potential and understands their true nature; and if not, what the barriers are to being happy.

4. Accounting and spirituality

Given both *eudaimonistic* and Buddhist interpretations of happiness possess inherently spiritual components, does accounting have any role whatsoever in measuring progress towards a spiritual goal? There is a very small literature which considers the link (if any) between accounting and spirituality.

Ezzamel (2009) considered the symbolic role of accounting which can emerge out of functional practices such as inventory and expenditure accounts. Ezzamel examined inscriptions made on the walls of Egyptian temples which together with linguistic texts, pictorial scenes and religious monuments produced a powerful discourse connecting the physical and spiritual realms through the orderly and coherent ritualistic accounting process, including lists of offerings made to the gods.

Davison (2004) also recognised the role of the periodic accounting ritual which produces financial statements transforming *chaos into cosmos*, creating a sacred reality linking the material through time and space, augmented by visual images connected to religious beliefs such as ascension to heaven.

Sustainability accounting tries to depict a holistic view of performance by identifying its environmental, social and economic components. Saravanamuthu (2006, p. 236) believes that to be in harmony with a holistic vision such as sustainability, requires the ability to transcend sustainability's perceived separate dimensions, identifying the *Vedic* approach where individuals *become sensitive to the needs of the other*. This removes the focus of attention from individual self-interest to mutual benefit and altruism (Hershock, 2004).

Dillard (2009) offers an alternative ethic on which to ground accounting to that assumed within a neoclassical economic framework, drawing on Schumacher's (1973) investigation of Buddhist economics. Integral to the Buddhist path are liberation from egoistic delusions and resolving misunderstandings as to the true nature of happiness. Dillard proposes a more holistic accounting based on an ethic of tolerance, compassion and the interconnection of all beings, emphasising ethical values far removed from the dominant capitalist value of self interest, providing a different value set essential to driving change within accounting (Jacobs, 2011).

Brown (2009) in investigating democratic forms of possible new accounting(s) identifies the power of accounting to construct social worlds, inscribe values and shape social reality. Accounting, reconfirming the dominant social system from which it was conceived, is rooted in a belief that public good is served by perpetuating the capitalist system. Brown emphasises the need to develop a solid theoretical base to enable new accounting(s) to evolve. Critical to this theoretical base are the values and assumptions on which an account is based, which must be transparent as *how we are to account, explore and understand these values ... shape our being-in-the-world* (, p. 216).

Embedded in any account is a form of reason based on the complex relationship between the account and the underlying understanding of reality on which the account is given (McKernan, 2011); and this reason is only understood in terms of the chosen world view which is based on assumptions which are ultimately metaphysical (Lodh & Gaffikin, 1997). A critique of the worldview underlying accounting requires us to, as Dillard (1991, p. 9) states... *step outside the system in order to evaluate it*; a theme reinforced by Gallhofer and Haslam (2004) who suggest we may need to look outside the dominant but narrow confines of Western culture and consider the relevance of religious and ethical systems to accounting.

A common concern amongst critical accounting theorists is that accounting has developed to meet the objectives of capitalism, which displays an irrational commitment to continuing economic growth within a finite system (Daly, 1991). Cooper (1992) and Lehman (1995) warn against the potential for accounting processes to subvert attention from manipulation of metrics falsely portrayed to measure progress. The relevance of accounting to society will ultimately depend on whether accounting contributes to broader societal goals (Funnell, 2004). Gallhofer and Haslam (2004) suggest there is no obvious reason why accounting couldn't be used to communicate a different set of values established for example by society-at-large. To make a positive contribution to a spiritual goal such as eudaimonic happiness, accounting would need to be underpinned by a holistic and meaningful set of values which are not contrary to that goal.

4.1. Accounting and emancipation

Gallhofer and Haslam (2004) identify the contribution of accounting to the relentless pursuit of profit and wealth and the consequential loss of spiritual focus and understanding. They envisage accounting in an emancipatory role reflecting social

and community values and environmental stewardship. By exploring different narrative forms such as *interviews, oral histories, self-reflection and conversations* (Gallhofer & Haslam, 2004, p 399) combined with images and pictorial forms, accounting has the potential to reflect a holistic vision capable of including a spiritual component (Ezzamel, 2009).

Dillard (1991, p 25) describes emancipation as the core value of critical accounting, where emancipation is defined as a state of reflective clarity (where) people know who they really are... with the power to determine rationally and freely the nature of their... existence. Emancipation aims to disperse power and to change values enabling social inclusion; hence emancipation in all its forms must contain a moral dimension (Gallhofer & Haslam, 2003).

Whilst emancipatory accounting has plural meanings, Gallhofer and Haslam (2004) emphasise its potential to contribute to the struggle by the poor for justice and liberation from oppression through solidarity, a better understanding of the causes of their oppression, and more effective mobilisation of resources leading to co-ordinated, effective action. Emancipation in a Buddhist context concerns the alleviation of suffering, with broader application to not only the poor and oppressed but (for example) to the privileged classes suffering from increasingly common dis-eases caused by illnesses such as *affluenza* (Hamilton & Denniss, 2005).

Molisa (2011) embeds the goal of spiritual enlightenment (or self realisation) into the process of emancipatory change, seeking a connection between emancipation, accounting and spirituality. Given the centrality of enlightenment to Buddhist happiness and nirvana, this paper is broadly similar to Molisa's spiritual approach to emancipatory change... *the basis of all emancipatory change is the realisation of enlightenment* (, p. 469). Molisa (2011, p. 481) identifies the spiritual dimension hidden within the critical and social accounting literatures, and the commonality between *critical-theoretical intellectual development*... and... *older spiritual traditions*, a theme developed later in this paper through the identification of the common philosophical roots of critical accounting and Buddhism.

Gallhofer and Haslam (2011) in their critique of Molisa (2011), emphasise the ambiguity inherent in any notion of emancipation; they also question the relevance of emancipation at individual compared to societal levels, and consider the relationship between emancipation and time. The Buddhist goal of enlightenment requires the practitioner to attain a state of non suffering. Emancipation interpreted in a Buddhist context as freedom from suffering, is usually achieved over many lifetimes of experiential learning; although it could be realised immediately if all obscurations to seeing our own inherent Buddha nature are removed.

Whilst this is emancipation at the level of the individual, it is also an essential step towards broader social emancipation, as integral to the Buddhist path is adherence to ethical values as described in the Noble Eightfold Path (right speech, right action and right livelihood). It is these ethical values that connect individual to social emancipation, as ethics guide the interaction of the individual with society. A tradition of altruism encouraging individuals to make selfless contributions to societal welfare is also an important part of Buddhist moral behaviour. This virtue of charity is of course common to many of the world's great religions, emphasising the connection between spirituality and ethics.

Whilst the literature connecting the seemingly disparate fields of accounting and spirituality is small, there is the suggestion of the need for new accounting(s), possibly informed by a set of values and beliefs which are external to the economic worldview which has led us to the current state of malaise. Whether accounting measurement systems help or hinder progress towards lofty objectives such as sustainability or happiness, will depend on whether there is congruence between the fundamental worldviews and value systems which underpin both the objective being pursued and the measurement system designed to contribute to achieving that goal (Esposito, 2012). This potential for incompatibility is discussed in section six of this paper by comparing Buddhist principles with conventional accounting principles, which follows the discussion of the underlying principles of Buddhism in Section 5.

5. The four seals of Dharma

Buddhism is distinguished from other belief systems by fundamental principles referred to as the *seals of Dharma* (Okano, 2002) where the Dharma is the knowledge and wisdom underpinning Buddhist philosophy. Hanh (2002) refers to the three seals of Dharma as *impermanence, no-self and nirvana*, whereas Khyentse (2007) and Garfield (2013) identify the four seals of Dharma as *impermanence, duality, emptiness and nirvana*. The descriptions of the Dharma offered by Hanh, Garfield and Khyentse are equivalent with the emptiness (no separate existence) of all things being the central idea on which the seals are founded. Khyentse's categorisation is used here as it clearly describes the consequences of dualistic thought, a discussion which will be seen later in this paper to be relevant to a critique of accounting.

The four seals of Dharma are summarised by Khyentse (2000, pp. 2–4) as

1. All compounded things are impermanent.
2. Dualism is pain.
3. All things have no inherent existence.
4. Nirvana is beyond concepts.

These seals which were spoken by the Buddha present literal truth which describe the essence of Buddhist philosophy (Khyentse, 2007). These four truths should not be confused with Buddhism's *Four Noble Truths* which are concerned with the nature of suffering and the path to the alleviation of suffering.

Any action that establishes or enhances *right* view; that is reinforces understanding of the four seals is the *right* path. All actions (including thoughts and beliefs) which are contrary to or in denial of the four seals are a cause of suffering as they lead to confusion and misunderstanding as to the true nature of reality (Kyabgon, 2003). Anything that contradicts the four seals is not the path to nirvana, as *nirvana is the cessation of all fabrication* (, p. 12).

Each of the four seals is described in the following sections, leading to a discussion as to their implication for accounting and the pursuit of happiness in Section 6.

5.1. All compounded things are impermanent

All physical form, emotions and perceptions are assembled, in a constant state of change (impermanent) and dependent on the multiple causes that led to the (temporary) state in which we observe them (Macy, 1979). The compounding of phenomena relates to more than the observable physical and built environment. It applies to time, the mind, all emotions and the concept of death. Given form, emotion and perception includes all things, everything is assembled and everything is compounded phenomena (Khyentse, 2000).

The compounding of phenomena is referred to as *dependent origination* as all things (form, emotion, thought) arise from the assembly of multiple causes, compounded to form the observed phenomena. The state in which we observe all things is *assembled* (by the observer) as multiple causes come together to create the phenomena (Khyentse, 2007). Nothing exists in a permanent or autonomous state. Everything is interdependent as nothing exists independently of all else. All phenomena are interconnected, interdependent and continuously changing (Tsering, 2010).

5.2. Dualism is pain

Whereas the first seal of impermanence describes the nature of reality, which is everything is impermanent; the second seal concerns the cause of suffering. This cause is emotion borne out of clinging to the idea of a separate self. Similarly, this seal could be described as *all emotion is pain* (Khyentse, 2000) as all emotion implies duality (pleasure/pain, love/hate, happy/sad) and ultimately leads to pain as we feel loss when the pleasurable emotion ceases or reverts to its opposite (Chen, 2013). Emotion is compounded phenomena produced as causes and conditions come together but, subject to the laws of impermanence, emotion as with all compounded phenomena arise and then dissipate. Within the cycle of compounded phenomena arising and dissolving away, the Buddha saw there was no birth or death, or good or bad, and nothing truly existed in a permanent state. There is no ultimate difference between samsara and nirvana, defilement and purity, ignorance and enlightenment, as these are merely subjective labels placed on fabricated, compounded phenomena. In reality there is only emptiness where all things are empty of any permanent, separate or inherent existence (Tsering, 2010).

The compounding of phenomena applies to the creation of the concept of a separate independent self (a *me*); and this false belief drives our everyday actions as the needs of the self are paramount to each decision we make. However our belief in a separate self is not real; as the idea of *self* is a label applied to compounded phenomena. From the misunderstanding of the existence of a separate self, emotions emerge to which we cling and to which we temporarily attribute a state of happiness or sadness. Attachment to the idea of an independent, separate self leads to an unending, insatiable chase to satisfy the ever changing desires of the self, unavoidably leading to our own suffering.

The problem of creating this illusion of a separate self was not only seen by the Buddha as being the selfishness it creates, but that it denies the true nature of reality, that is the interdependence of all things, shaped by a continuing flow of experience which reflect the dynamically changing nature of life (Macy, 1979). Failure to see the true nature of reality obscures our Buddha nature and the path to the alleviation of suffering.

The path to alleviating suffering caused by emotion is not suppression of emotion, but rather awareness of its compounded and impermanent nature. This requires an awareness of the inherent emptiness and impermanence of all emotion, recognising the bitter sweet sensation of all temporary phenomena.

5.3. All things have no inherent existence

All compounded phenomenon, which is all things, are inherently empty of any solid, permanent or autonomous existence. All phenomena whether physical, emotional or conceptual are compounded, originating dependently from multiple causes and conditions. For something to have ultimate existence it needs to be non-fabricated, non-imagined and independent of interpretation. Impermanence meets these conditions as it is not an interpretation but an observation of the true nature of reality (Khyentse, 2007).

Similarly emptiness is ultimate truth as when any phenomenon is examined it is seen to be empty of a separate, independent, autonomous state, and is merely a compounded, labelled condition. Everything we see, hear, feel, imagine and know is emptiness on which we attach a label (, p. 66)

... anything that is perceived by the mind did not exist before the mind perceived it; it depends on the mind. It doesn't exist independently, therefore it doesn't truly exist.

Khyentse (2007) describes the *relative* truth of the conventional world which we perceive, as seen by an ordinary unenlightened mind. It's not this relative perception which creates suffering, but rather the attachment to the false belief the

perceived world truly exists independently of the observer which causes suffering. We dwell in a world of relative truth where suffering is caused by our fixation with dualistic thoughts of good and bad, beauty and ugliness, yours or mine. We celebrate birth and fear death, rejoice profits but despair loss. However the existence of these labelled, fabricated phenomena is illusionary and an understanding of their inherent emptiness creates a pathway to a state of equanimity (BDEA, 1996).

Liberation from suffering from a Buddhist perspective is to understand the impermanence of all assembled phenomena and not to grasp at those things we find temporarily agreeable. Essentially there is an illusory quality of all phenomena and to believe in their existence independent of the mind that compounds their existence, is a belief rooted in misunderstanding. The Buddhist path to the removal of suffering is to see things as they truly are. Fully understood, emptiness enables escape from the cycle of expectation, non-fulfilment and suffering (Macy, 1979).

5.4. *Nirvana is beyond concepts*

Ultimately the understanding of nirvana is beyond developed logic, language or concepts. Our language is dualistic and incapable of describing the non-dualistic concept of nirvana (Khyentse, 2007). Furthermore, that which cannot be described cannot be measured. Nirvana is essentially beyond happiness, as happiness and unhappiness is dualistic thought, and therefore according to the second seal of Dharma, a source of suffering. Nirvana is peace due to freedom from delusion and confusion; it is a joyful and blissful state free from the dualistic thinking which causes unhappiness (Kyabgon, 2003).

Nirvana is the realisation of the inherent Buddha nature within all of us, free from the confusion and obscuration caused by attachment to self and ego. Nirvana is not an objective that can be achieved or acquired. It has always been there; it is part of our true nature but beyond our language and logic to explain. Nirvana is a state of mind awakened when freed from the ignorance of dualistic thinking (Khyentse, 2007), recognising the inherent impermanence and emptiness of all things (Hanh, 2002).

The four seals of Dharma describe the fundamental principles of Buddhist philosophy which Buddhists believe to be literal truth. In the next section we compare critical accounting principles with the four seals of Dharma.

6. A critique of accounting according to the four seals

In this section accounting is critiqued against the Buddhist view of the true nature of reality. This critique is performed across seven themes which, although presented separately, overlap and collapse into the ultimate truth of the inherent emptiness of all things. Within each theme the assumptions which enable conventional accounting practice are contrasted with fundamental Buddhist principles as defined by the four seals of Dharma. These themes are selected given their essentiality to accounting yet potential contradiction with Buddhist principles.

The seven themes are

1. Truth
2. Time
3. Dualism
4. Objectivism
5. Interconnectedness
6. Morality
7. Measurability.

6.1. *Truth*

The Buddhist doctrine of two truths is central to the Madhyamika teachings, distinguishing absolute from relative truth and thereby providing the theoretical basis for viewing the conventional world in which we live as neither absolutely real nor absolutely false (Khyentse, 2003). Absolute truth is to see things as they really are, it is non-fabricated (not constructed conceptually) and is not dependent on anything other than itself (Huntington, 1983).

Absolute and relative truths are distinguished analytically rather than metaphysically, using empirical observation; as when all things are examined analytically¹ they are seen to be empty of inherent existence (Khyentse, 2003). The conventional appearance of things (self, objects, emotion) having discrete form is relative truth which can only exist through the imputation of thought (Newland, 1992). Relative truths are assembled by the mind and originate dependently as composite phenomena; that is the worldly phenomena which we perceive come into being according to the law of dependant origination. This contrasts with the absolute which is not a composite, as the absolute truth of emptiness exists in the form in which the mind realises it, that is the absence of the intrinsic existence of all things.

¹ The analytical process is to examine the five aggregates (form, sensation, perception, mental formation, consciousness) revealing that each contains no inherent essence, hence all phenomena are empty of any separate identity.

All phenomena are compounded according to dependent origination and are both an effect arising from the coming together of many causes and conditions, as well as a cause of other effects (Khyentse, 2007). Given the absolute truth of the inherent emptiness of all phenomena, and the relative truth of all phenomena being compounded as many causes and conditions come together, it is dependent origination which connects the absolute with the relative, and emptiness which enables their distinction (Abelsen, 1993).

Relative truths are also called *concealer* truths as all phenomena are not what they seem to be and their nature to mislead is due to the false belief they exist independently and separately (Newland, 1992). Concealer truths do not exist as they appear (Huntington, 1983). Relative truth is not necessarily a false reality, as it is still truth, unless we perceive an illusion (the horns of a rabbit) or inherent contradiction (the son of a barren mother). However if we impute separate, inherent existence on compounded phenomena then this is a deception, as it is through the conceptual frame of dependant origination that meaning is found in conventional existence.

Relative truth can therefore be seen truly or deceptively. Accounting exists in the realm of relative truth, but is deceptive as it purports to provide an objective true and fair account. Similarly accounting reports deceptively attach value to objects which have no intrinsic existence and misrepresent reality by the artificial separation of time and space failing to account for the reality of interconnection and interrelationship. Meaning only ever exists in terms of interrelationship (Huntington, 1983); however this meaning is lost within the concealer truths of separate entities, financial valuations of purported *discrete* objects, and interconnections which are too abundant to accurately measure or report.

Accounting where it contradicts any of the four seals is a deceptive, concealer truth and this delusion is a source of ignorance which leads to suffering. The lesson within the Buddhist teaching of the two truths is to become unattached to our mental and emotional fabrication, recognising that apparent distinctions between all dualities are empty of inherent existence, leading to the state of...*undifferentiated transcendent reality* (, p 269) which is nirvana.

6.2. Time

The Western construct of monochromic, linear time only exists conceptually and is therefore neither independent nor objective (Parker, 2004). The common conception of linear *clock* time is as an arrow or road leading from the past, to the present and into the future, but as with time itself, the past and future are illusory as we only ever exist in the present, and whenever we try to grasp the present moment it slips away (Hall, 1983; Helman, 2005).

This linear conceptualisation of time is enabled by recording mechanisms such as clocks and reinforced by recording practices such as accounting (Quattrone, 2005). Reporting period conventions and budgeting practices which are entrenched in accounting, enable the separation of time in to past, present and future; however given that neither past nor future can ever exist, counting and recording only enables the reader to conceptualise non real linear time (Quattrone, 2005).

In the Western construct clock time is perceived as a scarce resource intimately connected to work and money (, p 55). Accountants measure and manage time with an efficiency aimed at maximising its value as a limited resource (Parker, 2004). Within this convention, time is dualistically objectified (we have time or we don't have time) and is quantified as a series of successive moments in which life is trapped, as time is conceptualised as a container in which all things, including the self exist. However this *objectification of time* leads to *the subjectification of the self*, as a separate self is perceived to exist in present time (, p 10).

This perception of time and self is contrary to the Buddhist teaching of no-self which in place of a separate self sees a ceaselessly changing pattern of awareness, thoughts, feelings and emotions. As within many Indigenous societies, where time is not considered a resource but rather a *naturally lived experience* (Quattrone, 2005), in Buddhism time is described as an embodied temporal experience (Bruce, 2007) where events do not take place in time, but rather flow as time...*Flowers do not bloom in the Spring. Flowers in bloom are Spring* (, p 179). All phenomena which we observe in the present have arisen subject to causes and conditions from the past; and all phenomena that arise in the future are due to the past and present karmic forces which unfold according to the law of dependant origination (Hanh, 2012) and lead to a web of interconnected phenomenon, *(t)hus, the uniqueness of experiential events does not lie in the separable and independent nature but rather lies in the truly dynamically dependent nature of things* (, p 175).

Buddhist temporality is thus described by dependent origination which is the process of the becoming of all things (from arising, through duration to dissolution), where time is experiential and determined by multiple causes and conditions; which contrasts with accounting where time is assumed to be linear and a separable, limited resource. Although successive events do occur, they are not separable as all things are compounded and interlocking, where any separation can only be an arbitrary abstraction, and like trying to identify one drop in an ocean, the true nature of reality is lost (Inada, 1974). The Buddhist reality of dependant origination contrasts with accounting bound by its conventions of reporting separable events within linear time purporting objectivity where none can exist, and thereby reinforcing its status as a relative concealer truth.

6.3. Dualism

Accounting neatly fits the description of dualistic knowledge as concepts such as *debit or credit, profit or loss, or above or below budget* are essential to preparing and interpreting accounting reports. The second Dharma seal warns that all dualities lead to suffering (Khyentse, 2000); whilst the third seal *all things have no inherent existence* reflects the inherent emptiness of

all phenomena and the illusion of dualistic thought. The validity of conventional dualities is denied because the ultimate nature of all phenomena is emptiness without objective or intrinsic reality. Within the non-dualistic texture of all experience dualistic thinking collapses, as in their emptiness all diverse, apparently opposed phenomena are inherently the same, as all phenomena interpenetrate all else (Hanh, 2012).

The preparation and interpretation of accounting reports is dependent on dualistic thinking. Central to accounting is the double entry discipline which imputes a contrived reality, which according to accounting mythology is independently derived to show a true and fair view of the (separate) entity's economic wealth (Amernic, 2010). Conversely the Buddhist path to happiness is to recognise the truth of the relative world in which we dwell, which is not real, tangible nor solid; and in an accounting context whose existence is created by falsely imputed value.

Recognising the inherent emptiness in all things frees us from attachment to dualistic thoughts. The principle of emptiness involves '...not dwelling upon anything, not distinguishing between this and that...If we see things as they are, then we do not have to interpret or analyse them further...' (p. 141). Reality is non dualistic, whereas accounting contributes to the misunderstanding of this basic truth by creating false accounts of profit, wealth and value masked in a language of objectivity, rationality and truth.

6.4. Objectivism

Khyentse (2007, p.98) distinguishes Buddhist wisdom from scientific knowledge which he describes as a dualistic knowledge ...which is based on objects and subjects and bound by its own limitations, rules, and goals.

The accounting view is that an objective and independent accountant (the object) provides a true and fair view of a separately defined entity (the subject) in its performance toward achieving its primary goal of profit generation

...accounting research is dominated by a belief in physical realism—the claim that there is a world of objective reality that exists independently of human beings and that has a determinate nature or essence that is knowable. Realism is closely allied to the distinction often made between the subject and the object (p. 606).

The Buddhist view is that attachment (for example to profit) obscures our inherent goodness (Buddha nature); the entity only exists as an interconnected, interdependent part of a non dualistic existence which is constantly in a state of change; and the primary goal of human activity is to be free from suffering.

The second seal *all dualities lead to suffering* identifies the root cause of suffering being attachment to the self, which is merely a label placed on compounded phenomena. Emotions arise as the self attempts to satisfy its endless desires, but ultimately it is left unfulfilled. Dualistic thinking is contrary to reality as it creates an object which is separate to the subject. Hanh (2002) dismisses such mistaken thinking by emphasising the notion of inter-being (everything interpenetrates everything else); everything only exists because of everything else. Objects can only ever be the projection of the subject. Hence perception is a process of interpretation where the very thought of perceiving is part of the causal chain from which phenomena arise... "consciousness is coloured by that on which it feeds" (p. 43).

Accounting is misleading concealer truth as it is built on the myth of the separateness of subject and object; separateness to which if we become attached, becomes a cause of suffering as we chase after the insatiable desires of the entity we call self.

6.5. Interconnectedness

Central to the Dharma is the dependant origination of all things, where reality is an interdependent process where all phenomena exist within a mutual web of causal interaction (Macy, 1979). All things come into existence through a karmic web of causes and conditions governed by the interdependence of all phenomena.

The first seal *all compounded things are impermanent* identifies that nothing exists in a permanent or autonomous state and everything is interconnected, interdependent and in a continual state of change. This is the true nature of reality and it is this interdependence and interconnection which accounting reports fail to reflect.

The interconnection between causes and conditions that compound all phenomena is the foundation of Buddhist thought. As all things are empty of a separate independence, the idea of a separate self is an illusion. Similarly the accounting creation of a separate entity is illusory as, for example negative social and environmental impacts caused directly by the entity are ignored and deemed external to the (false) economic reality purportedly reflected in accounting reports.

Khyentse (2007) states that nothing exists independently of the mind that perceives it; therefore nothing truly exists. All phenomena have no separate existence and can only ever be part of an interconnected whole; that is the interconnected web of causal interaction (Macy, 1979). The accounting entity concept reinforces the illusion of separateness. Furthermore, accounting reports provide an incomplete account of phenomena, ignoring impacts experienced outside the artificially separated entity for which the account is given, misrepresenting the compounded and interconnected nature of all things.

6.6. Morality

The use of accounting to silence injustices wrought in the pursuit of profit, entrench the notion that profit is the single measure of success (Chwastiak & Young, 2003). Liyanarachchi (2008, p. 143), in his critique of accounting

538 ethics using Buddhism's Noble Eightfold path, questions the *impartiality* and *objectivity* of accounting in the light of such
539 injustices

540 ...when communicating results or helping to identify right decisions (actions), accounting ignores all interests in
541 favour of those of profit maximization... (with) sophisticated use of language to... reduce issues to mere technical
542 problems... devoid of moral sentiments.

543 This lack of morality is contrary to the Buddhist goal of *right livelihood* which requires an examination of the means of
544 earning income against not only legal but moral standards (Shakya, 2013). The need to reinvigorate all spheres of business
545 with stronger moral standards is a contemporary theme in response to recent large scale corporate scandals and global
546 economic crises.

547 Central to the theory of economics is the primacy of self interest and the view that many individuals acting in their own
548 self interest leads to an optimal welfare outcome for society as a whole. Conversely Buddhist economics emphasises
549 engaging in business for mutual self-interest (Kalupahana, 1995). Accounting reinforces the primacy of self interest by
550 producing reports which measure profit and wealth creation for the (separate) entity, focusing attention on performance of
551 the individual (entity). However accumulation of economic wealth as a primary objective is futile as there can never be
552 enough (Daly & Cobb, 1994), and this never ending quest for material wealth is a direct cause of suffering (Payutto, 2000).

553 The primary goal of Buddhism is to understand the true nature of our existence, which is defined by the interdependence
554 of all phenomena which are inherently empty, impermanent and caught in a karmic cycle of (dependent) origination and
555 disintegration. Seeing the truth of this system of causality is one step towards enlightenment, emphasising the need to work
556 within this reality by promoting social harmony rather than the relentless pursuit of self interest (Boyce, Prayukvong, &
557 Puntasen, 2009). Anthropocentrism and individual self interest as the dominant ethics of business (Chang et al., 2012), are
558 replaced within a Buddhist worldview with the ethic of the welfare of all beings (Goodman, 2013).

559 6.7. Measurability

560 Accounting as a measurement science, is concerned with goal setting and measuring performance towards achieving
561 these goals. The Buddhist goal is *nirvana* and the fourth seal *nirvana is beyond concepts* identifies the futility of trying to
562 measure that which is indefinable. Dualistic language cannot be used to describe or measure (non dualistic) nirvana
563 (Khyentse, 2007) which is described in the Madhyamika as ultimate truth (Huntington, 1983).

564 Some level of trust is needed to believe we all have Buddha nature and that obscurations to seeing this true nature are
565 temporary compounded phenomena based on our own confusion and misunderstanding of the true nature of the emptiness
566 of all things. Nirvana is about discovering something that already exists (Khyentse, 2007); hence the relevant accounting
567 measurement is that everyone has Buddha nature and enlightenment is possible by understanding this reality.

568 If accounting helps to establish understanding of the four seals then it makes a contribution to the alleviation of suffering.
569 However, as can be seen from the preceding discussion summarised in Table 1, fundamental accounting principles are in
570 direct contradiction to the four seals.

571 There is inherent incompatibility between the view that informs the Dharma and the critical assumptions and principles
572 which underpin accounting. If the goal of business is to contribute to happiness, then accounting as we currently understand

Table 1
The seven contradictions of accounting.

Seven themes	Accounting view	Buddhist view
1. Truth	Accounting reports provide true and fair view of separate entity's financial performance and financial position	Ultimate truth is not compounded as it depends on nothing but itself and can be seen as it exists Relative truth exists only through imputation of thought and is deceptive where the conventional appearance of things (self, objects, emotion) is seen to have discrete form
2. Time	Accounting measures/estimates economic transactions that occur/will occur during a discrete period of time in the past/future Time is a linear, scarce resource which must be managed efficiently to maximise economic return	Time is the lived temporal experience governed by the principle of dependant origination and only experienced in the present moment Time is cyclic as represented by the samsaric experience of birth, death and rebirth
3. Dualism	Preparation and interpretation of accounting reports is dependent on dualistic thought	The true nature of reality is the nondualistic emptiness of all things
4. Objectivism	Accounting reports an objective reality independent of human subjective thought	Objects are empty of inherent existence and can only ever be a projection within the mind of the subject Attachment to the idea of a separate self is a root cause of suffering
5. Interconnectedness	Economic impacts relevant to the accounting entity can be separately identified and measured	All phenomena exist within a mutual web of causal interaction Nothing exists independently
6. Morality	Accounting reinforces ethic of self interest and primacy of profit motive	Buddhist ethics is based on the welfare of all beings A Buddhist economic ethic is based on mutual self interest
7. Measurability	Accounting measures performance using dualistic language	Nirvana is non dualistic and defies measurement

it appears incapable of contributing to such a goal, given it is based on principles contrary to cultivating the *right* view essential to removing the causes of suffering.

This critique of accounting against the fundamental principles of Buddhist philosophy does more than confirm the shaky conceptual foundations of accounting. The primary goal of Buddhist teachings is to provide a path to the alleviation of suffering; therefore within these same teachings lays a path to the rebuilding of accounting. Although beyond the scope of this paper, it is reasonable to assume the rebuilding of accounting would need to be based on an understanding of the true nature of existence, and to this end Buddhist teachings provide a powerful theoretical foundation on which to base reform; a theoretical foundation relevant to the wellbeing and happiness of all beings.

7. Implications for critical accounting theory

How does this critique contribute to the critical accounting project? In considering this question it should be noted that although the philosophical basis for this critique comes from outside the dominant Western worldview, there is much in common between the fundamental assumptions which underpin both the critical accounting project and Buddhist philosophy. Dillard (1991) in discussing the *radical humanism paradigm* identifies four critical philosophical assumptions underpinning the *critical social science image of accounting* relating to ontology, epistemology, autonomy and radical change.

Central to the critical accounting project is an *ontology of nominalism* which rejects the existence of a world external and independent of the subject, instead accepting that we create our (view of the) world from within. Whereas accounting is imprisoned within the subject-object dichotomy (Lodh & Gaffikin, 1997), the ontology of nominalism is described within Buddhism as *dependent origination*, where all phenomena are assembled by the observer (Khyentse, 2007).

The existence of a separate measurable world is critical to the *positivist* epistemology of accounting where each event can be accounted for objectively by independent observers. According to Merino (1998, p. 604) rejection of the *modernist epistemology* separating nature from society is the *unifying factor in accounting critical research* which, as in Buddhist philosophy, rejects separation in favour of interconnection. An *epistemology of anti-positivism* recognises the relative nature of human existence where knowledge is discovered empirically and experientially. The epistemology of Buddhism is founded on an experiential journey (Macy, 1991) informed empirically by the observation of the impermanence and inherent emptiness of all phenomena (including the self) which interdependently co-originate according to karmic forces, enabling an understanding of the nature and causes of suffering (Burns, 1963).

Whereas accounting is based on a belief in the inherent rationality of an economic worldview, where economic actors are directed by the invisible forces of efficiency and profit taking; autonomy and the free will to act as we choose (Dillard, 1991) is a critical assumption of the alternative critical accounting view. Although karma which is a central concept in Buddhist theory is sometimes misinterpreted as fate or destiny; it is primarily concerned with free will, emphasising the autonomy of each individual to choose the path to the alleviation of suffering (Nelson, 2007). Karma concerns the moral quality of our actions, confirming the virtuous response to suffering in the world is rooted in an ethic of compassion, mindfulness and wisdom (Nelson, 2007). Each person is free to choose whether they walk an ethical path or pursue a hedonistic life fuelled by greed and selfishness; however the karmic effects of these autonomous choices are inescapable (Keown, 1996).

Accounting whilst firmly entrenched within the realism, positivist and deterministic agendas is resistant to change as those beneficiaries of the status quo view radical intervention as non rational threat. Conversely, Buddhist practice establishes a process of individual change through self awareness, realisation of potential, and emancipation from suffering. A new emancipatory accounting must break free from the subject-object dichotomy and cannot be achieved by incrementally reconfiguring accounting, as a *thoroughly emancipatory accounting* must be constructed from the ground up (Roslender & Dillard, 2003, p. 341). Given the impermanence of all things, which includes social and governance structures, continual change is central to Buddhism and as within the critical accounting project, built on an evolving understanding of the true nature of our existence providing a pathway to self awareness and happiness (Dillard, 1991).

The critique of accounting for non objectivity, an inability to adequately account for social and environmental impacts and the contested nature of the epistemological perspective on which accounting is built, are of course common themes within the critical accounting literature. Dillard sees the interconnection between the natural and the social as fundamental to the critical accounting project. A Buddhist worldview emphasises interconnection whereas the production of accounting information is dependent upon the separation of time (discrete accounting periods) and place (defining separate entities) and space, thereby enabling managerial control from a distance (Broadbent, 2002).

Although it is difficult to envision accounting within the present moment of non-linear time for an interconnected entity; see Birkin (2000) for a preliminary attempt at accounting for interconnection; the previous analysis in this paper concerning the seven contradictions of accounting suggests that the false assumptions which underpin accounting, contribute to erecting a barrier to understanding the true nature of existence which is necessary to achieving an enlightened state of happiness. One step to imagining a truly emancipatory accounting is to stop what we are currently doing creating the requisite space for something new. Gallhofer and Haslam (2004, p. 398) describe the colonisation of *all aspects of our lives* (with an) *accounting logic relentlessly pursuing efficiency and profit (silencing) matters such as the spiritual*. Replacing this economic view of the world with an understanding of the ultimate truths of impermanence, interconnection and emptiness is critical to a Buddhist path to emancipation and enlightened happiness.

Accounting as we currently understand it is not a result of fate, but rather deliberate, autonomous choices, the impacts of which accumulate incrementally over many years. This same autonomy is driving change, which although minimal to date,

could potentially lead to radical change. It is not the intention here to begin the process of imagining a new form of accounting consistent with a Buddhist world view. However Buddhist theory with similar philosophical underpinnings as critical accounting theory provides a very different ontology to that on which conventional accounting is based, and it is within this difference that the possibility for emancipatory change within accounting lies. Buddhist theory also provides a clear path to the alleviation of suffering, referred to as the Noble Eightfold Path. Hence Buddhist theory provides more than a definition of the problem, it also provides a path to the solution.

8. Summary and conclusions

One thing all beings have in common is they do not want to suffer. Almost 2500 years ago Siddhartha Gautama described a path to the alleviation of suffering based on four observations of the reality of existence. These observations are described as the four seals of Dharma and are considered by Buddhists to be the ultimate truth of the nature of reality.

One of the perverse tragedies of our modern economy is that we know some beings suffer and others prosper materially in the name of business and profit. The idea that some sections of human activity are allowed to cause suffering because those activities are in pursuit of profit rather than social wellbeing and happiness, is a revealing statement of moral priority reflecting greed and attachment to material wealth.

This paper began by challenging the dominant view that the objective of business is to earn profit, with the observation that profit is only a means to the higher end of achieving a meaningful form of happiness. Interpreting this end as eudaimonic happiness or nirvana, the paper explored whether accounting has the capability of contributing to this inherently spiritual goal.

Galhofer, Haslam, Ezzamel, Molisa and Bhutan's GNH measurement project suggest a possible role for accounting within the realm of inherently spiritual quests. However an examination of fundamental accounting concepts of dualism, separate entity, true and fair view, non accounting of impacts external to the entity, independence and objectivity, and the primacy of self interest and profit, were all found to be contrary to the four seals of Buddhist wisdom. This suggests accounting contributes to a misunderstanding of the true nature of reality, therefore contributing to suffering rather than happiness.

Whilst accountants might claim to make some contribution to hedonistic versions of happiness given the link between accounting, efficient financial management and wealth creation, there is no evidence that accounting contributes to eudaimonic happiness. Accounting only exists within the relative world of dualistic illusion, with many of the assumptions underpinning accounting being contrary to a Buddhist understanding of reality. If these erroneous foundations are assumed to be real, accounting represents a barrier to an understanding of ultimate truth, eudaimonic happiness and nirvana.

The critique presented in this paper appears to suggest that accounting is futile and even destructive as its foundations are built on a false view which presents a barrier to happiness, as wrongful thinking creates an obscuration to seeing our inherent Buddha nature. Hence the answer to the primary question which this paper asked appears to be *no, accounting cannot make a meaningful pursuit to achieving happiness*. Of more concern is accounting's capacity to erect barriers obscuring the true nature of reality, which is an essential step to establishing the *right view* needed to progress along the Buddhist path to enlightenment.

However in itself this dismissal of accounting's potential contribution to wellbeing is limited by the dualistic thinking which led to this conclusion. Accounting is an attempt to apply principles of economic rationality within the relative conventions of the business world. Accounting does not describe reality and can never offer a true and fair view as such an objective set of valuations does not exist. Accounting can never be objective as it is a practice which dwells in the world of relative concealer truth, embedded with delusions of fairness, objectivity, accuracy and independence; whilst its carefully crafted language misguides us into believing it occupies a world of objective reality.

But nothing is permanent. As Galhofer and Haslam (2004) hope for, accounting can change and as evidenced by developments such as the social accounting project, is changing. This research contributes to this process by providing an understanding of the false reality of accounting using the conceptual tools of Buddhism. Inherent in Buddhist teachings is not only the source of suffering but the path to alleviation of suffering. Whilst this paper describes the theoretical contradictions of accounting, the opportunity exists for further research to draw on these same principles to find the solution to these contradictions.

However until the contradictions inherent in accounting are resolved it is futile, as well as a barrier to happiness to pretend accounting is something it is not. As accountants we should be able to clearly describe the failings of our art form, which has been elevated wrongfully I believe, to a position of prominence within our society. Our role as accountants and accounting educators is to better understand the true nature and purpose of our existence, and to ensure our profession conflicts with neither.

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Q5 Uncited reference

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