

### **Rob Gray, Forever inspiring The Greening of Accountancy.**

This is my account of what Rob Gray's (1990) *Greening of Accountancy: the profession after Pearce* means to me and my personal story of Rob's evolving legacy. The extent to which I speak to author intent is deliberately limited to conversations I had the privilege of having with Rob and reading his text. I offer my experience as an accounting student, first in a taught degree programme importing his wisdom and later, forever learning more about my subject from him. Rob remains close in my thoughts, challenging my enquiring mind and feeding me inspiration.

Attention to the time and space within which *The Green of Accountancy: the profession after Pearce* (Gray, 1990) was written is hugely important. It was published a little while after the birth of social and environmental accounting (SEA) through Gray, Owen and Maunders (1987) following SEA's gestation in the 70s and 80s. It was written in the wake of depleted coal reserves when the costs of depletion were felt through the changing lives of a generation of coal miners and the local communities in which they were born and worked (Berry et al., 1985). A small-scale reminder of the impact overuse and lack of attention to maintenance can have. It was also before the Earth Summit in Rio de Janeiro in 1993 when sustainable development took to a global stage and changed our vocabulary to one of sustainability. Accounting standard setters had failed to progress SEA with the first tentative appearance of environmental concern not emerging until FRS 12 and IAS 37 in 1998 when environmental provisions for decommissioning oilrigs crept into the notes to the standard.

Maybe most important, as Rob highlighted in his title, he was writing after the environmental economist David Pearce had advised the UK government on the criticality of non-renewable resources in *Blueprint for a Green Economy*<sup>1</sup>. This became to be known as the Pearce Report and was translated into a book of the same name (Pearce, D., Barbier, E., and A. Markandya, 1989). Its commission marked a tentative shift in the UK response to environmental management and more significantly political recognition for the message that economic development needed to consider dependence on natural resources. Rob positioned his response as an "urgent message" for accountants to support the call of the Pearce Report, in doing so giving it gravity and seeking to ensure it had an effect (Gray, 1990; 99). Rob noted that without accountants' urgent actions it would not meet its full potential for much needed change.

It is not my intention to provide a treatise of what the text contains. I am drawing from my enduring memory, its importance for me on the subject of capital. As a student of accounting I started my studies asking - where is the environment in accounting? To my disappointment, I found it to be an unexplained omission. I had grown up in the post-industrial landscape in the north east of England and witnessed the gradual removal of industrial sites and reclaiming of land largely at the expense of the public purse. I was shocked to find industries, while making profits from the environment, failing to consider the cost of their environmental impact and reclamation of the sites that they were degrading and destroying. In my early accounting degree studies, I resorted to reviewing key accounting terminology on what is a: cost; revenue; an asset; a liability and so on. Piece by piece asking what about environmental costs and revenues, environmental assets and liabilities and more. Rob's approach in the *Green of Accountancy* answered my basic questions. He, very straight forwardly, had spelled out to accountants how to green accountancy.

Recognising the solutions put forward by Pearce were limited to market-based possibilities, he redefined our core accounting terminology to embrace the environment. Underpinning this, Rob reminded us fundamental resource use is finite and we are stewards of the environment. Writing an

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<sup>1</sup> A report originally commissioned by the UK Department of the Environment.

address on the back of Pearce's political recognition of renewable resources, Gray gave a fitting view of how accounting should and could emphasise the criticality of capital and its maintenance in light of corporate aspirations to remain going concerns. Rob re-examined the central feature of the Pearce Report, the need to split capital into man-made capital and natural capital "in order to recognise substitution of one for the other to maintain inter-generational equity" (Gray, 1990; 2). Taking resilience as his foundation, Rob highlighted to accountants that the environment required long-term consideration before resource use. His key statement for me was "if reporting is to reflect the extent of environmental issues and to fully operationalise the Pearce Report<sup>2</sup>, then it will be necessary to re-define the nature of assets and to disclose (a) man-made, natural and critical capital assets; (b) transfers between categories of assets; and (c) data on the maintenance of critical and other natural capital assets." (Gray, 1990; 4).

Rob's emphasis on rethinking capital inspired me to imagine unlimited possibilities for rethinking capital and the need to free it from the markets hold. To be freed by Rob, to challenge formal definitions of capital inscribed by standardisation changed my thinking and enquiry. My belief in the possibilities of accounting was given legitimacy and support. When, in the executive summary to the Greening of Accountancy, Rob "compares the rise in environmental accounting with the interest in and experience with corporate social reporting in the 1970s – and warns that this is accounting's second opportunity to take an important stand on critical issue. We may not get a third" (Gray, 1990; 2) my future unfolded before me. There was so much more to learn and a history to discover. I had been introduced to corporate social reporting and I began a new search to find answers. I believe it was a time when both Rob and I had hope that professional accountants could be awakened and make a positive difference.

However, Rob found that "neither the pressures nor the reactions are especially profound – seemingly because either (a) people do not know what to do and/or (b) people do not really believe/care that it is possible that the planet may soon cease to support life" and set about creating change (Gray, 1990; 2). It was a time for accountants to awaken and recognise ontologically that our resource use had exceeded nature's ability to replenish our stocks in the foreseeable future. Critical to accounting, we were learning the hard way; we had not maintained our natural capital. Rob set about clarifying this with a call to arms for professional accountants he was closest too, to fellow ACCA members, to recognise the implications of our excesses.

A year after the Greening of Accountancy was published Rob launched the Centre of Social and Environmental Accounting Research in 1991 at the University of Dundee and his success is legendary and appreciated across the world. It would in time nurture and support my return to academia after a brief encounter in the accounting profession left me disillusioned by a lack of environmental urgency in practice. A stark reminder that accountants in practice hadn't seem to have heard Rob. We needed to shout louder. I became determined to join CSEARs pursuit and make a difference through academic endeavour. When I knew I would return to University, I searched for Rob and found him speaking at Traidcraft's Annual General Meeting in 1993 in Gateshead, my part of the world in the north east of England. He was sitting at Traidcraft's high-table critiquing their best efforts to push social reporting forward with their social audit findings. Rob's positioning was perfect; he was speaking to the heart of this establishment. He recognised they were more enlighten than most, kindly praised their advancements but clarified this was a good start but there was so

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<sup>2</sup> Gray refers to the Pearce Report as "a revised version of a report commissioned by the UK Department of the Environment and distils the wisdom of twenty years research and discussion about the essential tension between economic growth and protection of the environment" (Gray, 1990; 16).

much more to do. A conclusion he reached so often. Unsurprisingly, Rob offered to help Traidcraft and with Rob and Colin Dey they would progress.

I introduced myself to Rob over a Traidcraft merchandise stall in the foyer, somewhat star struck given all I knew and how much more I had just heard. I have a lasting memory of how welcoming Rob was as I poured out my story of a return to academia inspired by his call to green accountancy. Rob invited me to visit him at CSEAR as soon as I was ready and share my study plan and thoughts with him. In time, he sat with me for almost a day going over and over my venture into environmental credit risk and the role of accounting in lending decisions. For a senior figure in academia, he was always so generous with his time and encouraged me to join CSEAR and share its growing resources and network. Along with CSEAR's Summer School this would catapult me forward in my scholarship and appreciations of what academia could, and should, be. Rob's creation of CSEAR became my academic reality, embodying colleagues who represented the types of scholars I aspired to be.

It was some time later that I had the pleasure of joining Rob at ACCA's table when it set up its Social and Environmental Committee. To me, Rob pushed for change by engaging with his roots and positioned himself at the new political and environmental heart of ACCA's organisation. Having reached out to his fellow members through The Greening of Accountancy, he was asking ACCA as a professional body how they were greening their own agenda. This SEA pursuit we shared for over a decade until Rob felt he could bear it no more and graciously step down, very disillusioned with progress.

Today we are facing the extreme challenges of saving our planet and climate adaptation. Issues of intergenerational equity and resilience should be at the forefront of our minds. I hear Rob's warning repeated a generation on and share his disappointment that more has not been done. I witness increasing evidence, as he more recently recognised, that we are too late this time. In recognising the criticality of capital, Rob highlighted our dependencies on the natural environment. How much of the climate debate is now about our impact and risk abatement compared to the renewability of resources and resilience? He unshackled my view of a purely economic capital and inspired a symbolic turn in my view of capital away from economics to viewing the metaphor of capital as representing a resource with the power that goes with this recognition.

In highlighting new distinctions of capital in accounting, Rob lay the foundation for us exploring multiple capitals and releasing capital from an economic grip (Coulson et al., 2015). When later coming to read Bourdieu's (1986) my thirst to open up capital recognition was reborn. While Rob questioned the ontology of natural resource renewal distinguishing man-made, natural and critical capital. Bourdieu (writing at a similar time) had taken back the language of capital and given power to the people in his creation of social and cultural capital. Both Bourdieu and Rob saw the State as the provider of what could be seen as a 'meta-capital' with the power to symbolically control and reform other capitals. Taken together they allow us to highlight inequity in the depiction of economic and purely financial capital and seek resolve between economic, natural and social capitals. It took a few decades for practice to catch up with this thinking but eventually the International Integrated Reporting Council recognised multiple capitals feed value creation (Adams et al., 2013) and we await the results to be felt.

Rob's words on The Greening of Accountancy are as paramount today as they were in 1990. Our state of urgency remains and has increased. We need to urgently address climate adaptation and to account for the risk organisations face from changes to the physical environment and natural capital. Rob's enduring call was about resilience in the face of environmental change, caused by human

abuse of the environment and depletion of its resources. Who knows if we have far surpassed our third chance to save the environment, time will tell Rob's words still echo in my head and shape my world. We need to remember the social and relationship capital that he created so generously and his intergenerational legacy. Above all, we need to continue his fight for the Greening of Accountancy.

## References

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