How IFRS Contribute to the Financialization of Capitalism

Eve Chiapello

Abstract The contribution of IFRS to the process of financialization of capitalism can be analysed from several angles. We first propose two meanings that can be assigned to the concept of financialization: first as a process of morphological transformation of capitalism, and second as a gradual colonisation by specific "financialised" techniques and calculation methods. We then show that in many respects IFRS can be regarded as "financialised" standards. Finally we highlight some contributions of IFRS to the morphological transformation of capitalism (that is changes in distribution of wealth and power). As a result, IFRS can be seen as much financialised as financialising standards.

There are many different ways to describe the process of financialization of the economy that has been spreading for some 30 years, and is a major transformation of capitalism: the financial markets' growing influence in economic and financial regulation of investments, the dematerialisation of markets that has made global interoperability possible, the gradual decompartmentalisation of the banking and insurance activities, banking disintermediation, the unfettered inventiveness of financial engineering, the growing importance of financial activities in developed nations' GDP, etc. This article proposes to approach financialization not from these macro-economic angles, but through the transformations of accounting produced by the European Union's adoption of "international" accounting standards for listed companies' consolidated financial statements.

Accounting plays a crucial role in the structuring of capitalism (Chiapello 2005a, 2012). As a knowledge system specific to the economic world, accounting systems are thus central to the operation of the economic system they help to produce, reflecting it through their own constructions, and informing its actors, who rely on this special knowledge to take action. Because it measures the margins generated by the firm's business (including profit), accounting lies at the heart of economic relations between the firm and its many stakeholders (shareholders, customers, suppliers, lenders, employees, managers, public authorities, etc). Many rights to economic benefits are based on calculations made possible by accounting (dividend

E. Chiapello (✉)
Ecole des Hautes Etudes en Sciences Sociales (EHESS), Paris, France
e-mail: eve.chiapello@ehess.fr

D. Bensadon, N. Praquin (eds.), *IFRS in a Global World*,
DOI 10.1007/978-3-319-28225-1_6

distribution, level of interest on debt, additional salary components for employees, taxes, etc). All of Jacques Richard's work can be considered informed by this understanding of the socio-political role of accounting (Colette and Richard 2000), and he himself has frequently called for analysis of accounting changes in relation to changes in the economic system (Richard 1995a, b; Ding et al. 2008). Concerning IFRS, he was one of the first to stress that use of fair value and recognition of unrealized gains in the balance sheet was allowing "impatient shareholders" to take more from companies (Richard 2005a, b).

The theory defended in this article takes these considerations as its starting point and seeks to develop them. The contribution of IFRS to the process of financialization of capitalism can be analyzed from several angles, including the capture by financial actors of growing shares of wealth, and I seek to propose an organized review of the different angles. I begin by further examination of different meanings that can be assigned to the concept of financialization, before looking at how far the IFRS contribute to it.

1 What Approaches to Financialization?

Since the emergence of the notion of financialization (Epstein 2005; Krippner 2005) which was largely carried by heterodox economists seeking to describe the transformations of the capitalist system, many articles have documented the changes observed at macro-economic level. For example, empirical evidence has been provided to show the financial sector's growing influence in the economy (Duménil and Lévy 2001) and the rising proportion of economic income captured by the financial industry (Crotty 2005). These macro-economic studies have been complemented by several sector-specific studies showing the progressively greater importance of financial activities in non-financial firms and business sectors such as the automobile industry (Froud et al. 2002), mass retail (Baud and Durand 2012), the pharmaceuticals industry (Palpacuer et al. 2006), and the food industry (Jones and Nisbet 2011) etc. In view of the declining employment income and rising investment income for some sections of the population, certain regulationist authors have also examined the conditions for introducing a coherent growth regime that would be "driven by finance", with high stock market prices facilitating access to credit that feeds consumption (Boyer 2009).

Most of these macro-economic studies have looked at the consequences of this new capitalism, which leads to recurring financial crises that have a high social cost, tending to divert investment away from the real economy and to feed growing inequalities between workers, and between work and capital. Not only do workers suffer unemployment, but their remuneration is strictly constrained, whereas income from capital is rising. And the best-off workers have both employment income and investment income.

At the micro-economic level, some of the literature on financialization has sought to explain the adoption of financial objectives by non-financial firms by

relating it to the growing importance of institutional investors in their capital, and the spread of mechanisms such as stock options, which encourage managers to give priority to increasing the value of equity instruments in their management approach (Gleadle and Cornelius 2008; Ezzamel et al. 2008).

All this research points to a first definition of financialization as a process of morphological transformation of capitalism, entailing the capture of resources by finance in the broadest sense, through expansion of the financial markets, a rise in the number of financial operators (different types of investment funds: pension funds, investment funds, private equity funds, etc.) and finally the development of a service industry associated with financial activities (audit and consulting firms, law firms, assessors, rating agencies, etc.). Certain analysts of capitalism (Duménil and Lévy 2001; Walery 2009) explain that other periods such as the late nineteenth century and early twentieth century also experienced high degrees of financialization, which only ended with the crisis of 1929. But the wave of financialization discussed here, which began to develop in the 1980s and accelerated in the 1990s, has unique features. For a good grasp of this latest wave of financialization, it is important to look at those unique features (Erturk et al. 2008). They include the mass spread of popular savings, reorganisation and professionalization of pension fund management, and other transformations that lead to financial actors gaining more influence. But it should also be noted that this wave is apparently inextricably bound up both ideologically and practically with neoliberal economic theories and the instruments and concepts developed by modern financial theory.[1]

This is why I think it is necessary to adopt a second definition of financialization, built on this very specific theoretical and technical corpus that underpins the process itself. The process of financialization can thus be defined as a gradual colonisation by specific "financialised" techniques and calculation methods. Financialised instruments will be defined as instruments incorporating models and representations specific to finance, the financial economy and financial mathematics. These instruments, which are part of a body of specific knowledge, participate in financialization in the sense that they speak a language that carries the premises, decision-making systems and strong socio-political conventions they spread and reproduce.

Clearly, the two forms of financialization defined above cannot be dissociated. The transformation of the economic system described by the "externalist" meaning of financialization creates growth in the power and wealth of certain groups of actors, which as a result of their increasing importance can more and more easily impose certain instruments, and certain forms of regulation that work to their benefit. Conversely, scientific research and the technical mechanisms arising in the broadest sense from the sphere of influence of the three-layered Chicago school (legal, economic and financial) has been used as ideological justification, scientific backing and practical instrumentation, to establish a different practical organisation of the world and favour the world of finance.

[1] This has in fact become a branch of economics, judging by the frequency with which so called "Nobel Prizes" for Economics are awarded to finance researchers.

Financialization of the economic system is thus very closely linked to financialization of the instruments of calculation, the policies followed and the theories underpinning them.

Looking at accounting, which is known to be crucial in the operation of capitalism, it is clear that adoption of IFRS was a moment of strong financialization of accounting systems for the European continent. The next section highlights the financialised nature of these International Financial Reporting Standards, before an examination of how they contribute more broadly to the financialization of the economic system.

2 IFRS as Financialised Accounting

2.1 What Is a Financialised Calculation?

To define the scope of these standards more precisely, we can start by studying finance textbooks, which are considered to contain the knowledge underpinning the approach and practices of finance professionals at a given point in time. The basic textbook co-written by Nobel prize-winner Robert Merton, a central author in the construction of contemporary financial knowledge (Bodie and Merton 2000), lists three pillars for finance:

- Optimising decisions in time, mainly through assessment of economic choices (essentially investments) based on calculation of current values using actuarial methods.
- Valuation of assets (essentially listed shares and bonds), which requires understanding of the markets and the products traded there, and also knowledge of the techniques and models (such as CAPM) that make these valuations possible. The book also teaches us to differentiate accounting value from stock market value, and adhere to the idea that efficient markets provide the best valuation of assets.
- Risk management, essentially consisting of "transferring" risks through hedging, insurance or diversification. Risk is mainly analysed in terms of probability, with the determination of an expected value associated with a volatility (standard deviation).

This brief summary brings out several features of calculation instruments I shall call "financialised", which can be used to identify various financialised calculative practices:

- A preference for describing economic phenomena in terms of cash flows, receipts and payments (which can then be used to calculate Net Present Value).
- A utilitarian definition of goods based on the services they will provide in the future, principally conceived as future flows of income (or to be translated into flows) which can be discounted to present value.

– Sanctification of market value, considered as the best estimation of the value of goods. The market organises the meeting between all opinions of the future to make prices, which are therefore, in this thought framework, better than every estimated calculation. As the power of veridiction of value is entrusted to the market, all other systems aiming to calculate values are seen as inferior and potentially turned into servants of market value.
– A conception of risks as probabilisable and describable by expectations and standard deviation (the Gaussian distribution), which is introduced into all management and valuation models (Walter 2002). Statistical analysis of risk and the study of volatilities is thus more important than close knowledge (Walter 2010).

Promotion of these forms of calculation relies on the central idea that financial actors, fund managers and investment banks are—thanks to their knowledge—the most capable of allocating available economic resources in an optimal way. Under these theories, these actors' capacity to discern the most profitable investments (through examination of a wide universe of possible investments and application of models of investment choices) and diversify risks (through their portfolio, and through exchanging risks, since these actors are capable of calculating risks, assigning a price to them and trading in them) makes them the most important actors because they are the best able to improve overall economic efficiency.

Financialization of quantifications can be seen in the use of a future-oriented definition of value, the preference for trusting in market price over any other value, the constant concern to assign a value to time and risk, with extensive use of discounting, which requires close attention to cash flows, trust in probability-based statistical analysis for risk assessment and management and finally in the way everything is examined from an investor's viewpoint and analysed in terms of value-producing capital (Chiapello 2015).

This rapid overview enables us to identify what in IFRS is financialised, and can be related to the conceptual framework and the promotion of fair value as a central principle of valuation (Müller 2014).

3 IFRS as Financialised Standards

The conceptual frameworks of both the American and international accounting standard-setters consider that accounting must primarily satisfy investors (Colasse 2009; Zhang and Andrew 2014); the needs of other users of accounting information are considered to be met if investors' needs are met. In the case of the American FASB's conceptual framework, which was developed in the 1970s, this premise could be analysed as a way of solving the controversial question of the purpose of accounting (Young 2006), and a very acceptable way, because the standardisation was initially conceived for the financial markets and the FASB operates in America as a subcontractor of the Securities and Exchange Commission. Since adoption of

the IASB's standards was at first only mandatory in Europe for listed companies' consolidated financial statements issued as part of their reporting to investors, the premise could still be considered coherent with the scope of firms obliged to apply IFRS.

However, the meaning of this premise changes when these standards spread beyond listed companies and their financial communication, as can be observed in Europe. EU countries are tending to bring their national accounting standards closer to international standards, or in some cases quite simply adopt international standards for all of their firms. Also, the IASB clearly expresses its hegemonic vocation, as demonstrated in its plan to develop standards for SMEs. Meanwhile, the IFAC (International Federation of Accountants), which is known have long-standing connections with the IASB (Capron 2005), has begun to produce accounting standards for States (IPSAS) based on the principles of the IASB. It is as if it is considered normal for the accounting image of our nations' economic organisations to be constructed in such a way as to give priority to meeting investors' information needs. This aim only holds up because it is deeply rooted in financial theory and the neoliberal economy, which both postulate that investors are the best placed to ensure efficient allocation of the nation's resources and that the public good is thus best served by their capacities for judgement, identifying the most profitable projects and managing risks. If we accept these premises, it is important not only to entrust to them as many decisions concerning us as possible, but also to make every effort to give them the best possible information to form their predictions.

Adopting fair value as the new general principle in accounting for transactions is the logical consequence of this postulate. There is not a single accounting concept it cannot be used to redefine. Even the notion of historical cost has been redefined by fair value. To record any sale or purchase operation or for the first recognition of an asset or liability, whenever a commercial transaction gives rise to deferred payment, the accountant must now discount cash flows to bring the transaction to its present value. To do so, he needs to bring a major assumption into the accounts: the discount rate. The amount of sales revenues differs under IFRS depending on whether the customer pays in a single operation or in ten instalments, and any sales revenue with "significantly deferred" receipts must be recorded at a value below its nominal value in the accounts, with the differential booked in a financial income account. As this very simple example shows, the value of assets under international standards must be calculated by taking into consideration cash flows and assigning value to time, in line with the conventions of finance.

Next, fair value transforms the idea of depreciation, which is now defined as recognition of "consumption of the future economic benefits embodied in the asset". It is no longer straight-line allocation of the asset's original value over a convention-based useful life, and the depreciation schedule, which is supposed to follow the expected pattern of consumption as closely as possible, can be regularly revised. And if a residual value is expected to exist beyond the useful life anticipated by the firm, it can no longer be included in the depreciable amount. So the concept of depreciation is gradually being reworked and moving closer to impairment, which in contrast is gaining ground and legitimacy. For certain types of asset

(e.g. goodwill) only impairment is now possible (Ding et al. 2008). Depreciation used to be a technique that brings consideration of time into accounting, particularly the lifetime of an investment, by spreading the initial outlay that is used to calculate a production cost and establishing a reserve to finance other investments. This understanding of the time of an investment generated various theoretical debates about the importance, for example, of basing depreciation on the replacement cost of the investment rather than its historical (to make it easier to re-establish a reserve) or on the possibility of continuing depreciation for a period longer than the initial period, if the asset is still in use, so as not to distort production costs. But those debates are gone too, because there has been a radical change in the way an investment is conceived. The new view of depreciation, together with the concept of impairment, has shifted the focus. An investment is no longer as seen as something used in production, something that wears out, but as something with market value that could potentially be resold. As a result, the decline in value that must be recorded is ideally aligned with the difference between the historical cost and its current price on the market. What matters is assessing the present value of the investment by imagining what could be got for it if the decision was made to sell it, in a portfolio manager-type approach. The point is no longer to ensure continuity of production or assess costs accurately. The accounts are no longer shaped by a producer's concerns, but by a financier's concerns.

However, financial theory postulates a reconciliation between these two outlooks (the producer's and financier's). In the neoclassical economic theory from which financial theory derives, market value (on which the financier's view is based) is supposed to come from utility, which, since the work of Irving Fisher, has itself been operationalised by future uses (in this case, what the investment will be used to make and sell, mainly informed by the producer's view). Provided the market operates perfectly, market value is considered as the best possible estimate of the value in use defined as the future services that will be rendered by the investment. This explains why, when as in many cases no market value is available, firms are obliged to construct models incorporating their forecasts of volumes, useful life, etc. in order to calculate a present value based on anticipated future cash flows, and why this calculation is preferred to using historical cost. If you believe in these neo-classical conceptualisations, you have to accept that economic modelling is the best possible way to calculate the "real" "economic wear and tear" of the investment (i.e. what is consumed over the period of potential income the investment is capable of providing), and that this measure is much better than any other measure supplied by the rudimentary cost-spreading rules of traditional depreciation. If you believe that "market value = value in use = NPV of estimated future cash flows", then the impairment technique is the only appropriate technique. Of course, the current system, which still leaves room for depreciation, even redefined, looks like a compromise between the conservatism principle and the fair value principle (Mennicken and Millo 2013), but there is still a striking shift.

Implementation of the fair value principle has thus brought into accounts made-up models based on a very wide range of assumptions about the future, and

introduces an assumption of investments' liquidity: the idea that they could be sold at any moment in order to invest the money more profitably elsewhere.

This assumption of liquidity is in fact impossible to dissociate from financial reasoning, as the systematic use of discounting shows. Application of a discount rate is explained under financial reasoning by the fact that any investment should always be compared with a cash investment as an alternative. Or at least, that is how the earliest users of the method for assessing non-financial investments in the late nineteenth century justified discounting cash flows (Doganova 2014). The underlying idea is that the investor can always, at minimum, choose not to invest and put his money in an interest-bearing account. Therefore, to be acceptable, the investments available to him must offer more than the interest on savings. Discounting thus helps to sustain the fantasy that at any moment in time, the money invested could be recovered and invested with a bank, and that the quality of the investment must be measured by that yardstick. It is based on the assumption that investments are perfectly liquid and interchangeable, which is never in fact the case, since money loses its liquid form as soon as it is invested. The liquidity of markets, as Keynes showed, creates an illusion of liquidity of investments. The actors on the markets may trade shares and be liquid, but the assets in which businesses have invested are not liquid, unless they themselves also invest in financial assets. Financialised calculation techniques have thus incorporated the illusion of liquidity which is specific to the financial markets.

By financialising accounting, these techniques deny the durability of investments made by companies and tend to consider them as merchandise that can be traded. The measures for monitoring assets in the accounts based on cash-generating units are simply a translation of this representation of the firm as a basket of independent merchandise, rather than a singular combination of assets into a working tool.

Finally, for many financial assets, fair value is not only the governing principle for initial recognition in the accounts and calculation of an allowance for as fair value can also be used to revise values upwards. Market value or its best simulation through models as required by the ranking of valuation methods laid down in the regulations (see the three levels of valuation for financial assets in American and international standards[2]) are becoming the only acceptable measures for valuing the firm's assets. It matters little that this value is volatile and depends on the ups and downs of the market, or that it is based on predictions rather than actual facts. It is the information needed by the people whose job it is to choose the most appropriate investments, and who must at all times consider realising their gains or absorbing their losses to go and invest elsewhere.

[2] IFRS 13, released by the IASB in 2011 and endorsed by the EU in December 2012, adopts the three-level valuation logic of the 2006 standard FAS 157. This lays down three ways of determining fair value depending on whether a market price exists (level 1), no market price exists but other observable data can be used in estimation models (level 2), or no observable data exists, in which case valuation is entirely based on modelling (level 3). Regarding derivatives, which played a very important role in the 2008 crisis, it is very unusual for them to have a level 1 valuation.

International accounting standards are thus contributing to a redefinition of the firm and its function. For a country like France where the accounting tradition was far removed from these concepts, the firm described by accounting standards has gone from being an institution-firm that produces merchandise, to a merchandise-firm (Chiapello 2005a, b). The viewpoint from which the accounts are established has changed, from that of the producer of goods and services who are seeking to construct a long-term, profitable economic activity, to that of purchasers of securities on the markets who are interested in making a profit by trading in those securities.

Finally, all these ideas are supported by accounting research that has become a subdiscipline of finance research and is putting the final touches to discrediting accountants' quantification activities whenever they are not based on the financiers' favourite metrics, market price, or if unavailable, financial modelling (Power 2010). This is true of the American research stream that seeks to estimate the "value relevance" of accounts from their level of correlation with market prices, making the "Market to Book Ratio" a fundamental indicator of the value of accounts. Corporate accounts that cannot be used to reach a good estimate of stock market prices has no relevance in this view, because the only real knowledge is provided by market prices. That the "market to book ratio" can be interpreted differently, for example in reverse, as an indicator of the distance between financial markets and the real economy, is an idea that is not even up for debate. Of course, this stream of research has a normative aim and results in company accounts including an ever-increasing number of items carried at fair value, which in the end looks like the simplest way to improve the correlation between the accounting measure and the market measure: making sure they are the same.

IFRS are thus clearly financialised standards. And the penetration by financial conventions into this set of standards can be interpreted as one of the many manifestations of the ideological success of neoliberal ideas, and a result of financial investors' growing influence in our economies as the economy grows increasingly financialised. What I now want to suggest is that this financialization of accounts is not simply a result of financialization, but makes an active contribution to it.

4 The Role of IFRS in the Financialization of Our Economy

The response to this suggestion needs reflection on the role of quantification instruments and their effects on the world. Those effects can be classified according to the various roles of economic quantifications: pragmatic and epistemic. They support action and decision, and they also help us to think, understand and know. This dual function is what makes the conventions on which quantifications are constructed so decisive.[3]

[3] Desrosières (2008) explained that quantifications are both instruments of proof and governance tools, which matches what we call epistemological functions and pragmatic functions. To stress the convention-based nature of quantification work, dependent on systems of political, social and

Accounting is a set of techniques intended to produce knowledge: knowledge about the way the firm operates, its economic health and its issues, its profitability and its risks. Studying the accounting techniques and principles in action indicates what, for the communities concerned, constitutes appropriate knowledge that should be held about the firm and its operations. It designates what is worthy of being explored, scrutinised, examined. The authorities and assemblies that produce today's accounting standards can thus be designated as "epistemological authorities" (Vanel 2008) and the groups of people who make them as forming "epistemological communities" (Haas 1992). Accounting is a practice that both produces knowledge and is founded on knowledge. The sociology of science and techniques has taught us to see calculation centres as decisive spaces of construction of scientific truths (Latour 1987). It is thus possible to see accounting systems as places of construction of economic truth.

What is happening in this assertion cannot be summed up as a simple operation consisting of quantitative description of the economic world. For accounting quantifications and categories contribute to the existence of things and ideas without which they would not exist on the same level as other quantifications and categorisations (Hacking 1999). From this angle, accounting helps to construct reality, to create phenomena by naming them, and this reality then becomes the starting point or stimulant of action.

Quantification systems shape the way we look at phenomena and our understanding of them. They suggest modes of action. These new categories then have an effect on the world they seek to describe, due to the reactivity effects specific to every quantification activity (Espeland and Sauder 2007). IFRS makes it legitimate for a firm to seek to increase the wealth of its shareholders by doing other things as well as selling products and services. Profits can just as well come from the choice of the firm's financing structure, gains on its investments or its cash management. This means non-financial firms are being encouraged to develop financial activities to support their profitability, and this development is, as seen earlier, one of the distinctive features of financial capitalism. Reactivity effects can therefore explain development of financial activities by non-financial firms, which becomes a realistic strategy.

Financialised representations tend to act as if investments made were always liquid, and focus attention on the present value rather than the cost of the investment and the efforts required to draw value from it. They contribute to the short-termism generally associated with financialization. This is a form of performativity of calculative frameworks (MacKenzie et al. 2008), since what is postulated ends up becoming reality. Constantly showing the market value of the firm's assets, even when it has no intention of selling them, ultimately provides an incentive for a certain number of firms to dispose of them and create the liquidity that was initially only postulated.

---

scientific representation, he also explained that quantifying was choosing a convention, then measuring.

The specificity of financial calculative instruments on an epistemic level is that the "truth" they set out often consists of stating wealth (and more broadly, value), and thereby establishing it. The power to create reality through accounting is a power to create wealth, such that the choice of any accounting convention has an impact on distribution of wealth, which itself produces effects. Criticism of the pro-cyclical effects of international standards, which tend to amplify financial market movements—since a rise in stock market prices is reflected in the accounts and in calculation of profit, and a rise in profit in turn feeds rising market prices (Aglietta and Reberioux 2005)—is rooted in this capacity of accounting to state wealth and distribute it in one and the same movement.

This capacity also explains the most persistent criticism of fair value accounting as giving financial actors the opportunity to monopolise gains before they are actually realised, simply on suspicion of favourable expectations (Richard 2005a, b; Capron 2005). Theoretically, this capacity is counterbalanced by the fact that in a crisis period, reversal of expectations should have the opposite effects. This theory was tested during the crisis of 2008 and in fact the fair value principle was suspended as regards recognition of unrealised losses, because of the systemic risk that a sudden drop in all banks' balance sheets would have generated. In this specific case, financialization of accounting appears to have served to direct more value towards the financial actors in a bullish period, without bringing the same actors to pay back in bearish times. The epistemic function of accounting makes it state wealth. And the financialization of accounting has led it to enrich the world of finance simply by changing the conventions used.

Finally, accounting constructions also have political effects. The apparent technical objectivity of calculation obscures the underlying conventions and their distributive consequences. Quantification tends to naturalise the results of the calculation, which seem fair and legitimate, and that legitimacy is strengthened by legal endorsement, because the standards that must be applied are imposed by the law. Accounting thus legitimises social asymmetry and distributions. International accounting standards are the product of a theoretical view of the firm that buries its political nature under technical considerations. They thus participate in legitimisation of its founding ideas, especially the idea that firms should primarily remunerate the providers of capital, and are only secondarily providers of jobs or producers of goods and services. Legitimisation comes partly from the "depoliticisation" of questions, which has been achieved by making them more technical.

5 Conclusion

International accounting standards carry a view of the world and of calculation principles that contribute to the process of financialization of our economies on two levels.

First of all, these accounting standards incorporate postulates and calculation conventions that are rooted in financial theory and promote the viewpoint and

interests of financial actors, who are considered by this theory to be the best placed to decide between potential investments for the common good. This financialization of accounting has educational effects, developing understanding of the world and providing incentives for actors to change their practices and their way of acting in response to what the new accounting shows and the interpretation schemas it carries with it. This is one type of effect of financialised accounting, by which agents instructed by its formats direct their action such that firms become financialised (for example by developing financial activities or outsourcing production activities to subcontractors).

A second type of effect is much more prosaic: it concerns accounting's singular ability to state wealth and fairly immediately trigger economic distributions. On this level, the new calculation conventions adopted have had direct effects on economic flows, to the benefit of actors from the world of finance.

IFRS are as much financialised as financialising standards. Of course, due to its language, accounting always has a financialising dimension. It can itself be seen as a vector of a financial view of the firm that has not always been, and is not always, dominant in firms, as shown by several studies presenting differences of opinion between professional groups inside organisations, engineers, researchers or shopkeepers against accountants and financiers (Morales and Pezet 2012; Dent 1991). But I suggest here that there are various ways of performing accounting calculations and making financial concerns exist in firms and in society, and that some very specific conventions embedded in IFRS actively contribute to producing the recent transformation of capitalism named financialization.

References

Aglietta M, Reberioux A (2005) Corporate governance a drift. A critique of shareholder value. Edward Elgar, Cheltenham

Baud C, Durand C (2012) Financialization, globalization and the making of profits by leading retailers. Soc Econ Rev 10:241–266

Bodie Z, Merton RC (2000) Finance. Prentice Hall International, Upper Saddle River, NJ

Boyer R (2009) Feu le régime d'accumulation tiré par la finance: la crise des subprimes en perspective historique. Revue de la régulation 5, Spring. http://regulation.revues.org/7367

Capron M (ed) (2005) Les normes comptables internationales, instruments du capitalisme financier. La Découverte, Paris

Chiapello E (2005a) Les normes comptables comme institution du capitalisme. Une analyse du passage aux IFRS en Europe à partir de 2005. Sociologie du travail 47(3):362–382

Chiapello E (2005b) Transformation des conventions comptables, transformation de la représentation de l'entreprise. In: Capron M (ed) Les normes comptables internationales, instruments du capitalisme financier. La Découverte, Paris, pp 121–150

Chiapello E (2012) La construction comptable de l'économie. In: Nikitin M, Richard C (eds) La comptabilité, la société et le politique. Mélanges en l'honneur du Professeur Bernard Colasse. Economica, Paris, pp 128–135

Chiapello E (2015) Financialisation of valuation. Hum Stud 38:13–35

Colasse B (2009) Cadres comptables conceptuels. In: Colasse B (ed) Encyclopédie de comptabilité, contrôle de gestion et audit. Économica, Paris, pp 103–114

Colette C, Richard J (2000) Comptabilité générale. Les systèmes français et anglo-saxons. Dunod, Paris
Crotty J (2005) The neoliberal paradox: the impact of destructive product market competition and 'modern' financial markets on nonfinancial corporation performance in the neoliberal era. In: Epstein GA (ed) Financialization and the world economy. Edward Elgar, Cheltenham, pp 77–110
Dent J (1991) Accounting and organizational cultures: a field study of the emergence of a new organizational reality. Acc Organ Soc 16(8):705–732
Desrosières A (2008) Pour une sociologie historique de la quantification. L'argument statistique I. Les presses de l'Ecole des Mines, Paris
Ding Y, Richard J, Stolowy H (2008) Towards an understanding of the phases of goodwill accounting in four Western capitalist countries: from stakeholder model to shareholder model. Acc Organ Soc 33(7–8):718–755
Doganova L (2014) Décompter le futur: la formule des flux actualisés et le manager-investisseur. Sociétés Contemporaines 93:67–87. doi:10.3917/soco.093.0067
Duménil G, Lévy D (2001) Costs and benefits of neoliberalism. A class analysis. Rev Int Polit Econ 8(4):578–607
Epstein GA (ed) (2005) Financialization and the world economy. Edward Elgar, Cheltenham
Erturk I, Froud J, Johal S, Leaver A, Williams K (2008) Financialization, coupon pool and conjuncture. In: Erturk I, Froud J, Johal S, Leaver A, Williams K (eds) Financialization at work: key texts and commentary. Routledge, London, pp 1–44
Espeland W, Sauder M (2007) Rankings and reactivity: how public measure recreates social worlds. Am J Sociol 113(1):1–40
Ezzamel M, Willmott H, Worthington F (2008) Manufacturing shareholder value: the role of accounting in organizational transformation. Acc Organ Soc 33(2–3):107–140
Froud J, Haslam C, Johal S, Williams K (2002) Cars after financialization: a case study in financial under-performance, constraints and consequences. Compet Chang 6(1):13–41
Gleadle P, Cornelius N (2008) A case study of financialization and EVA®. Crit Perspect Account 18(8):1219–1238
Jones B, Nisbet P (2011) Shareholder value versus stakeholder values: CSR and financialization in the global food firms. Soc Econ Rev 9:287–314
Haas PM (1992) Introduction: epistemic communities and international policy coordination. Int Organ 46(1):1–35
Hacking I (1999) The social construction of what? Harvard University Press, Cambridge, MA
Krippner G (2005) The financialization of the American economy. Soc Econ Rev 3:173–208
Latour B (1987) Science in action: how to follow scientists and engineers through society. Harvard University Press, Cambridge, MA
Mennicken A, Millo Y (2013) Testing values: financialization, organization and the emergence of impairment rules. Working Paper. London School of Economics and Political Science, London
Morales J, Pezet A (2012) Financialization through hybridization: the subtle power of financial controlling. In: Huault I, Richard C (eds) Finance: the discreet regulator. How financial activities shape and transform the world. Palgrave Macmillan, New York, NY, pp 19–39
Müller J (2014) An accounting revolution? The financialization of standard setting. Crit Perspect Account 25(7):539–557. doi:10.1016/j.cpa.2013.08.006
MacKenzie D, Muniesa F, Siu L (2008) Do economists make markets? On the performativity of economics. Princeton University Press, Princeton, NJ
Palpacuer F, Perez R, Tozanli S, Brabet J (2006) Financiarisation et globalisation des stratégies d'entreprise: le cas des multinationales agroalimentaires en Europe. Finance, Contrôle, Stratégie 3(9):165–189
Power M (2010) Fair value accounting, financial economics and the transformation of reliability. Account Bus Res 40(3):197–210

Richard J (2005a) Les trois stades du capitalisme comptable. In: Capron M (ed) Les nouvelles normes comptables internationales: instruments du capitalisme financier. La Découverte, Paris, pp 89–120
Richard J (2005b) The concept of fair value in French and German accounting regulations from 1673 to 1914 and its consequences for the interpretation of the stages of development of capitalist accounting. Crit Perspect Account 16(6):825–850
Richard J (1995a) The evolution of the Romanian and Russian accounting charts after the collapse of the communist system. Eur Account Rev 4(2):305–322. doi:10.1080/09638189500000018
Richard J (1995b) The evolution of accounting chart models in Europe from 1900 to 1945: some historical elements. Eur Account Rev 4(1):87–124. doi:10.1080/09638189500000004
Vanel G (2008) La normalisation financière internationale face à l'émergence de nouvelles autorités épistémiques américaines. Le cas de la filière des chiffres. Revue de la régulation. 3/4, Autumn. http://regulation.revues.org/4443
Walery S (2009) La crise de la financiarisation post-fordiste, une perspective de longue durée. Working Paper. Forum de la Régulation
Walter C (2002) Le phénomène leptokurtique sur les marchés financiers. Finance 23(2):15–68
Walter C (2010) Le sida de la finance. Cités Philosophie Politique Histoire 41:89–98
Young JJ (2006) Making up users. Acc Organ Soc 31(6):579–600. doi:10.1016/j.aos.2005.12.005
Zhang Y, Andrew J (2014) Financialization and the conceptual framework. Crit Perspect Account 25:17–26. doi:10.1016/j.cpa.2012.11.012