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POPULAR ACCOUNTING HISTORY: EVIDENCE FROM POST-ENRON STORIES

Abstract: This study reviews the concept of “popular history” in the context of accounting history, drawing on evidence from post-Enron stories about corporate collapse and accounting and auditing failure. The study complements the work of Carnegie and Napier [2010], which focused on how professional accountants and their firms and organizations were portrayed in books about Enron and Arthur Andersen that were published during the period 2002 to 2005. These books can be characterized as “popular histories”, and the present paper illustrates how the scholarly work of academic accounting historians is given little attention by the authors of these post-Enron stories. It points to the largely untapped potential for accounting historians to make their research findings and insights available for a general readership.

INTRODUCTION

The reputation of the international accounting profession suffered badly from the dramatic collapse of Enron in 2001, accompanied by financial and accounting scandals involving companies such as WorldCom in the United States of America (USA), HIH in Australia and Equitable Life Assurance Society in the United Kingdom (UK). This collapse in the profession’s reputation was exemplified by the demise of Arthur Andersen, previously one of the “Big Five” international accounting firms, in 2002. The impact of the Enron collapse on stereotypical views of accountants and accounting was studied by Carnegie and Napier [2010], who focused on the ways in which professional accountants, firms and organizations were portrayed in the large

number of books on the collapse of Enron and other major corporations published in the period 2002-2005. That study identified three themes for which the post-Enron literature provided insights: how accountants were represented as characters, whether authors considered accounting to be a profession or more like an industry, and the extent to which the Enron affair provided evidence that accountants were no longer honest and trustworthy.

Carnegie and Napier [2010, p. 370] observed that some of the authors whose work they analyzed had used historical material and arguments. They identified authors' use of a contrast between "then" and "now" (with possible overtones of nostalgia for a "golden age" of professional probity), as well as the employment of a narrative trope "old sins cast long shadows", where authors suggested that the failure of Andersen in particular was rooted in that firm's early embrace of consulting as an extension of its audit practice. The use of historical arguments in studies written for a general readership is interesting in that authors, who are typically not accountants, appear to believe that their readership will find such arguments cogent rather than irrelevant. This suggests that there is a general concern with history on the part of the readers of popular management narratives, which may provide opportunities for historians of accounting to communicate their knowledge to broader audiences.

In this study, we examine the use of accounting history in post-Enron stories, and use this as the basis for considering references to accounting in popular history more generally. We explore how commentators have drawn on the history of accounting to portray accountants and their work and to contrast the personalities of "founding fathers" of the US accounting profession with their early 21st-century successors. Our investigation starts from the books about Enron and Arthur Andersen that were published during the period 2002 to 2005 (see Carnegie and Napier [2010, p. 367] for a list of the 28 books examined), although only 12 of these books refer to accounting or auditing from a historical perspective. We seek an enhanced understanding of how accounting history is drawn upon in commenting on the corporate and professional failures themselves and on their implications, for example for the future of the accounting profession. We begin with a brief discussion of the concepts of "public history" and "popular history", and then outline the collapse of Enron and the demise of Arthur Andersen. This is followed by a consideration of the use of history in the post-Enron narratives, from which we draw some conclusions about the need for historians of accounting to disseminate their research

findings in popular as well as academic forums.

PUBLIC AND POPULAR HISTORY

Professional historians are increasingly reflecting on the relevance of their studies to the concerns of the public at large [Champion, 2007]. This comes as a reaction to public interest in history, whether expressed as a demand for historical fiction, of which recent noteworthy examples are the award-winning novels *Wolf Hall* and *Bring Up The Bodies* by Hilary Mantel [2009, 2012] about the Tudor politician Thomas Cromwell, or as an interest in what is taught as history in schools [Cannadine et al., 2011]. Sir Richard Evans, the Regius Professor of History at Cambridge University, has observed the growing demand for novels, films, television series, and “blockbuster history books”, noting that “historians today are communicating with far larger audiences when they broadcast on radio or television” [Evans, 2002, p. 14]. In 1979, the National Council for Public History (NCPH) was established in the USA to provide a focus for historians wishing to emphasize the public profile of history [Howe, 1989]. “Public history”, as promulgated through channels such as the NCPH’s journal, *The Public Historian*, is seen as taking history outside the classroom and the academy and promoting the relevance of history within the public sphere. As Tosh [2008, p. 100] notes, “public history” ranges from “historical work carried out in conjunction with museums and other heritage bodies” to “everything that professional historians do to bring their work to public attention – through journalism, TV programmes or policy advice.”

Tosh [2008, p. 100] draws a distinction between “professional and lay history”, and he identifies the move towards public history as mainly driven by professional historians. Howe [1989] suggests that the public history movement in the USA reflected an expansion in the number of professional historians at a time when university recruitment in history departments was growing much more slowly. “Public history” allowed career paths to be defined for historians outside schools and universities. Tosh’s reference to “lay history” acknowledges that history may be written by those who do so as a hobby or avocation, and by those without an academic training as a historian, as well as by those who make their living from teaching and researching history. Many of the early historians of accounting, such as the bibliophile Karl Kheil [Napier, 2009, p. 33] were “lay historians”.

Public history overlaps with, but is not synonymous with,

“popular history”. Although the latter term originally referred to the history of “ordinary people”, in contrast with “elite history” (the history of rulers and aristocrats – see Cannadine [2008: pp. 30-31]), popular history now tends to imply history aimed at a wide or general readership or (as popular history frequently takes the form of television series) audience. It tends to emphasize broad narrative sweeps while at the same time using “telling” detail to illustrate particular points. For example, a popular history of a wartime battle may interleave discussions of grand strategy with extracts from interviews with, or memoirs of, soldiers involved in the actual fighting. Popular historians value readability [Curthoys and McGrath, 2011]: their books often have a similar physical appearance (with the possible exception of illustrations and maps) to novels, with an absence of the scholarly “apparatus” of footnotes and references that would reveal the author’s sources. This has led some historiographers (for example, Curthoys and Docker [2006]; Southgate [2009]) to debate at length how, if at all, history and fiction are distinct.

This is not to claim that popular history is unscholarly. To the contrary, many of those associated with widely watched TV programmes or best-selling books are academics highly respected by their peers for their scholarship (Bell and Gray [2007]; Beck [2011]). However, popular history can be distinguished almost at sight from academic history, as its *raison d’être* lies in its appeal to the interests and appreciation of the general “consumer” rather than those of professional historians. As Champion [2003, p. 155] puts it: “Both historians and documentary filmmakers aim at achieving an engagement with the truth of the past: they simply have different methods and instruments for getting there.” Champion was writing about the series *A History of Britain*, broadcast originally by the BBC between 2000 and 2002 and written and presented by the eminent art and cultural historian Simon Schama. Champion [2003, p. 172] sums up this popular history series by describing it as:

[A] powerful document representing the “truth” of past events in a particular form, from a particular point of view. However much we might dispute specific elements, or even the overall narrative plot, nevertheless to engage with the drama, the details and the power of the story, provides the imaginative audience with ample food for historical thought. The best history can do no more.

Some popular historians are without academic affiliation,

while others are academics or former academics who write for a general audience. For example, the prominent British media personality David Starkey,¹ who has written and presented several television history series, usually on the Tudor period, was a highly respected academic historian based at the London School of Economics for some 30 years before leaving to concentrate on a lucrative media career. It is not uncommon for popular historians to have experience as current or former journalists [Lowe, 2012].

Popular historians often use historical accounts that already exist, such as official histories or general histories. In this way, they are like historical novelists, who need to ensure that, whenever their stories refer to events that “actually happened”, they at least appear to be “true to the facts”. For example, the historical novelist Robert Goddard, whose novel *The Ways of the World* [2013] is set during the Paris Peace Conference in 1919, states in an author’s note that: “Real people, places and events have been depicted as accurately as possible”. Goddard cites, as one of his main sources, Margaret MacMillan’s *Peacemakers* [2003]. MacMillan is a professional historian, and her account is at the same time rigorously scholarly and popular – the book was a best-seller and won the Samuel Johnson prize, the UK’s most prestigious non-fiction book award. Popular historians who come from an academic background are also likely to distil their histories from journal articles and even from primary sources. Hence, there is no reason to assume that, simply because historians write for a readership extending beyond other historians, their work will lack rigor. Although some “professional” historians disdain their more “popular” colleagues, many of the latter group ably meet the challenge of reconciling scholarship with popular appeal.

While professional historians may grudgingly tolerate their colleagues when they address a popular audience, “lay” popular historians are disliked or even despised by some academic historians, who regard them as “hacks” rather than original scholars. For example, the American documentary film producer Ken Burns, most famous for the Public Broadcasting System’s series *The Civil War*, first broadcast in 1990, has described himself as “a popular amateur historian” (quoted in Southgate [2005, p. 138]). Burns has been accused of “reduc[ing] history to ‘a mind-softening, saccharine-like substitute’, appealing to the emotions and pandering to the lowest common denominator of people’s taste for nostalgia” (quoted in Southgate [2005, p. 139]). As Tosh

¹ Often described as “the rudest man in Britain” [Cooke, 2012].

[2010, p. 13] notes more generally:

Professional historians insist on a lengthy immersion in the primary sources, a deliberate shedding of present-day assumptions, and a rare degree of empathy and imagination. Popular historical knowledge, on the other hand, tends to a highly selective interest in the remains of the past, is shot through with present-day assumptions, and is only incidentally concerned to understand the past on its own terms.

Professional historians fear that historical evidence will be used selectively to advance agendas; for example, Hawke [2011, p. 14] warns that “bringing historical knowledge to bear on current issues is different from mining the past for convenient arguments”.

Such discussions and debates have arisen in the historical accounting literature. For instance, Carnegie [2006] suggested that accounting historians may widen the relevance of their work by writing, on occasions, for a general readership, such as on the perennial topic of corporate collapse and accounting failure. In response, Radcliffe [2006] argued that Carnegie [2006] was in effect proposing entry to a forbidden arena. Radcliffe seemed to perceive no role for accounting historians in providing a historical appreciation to the general public, including modern-day investors, creditors and other financial statement users, by placing a spotlight on the interplay of corporate and accounting failure across time. Accounting historians, however, despite the recent call for a greater awareness of the public and popular roles of history made by Gomes et al. [2011], do not typically prepare and publish popular works on accounting’s past. This leaves a gap that can be exploited by “lay” historians, and a recent example of a prominent popular history in accounting is the book *Double Entry: How the Merchants of Venice Shaped the Modern World – and How their Invention could Make or Break the Planet* by the art historian Jane Gleeson-White [2011].

Gleeson-White’s book stresses the importance of double-entry bookkeeping in providing the commercial technology upon which trade, industry and capitalism itself developed. She writes at length about Luca Pacioli and his first printed treatise on double-entry, discusses the “Sombart Thesis” about the relationship between double-entry and the rise of capitalism, looks at how double-entry underpins national income accounting, touches briefly on Enron and other contemporary scandals, and concludes by noting that the long-term future of the planet may depend on how well accountants capture the full economic, so-

cial and environmental costs of the resources we use. The book synthesizes wide, but selective, reading. It contains references and a bibliography at the end, the main text being presented with very few “academic” signs (merely some use of indented block quotations and a few figures). Some aspects of the book are particularly commendable – the coverage of national income accounting gives prominence to an aspect often overlooked by historians of accounting (but see Napier [1996, pp. 467-468]; Suzuki [2003]). However, reviewers have identified problems with both Gleeson-White’s general narrative [Soll, 2012] and her detailed appreciation of the emergence of double-entry and the work of Pacioli [Sangster, 2012]. In addition, Gleeson-White often relies on a small number of sources, typically secondary rather than primary – for example, she notes [2011, p. 267] that her discussion of Enron draws on an article in the *Guardian*² by Anna Pha [2002] and a section of Niall Ferguson’s *The Ascent of Money: A Financial History of the World* [2008], incidentally a book linked to a “popular history” television series broadcast by Channel 4 in the UK in 2008.³

The main themes addressed by Gleeson-White – double-entry, Luca Pacioli, the rise of capitalism, the emergence, development and possible decline of the accounting profession, and corporate scandal – are clearly perceived to interest the general reader, and we would expect popular histories of accounting to address similar themes. Before examining how accounting history has been mobilized by the writers of popular post-Enron stories, we remind readers of the main events surrounding the collapse of Enron (and the demise of Arthur Andersen).

ENRON AND THE FALL OF ARTHUR ANDERSEN

Enron was founded in 1985 by Kenneth Lay as a natural gas pipelines company. It diversified into electricity, coal, plastics and other industries, including telecommunications bandwidth trading. It gained a reputation as a high-performing stock and was noted for regularly exceeding earnings expectations and for its remarkably strong share price performance. By the end of the

² This is not the newspaper based in London but rather a publication of the Communist Party of Australia. Gleeson-White [2011, p. 194] misquotes Enron’s sales in 1996 as having been US\$2.3 billion, whereas her source gives the sales as US\$13.2 billion.

³ Ferguson himself drew all his material for the section of his book about Enron [Ferguson, 2008, pp. 169-175] from the studies of McLean and Elkind [2003] and Swartz [2003].

1990s, Enron had become one of the largest and most prominent corporations in the USA. However, unknown to investors, Enron had established a set of off-balance sheet special purpose entities (SPEs). Large debts were accumulated in these off-balance sheet entities, which were controlled by the Chief Financial Officer, Andy Fastow, allowing the corporation to sustain an appearance of strong financial performance and hence achieving flourishing share price growth. Enron also traded with these SPEs, thus allowing for a significant amount of earnings manipulation. Enron's underlying financial position and performance, however, was deteriorating, resulting in major write offs occurring in quarterly financial statements issued in October 2001. Six weeks later, in November 2001, the company filed for bankruptcy.

Following the Enron collapse, it emerged that Enron's auditors, the international professional services firm Arthur Andersen, had begun to shred reams of Enron audit working papers, casting doubts as to the quality of the firm's auditing and the firm's overall integrity. Andersen also provided substantial advisory and consultancy services (in terms of fee income, Enron was one of Andersen's largest clients), which generated more income than the regular audit work. This blurred the boundaries between auditing and consulting and raised strong doubts (at least *after* the event) about the independence of the audit firm. The SPEs, which were deployed by Enron to mask the underlying financial performance and position of the corporation, had been approved by Andersen as legitimate off-balance sheet entities. The fallout from the Enron document shredding led to the firm temporarily losing its licence from the Securities and Exchange Commission to undertake audits of quoted entities in the USA. Andersen was also associated with other contemporaneous accounting scandals, including WorldCom and Sunbeam. Many other clients, rather than standing by the firm, began to believe that having Andersen as their auditor would be regarded negatively by stakeholders. The dramatic loss of Andersen's reputation led rapidly to the firm's extraordinary demise. Never before had the failure of a major corporation in the USA resulted in the collapse of one of the most prominent international professional services firms. The accounting profession was suddenly in turmoil, possibly facing the biggest crisis in its history.

POST-ENRON BOOKS: HISTORIES AND CONTRASTS

When journalists touch on the history of accounting and auditing, the two most frequently named historical figures are

Luca Pacioli and Arthur Andersen. Pacioli's name gained particular prominence around 1994, when the 500th anniversary of the publication of his *Summa de Arithmetica* brought double-entry well into the public arena for a short time. His fame was reinforced by the popular accounting software "Pacioli 2000", an entry-level DOS-based package that was launched in 1991, became one of the most widely used accounting packages in the USA, but was discontinued in the early 2000s. Arthur Andersen's name was probably better known than those of the founders of other international accounting firms partly because the firm used its founder's full name as late as 2001, and because Arthur E. Andersen himself died only in 1947, whereas the eponyms of other firms were generally figures of the 19th century. Particularly insightful in this regard is Berenson [2004], who was writing at the time as a financial investigative reporter for *The New York Times*. Berenson [2004, p. 23] claims:

Despite its importance to capitalism, accounting exists almost in a vacuum. Its past has hardly been studied; historians have inexplicably focused on Napoleon and Stalin instead of Arthur Andersen and Luca Pacioli, the Italian monk who in the late 1400s wrote *Summa*, the first treatise on bookkeeping.

In the books under review, it is perhaps not surprising that Andersen appears most often as a character, but Pacioli is not entirely overlooked. Such contributions in the aftermath of the collapse of Enron may be identified as the "after Pacioli, came Andersen" view of accounting history. Berenson's lack of familiarity with the long-established and ever-growing scholarly literature on accounting history is evident in his comment that accounting's past "has hardly been studied".

Another author, Bryce, specifically warns his readers that he is providing "a bit of history" [Bryce, 2003, p. 61]. Bryce acknowledges the long history of accounting in stating "It's [Enron] the biggest scandal to ever hit accounting, the world's *second oldest* profession" [2003, p. 6; emphasis added]. He claims that "modern accounting methods . . . started with a Franciscan friar, Frater Luca Bartolomes Pacioli, who believed that Renaissance businessmen needed a reliable way to assess their financial condition. . . . His answer was dual-entry accounting . . . [known as] the 'Italian method'" [2003, p. 61]. Pacioli is used by Bryce to personify traditional accrual accounting, in contrast to Enron's extensive use of mark-to-market accounting, the adoption of which is regarded by Bryce as "one of the seeds of

Enron's destruction" [2003, p. 66]. Bryce's rapid leap from Pacioli to the 1990s, thereby bypassing Andersen, is a good example of what Zan [1994, p. 257] has referred to as the "after Pacioli, nothing" tendency in the use of accounting history (though Zan was strictly referring to non-Italian histories of Italian accounting). According to Bryce [2003, p. 379], "there are several biographies of Pacioli. Much of my information on him came from the web site of the Association of Chartered Accountants in the U.S."⁴

In introducing Pacioli, Brewster [2003, p. 31] claims "the roughly one thousand years between the end of the Roman Empire and the rise of great merchant houses in fourteenth-century Italy was known as a period of accounting stagnation". Pacioli, who is identified by Brewster as "the father of accounting . . . was the most effective dabbler in accounting the world has ever seen" [2003, p. 31]. Pacioli's main areas of interest in mathematics and theology are identified and his "famous treatise on accounting" is outlined. Double-entry bookkeeping, otherwise identified by Brewster as "the Italian system" or the "Venetian method", is described "as the equivalent of the printing press in publishing" [2003, p. 31]. Brewster relates Pacioli's 1494 treatise on double-entry bookkeeping to contemporary events in stating "its application was so significant in terms of the efficiency and the clarity it introduced that it became the standard throughout the West and is still the basic model for businesses today" [2003, p. 31].

Although most of the authors of the books reviewed consider themselves chroniclers of contemporary events, several of the books were explicitly written as histories. The dust-jacket of the Brewster [2003] book notes that the author "traces the profession from its birth in the Middle East, to its rise as one of the most universally respected in the Western world, to the calamitous scandals of the past two years, to the fall of Andersen and the passage of the Sarbanes-Oxley Act". Squires et al. [2003, p. xiv] comment in their Preface that readers "will understand the long chain of events that eventually caused Andersen to fall."⁵ The outside back cover of Berenson [2004] states "with wit and a broad historical perspective, Berenson puts Enron, WorldCom

⁴ Bryce [2003, p. 379] refers to the web page www.acaus.org/history, but this link no longer works. The document to which Bryce refers is a paper entitled "History of Accounting" by John R. Alexander, which can be accessed at: http://www.acaus.org/content.aspx?page_id=22&club_id=825456&module_id=39138.

⁵ Both these books have attracted reviews in the journal *Accounting History* [Carnegie, 2005a, 2005b].

and the other accounting disasters of recent years in devastating context”.

Journalist writers aim to provide a narrative and chronology of the events leading up to, and the aftermath of, their chosen corporate collapse, but often go outside their strict “time line” to provide historical material on the origins of Andersen and more generally on the US accounting profession. This sometimes appears as mere dabbling. Fox, for example, devotes only 11 lines to her historical sketch of the origins and development of Andersen [Fox, 2003, p. 181], and references her source as the Andersen website. McLean and Elkind are more generous with about six paragraphs on the history of Andersen [McLean and Elkind, 2003, pp. 143-145]. As these authors do not provide references, it is not possible to be definite about their sources, but their history is a slightly enlarged version of that offered by Fox. Eichenwald [2005, p. 427] notes that “Andersen had a storied history”, but does not expand on this. Jeter [2003, pp. 207-208] uses some of the same anecdotes, referencing a BBC *Money Programme* documentary on Andersen broadcast in 2002.⁶

This relative lack of interest in the history of Andersen is not a consequence of a shortage of source material. The firm had self-published a number of historical reviews over the years [Arthur Andersen & Co., 1974, 1988] alongside a collection of Arthur E. Andersen’s speeches and writings [Arthur Andersen & Co., 1970], and the extensive reminiscences of Leonard Spacek, a later chairman of Arthur Andersen, had also been published in book form [Spacek, 1989]. The two Andersen insider accounts [Squires et al., 2003; Toffler, 2003] draw heavily, if uncritically, from these sources, which, like others of the genre, have a propensity to present flattering accounts of past events and accomplishments [Carnegie and Napier, 1996, p. 24]. Relying on such official historical reviews and acknowledging the role of sentiment may have contributed to the making of certain simplistic statements by these authors such as the following: “For 89 years, Arthur Andersen was a mainstay of the accounting profession holding a reputation for honesty and trustworthiness” [Squires et al., 2003, p. 10].

Brewster [2003] offers apparently the widest knowledge of

⁶ This documentary, broadcast on BBC Two on 23 July 2002 under the title “No Accounting for Greed”, introduced a UK angle to the Andersen story by discussing Andersen’s involvement with the collapse of the DeLorean car company in 1983. This led to the firm’s being banned from public sector advisory work in Britain, a ban that continued until the election of a Labour government in 1997. See also Hughes [2002].

historical accounting research, though even he uses a limited number of sources. These include official histories of accounting firms, the general histories of Previts and Merino [1998] and Chatfield and Vangermeersch [1996] and the historical account of Olson [1982], who served as chief staff officer of the American Institute of Certified Public Accountants, which deals with the relatively short 1969-1980 period. Brewster also draws heavily on archival material in the PricewaterhouseCoopers collection at Columbia University's Rare Book and Manuscript Library, most notably for correspondence by George O. May.⁷ Brewster uses oral evidence obtained from interviews with some 45 people, including an interview with an eminent accounting historian, Stephen Zeff of Rice University. Berenson [2004] also employs a limited number of sources, including the general history of Previts and Merino [1998] and the studies of the American Institute of Certified Public Accountants by Carey [1969, 1970]. Berenson further draws upon the historical resources of Stevens [1981, 1991] in examining changes in the accounting profession since the early 1980s from the perspective of the Big Eight and the Big Six accounting firms respectively. Skeel [2005], whose book sets the Enron collapse in the context of other US scandals, utilizes the business history literature, but his accounting-related sources are the same set of official firm histories used by other authors.⁸

More generally, most authors were clearly unacquainted with the accounting history literature in preparing their volumes. Some authors touch on episodes in business or economic history, such as the Dutch Tulip Mania, the South Sea Bubble and the Wall Street Crash. For instance, Hamilton and Mickelthwait [2006, pp. 9-11], who employ the subtitle "the lessons from recent disasters", devote a mere two pages in the introduction to "the recent past" as "a tale of boom and bust" [p. 9], but do not refer to accounting history or to any relevant contributions in this field based on their references. Overall, very little reliance was placed by authors on the available general histories of accounting.

The general motivation for the use of history is to provide

⁷ Brewster [2003, p. 7] goes so far as to describe May as one of "the giants of early-twentieth century U.S. accounting firms".

⁸ Arnold and McCartney [2003] have pointed out the extent to which writers using historical material in their arguments often refer uncritically to the same limited number of sources (see Funnell [2007] for a reply to such criticisms). Sometimes, subsequent writers will assume that a single incident narrated by a source applies more generally in different contexts.

a contrast between accounting and auditing (in general) and Andersen (in particular) in the earlier years of the 20th century and the late 1990s. Not only had the stereotypical accountant changed, but so had the public accounting firm. With its headquarters in Chicago, “Andersen embodied Midwestern level-headedness and probity” [Berenson, 2004, p. 113]. Repeatedly, writers mention the original Andersen motto “think straight, talk straight”, and quote Arthur Andersen’s reaction to a corporate president who wanted him to endorse a manipulated financial report. Andersen’s reply was: “There is not enough money in the city of Chicago to induce me to change the report” [Squires et al., 2003, p. 32, citing Arthur Andersen & Co., 1974; McLean and Elkind, 2003, p. 144]. Both Toffler [2003, p. 15] and Skeel [2005, p. 103] view the collapse of the business of financier Samuel Insull during the 1930s as the Enron of its day, and suggest that Arthur Andersen, as a person of unbending integrity, would not have been seduced by temptation at Enron. Following the death of Arthur Andersen, the firm’s founder “took on a mythical stature” as the firm began to celebrate his life and values [Squires et al., 2003, p. 37]. By the 1990s, Andersen’s “new, unstated motto became ‘Make it Work’. . . . Give the client what he wanted” [Swartz, 2003, p. 95].

Carnegie and Napier [2010, p. 370] suggested that the authors are making a rhetorical contrast between “then” and “now”, with an implied “golden age” of ethical auditing in the early 20th century being contrasted with a more mercenary age at the beginning of the 21st century. This is particularly evident in the way in which Skeel [2005, p. 166] contrasts Arthur E. Andersen’s work on sorting out the collapsed Insull empire in the 1930s with the behaviour of his modern successors:

The Arthur Andersen who sorted through the wreckage of Samuel Insull’s empire prided himself on unflinching, uncompromising investigation of the companies he audited. The Arthur Andersen auditors who held their noses and signed off on the Enron and WorldCom financial statements were another breed altogether.

Berenson [2004, p. 119; emphasis in original] makes a similar contrast in respect to what were then the Big Six firms as a whole:

By the beginning of the 1990s, the Big Six were no longer accounting firms that happened to have consulting units; they were professional services organizations, using audits as a way to sell consulting and tax advice.

. . . They were partnerships in name only. In reality, they were multinational companies, run from the top down by partners who called themselves chief executives and chairmen, not managing partners. The change was profound. Accountants had never lived up to their lofty rhetoric, but before the 1980s they at least had *seen* themselves as public servants. No longer.

Paradoxically, the more things change, the more they stay the same – *plus ça change, plus c'est la même chose*. Just as Carnegie and Napier [2010, p. 370] identified a common narrative trope in the histories of Enron and Andersen as “old sins cast long shadows”, another trope that can be observed is “there is nothing new under the sun”. This trope underpins the following comments of Skeel [2005, p. 188]:

The most glaring flaw in the current framework – a flaw which is so long-standing that it is almost invariably ignored in proposals for change – is the fact that the company itself decides who its watchers will be.

The only way to address this fundamental flaw, according to Skeel, “would be to take the choice of auditor out of the company’s hands” [2005, p. 188]. Berenson [2004, p. 227] projects a similar sentiment on change in general by entitling his afterword “The more things change”.

Squires et al. [2003, p. 161] refer to an unspecified point of time in future where the demise of Andersen will be a “footnote in public accounting history”. This future point in time is likely to be many decades away, if not into the 22nd century. Until that unknown time, the failure of Andersen and the implications of the firm’s failure for the professionalization of accounting are likely to remain not a footnote but a substantial chapter in public accounting history [Carnegie, 2005a].

CONCLUSIONS

The authors of the 12 books examined in this study draw very little on the academic accounting history literature. Many of them do not even address the historical development of accounting, preferring to focus on the actors and events of “the now”, involving an almost exclusive reliance on press stories and internet sources. Of the authors who paid some attention to providing a historical background to the calamitous events of the early 2000s, none referred to the vast literature on the sociology of the professions, including the many contributions on the

professionalization of accounting, or to the literature on critical accounting generally. This is unfortunate, as critical accounting history often focuses on topics of broad public concern, while regarding apparently technical aspects such as the history of double-entry bookkeeping as somewhat boring. Various general histories on accounting written by US scholars were evidently known to only a small number of these authors, notably Brewster [2003] and Berenson [2004]. Of these general histories, Previts and Merino [1998] seemed to be the most widely-used. It is not surprising that lay historians tend to refer to books rather than scholarly articles, since books such as official or popular histories of the accounting profession and firms may probably be found in major generalist libraries. Articles may be more accessible than ever before to university-based researchers, thanks to on-line archives offered by journal publishers and organizations such as JSTOR (www.jstor.org), but those outside the academy may find them difficult and expensive to access.

The books written for a popular readership that we have examined in this paper are usually well-written, and some of the authors have attempted to base their writings at least on secondary sources grounded in extensive scholarly research. Some books cover long periods of time using broad narrative story-telling, combined with a focus on specific details that cast the overall story into perspective. These are the characteristics that we have already identified as generic to popular history. Emphasizing key characters such as Pacioli and Andersen humanizes the narratives, but paradoxically makes the “popular histories” more like “elite histories” of “great men of the past”. Popular histories tend to stress “agency” over “structure”, and popular histories of accounting are no exception. Some of the books provide appropriate references for their sources but others do not, so it is difficult to tell whether authors are aware of scholarly material but have chosen to ignore it, or whether they are simply not aware of the available scholarly literature on accounting’s past. Berenson [2004] at least, by his own admission, appears to fall in the latter category. Curiously, however, Berenson and Toffler are cited by Staubus [2005] in a critical analysis of ethical failures in corporate financial reporting in the USA. Prominent reference to these commercial books within the scholarly literature may imply an importance and authority going beyond the depth of historical research that typically underpins them.

What are the lessons for accounting historians? The most important is that there is a demand for popular history, and if

accounting historians do not respond to this demand, then the void will be filled by journalists, mouthpieces of firms and professional bodies, and “amateur historians”. All of these may do a good job of propounding the standard narrative: “Luca Pacioli to Arthur Andersen in one quick leap”. But they are likely to lack the depth of knowledge and critical appreciation that a specialist historian of accounting will bring to the exposition of history. However, such specialists must be aware that different media demand different styles of exposition. As Champion [2003, p. 167] notes: “If there is too much detail the programme becomes too dense for the audience to engage with. Oftentimes this sort of scholarly density is exactly what academic historians aim at: it is profoundly out of kilter with the requirements of televisual production.” It is painful for scholars to have to digest decades of learning into a few hundred words, but this may be necessary for communicating aspects of accounting’s history to a wider audience.⁹ Opportunities to contribute to different media should not be shunned – it is gratifying that several academic historians of accounting participated in the BBC Radio 4 series *A Brief History of Double-Entry Bookkeeping* produced by Jolyon Jenkins in 2010. An accounting academic who is often able to bring historical aspects of accounting’s development to a wider audience is Prem Sikka, who regularly contributes on-line to *The Guardian’s* “Comment is Free” web-site [Sikka, 2008].

In several countries, the reward structure for academics tends to give little if any credit to popular engagement, with those who write for newspapers and magazines or appear on the radio or television (to say nothing of those who are active users of the internet and social media) often accused of “dumbing down” at the same time as “making a show of themselves”. Academic historians of accounting are certainly not immune from such pressures. However, universities are also increasingly recognizing the efforts of their academic staff to engage with the public more broadly, with government-sponsored research assessments increasingly investigating public as well as scholarly impact. As Cole [2012] notes, “much important and fascinating research is unavailable to the public simply because the discoverers lack the will or the talent to reach beyond their familiar

⁹ One of the authors was asked recently to comment on the omission of any mention of double-entry from a recent BBC series *Andrew Marr’s History of the World*, broadcast in 2012, and his two paragraphs of comment at <http://www.bbc.co.uk/news/magazine-19662059> were probably read by more people than all his academic publications that year.

circle.” The books that we have studied in this paper show that there is a public interest in accounting and its history – it is up to the growing number of researchers specializing in the history of accounting to take on the challenge of disseminating our findings not just in scholarly articles but to a broad public audience.

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