INTRODUCTION TO SILENT AND SHADOW ACCOUNTS\textsuperscript{1}

Introduction
Social and environmental reporting has most typically been concerned with the production of reports by the organisation to which the report relates - what we might call self-reporting by the accountable organisation. There has, however, also been a long history of organisations independent of the accountable organisation producing social and/or environmental reports about the accountable organisations. These are typically known as “external social audits”. Examples have been produced by, \textit{inter alia}, Social Audit Ltd, Counter Information Services, ECCR, Greenpeace, Christian Aid and a whole range of consumer and campaigning organisations\textsuperscript{2}.

The motivation for such external social audits is, in the broadest terms, twofold\textsuperscript{3}. First, social audits act as a “balancing view”\textsuperscript{4} in the face of the considerable resources that organisations have at their disposal to put their own point of view and to offer their own emphasis on their activities. Secondly, external social audits can be motivated by the realisation that if organisations will not discharge their own duty of accountability then it is possible for other bodies to do it on their behalf - whether or not the accountable organisation wishes it or considers the resultant account a fair or reasonable one.

\textsuperscript{1} This piece first appears in 2001 as part of the Silent and Shadow Accounts project under the authorship of Kathy Gibson, Rob Gray, Yvonne Laing and Colin Dey.

\textsuperscript{2} Gray R.H., D.L. Owen & C. Adams (1996) \textit{Accounting and accountability: Changes and challenges in corporate social and environmental reporting} (London: Prentice Hall). See also SEAJ for reports on new initiatives and campaigns from time to time.

\textsuperscript{3} There are, of course, potentially many potential motivations and purposes for such activity: they can be used as campaigning mechanism; as a means of raising issues not yet on public agendas; as a means of presenting an alternative view of the world; they can be disruptive etc. These are, of course, all perfectly valid in the appropriate circumstances and my simplification here is not intended to diminish or dismiss such activities.

\textsuperscript{4} This was the initial motivation espoused by Social Audit Ltd in the 1970s in the UK. See, for more detail, Medawar C. (1976) “The social audit: a political view” \textit{Accounting, Organizations and Society} 1(4) (pp389-394)
In *Silent and Shadow Accounts* we offer two variations on the “external social audit”.

**Background**

The initial motivation for the “silent accounts” project arose as follows\(^5\). By the mid-1990s, environmental reporting was becoming an accepted (although by no means a universal) practice and the first signs of a re-emergence of social reporting were apparent. There was, however, a sense of resistance on the part of companies to the development of social reporting. Many reasons were offered for this resistance – cost, time, confidentiality, inexperience and so on. Such proffered reasons rang rather hollow when it was recognised that most (certainly large UK) companies already produce a significant amount of social and environmental data as part of their normal reporting practice. (Such reporting is in part mandated but much of it is also voluntary).

As a result of the above, we were prompted to produce a first pass at a “silent social account” for a major UK plc based entirely upon a “cut and paste” exercise from the company’s annual report\(^6\). The result was an arresting one. It transpires that there was a not insignificant amount of relevant data and the resultant silent account, although somewhat bland in substance, represented an interesting social reconstruction of the organisation. Gratifyingly, this account attracted widespread curiosity and attention. The “silent accounts” project referred to here is simply an attempt to experiment with this approach and to extend it somewhat.

In developing that initial silent social account, it became apparent that herein lay an opportunity to also build upon the experiences of the “external social audits”. The famous reports of Social Audit Ltd and Counter Information Services, the consumer watchdog reports and the various shadow reports produced over the apartheid era in South Africa, *inter alia*, all point to the

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\(^5\) This process was initially outlined and developed in Gray R.H. (1997) "The silent practice of social accounting and corporate social reporting in companies" in Zadek S., R.Evans & P.Pruzan (eds) *Building Corporate Accountability: Emerging practices in social and ethical accounting, auditing and reporting* (London: Earthscan) pp201-217

\(^6\) This “silent social account” appears as an appendix in Gray (1997 op cit).
value of collating other (often publicly available) information about organisations in an attempt to develop their accountability practices. This point is particularly well illustrated by the work of Carol Adams of Deakin University (then at Glasgow University). Professor Adams has collated public information about a famous British and International Chemical Company (code named Alpha)\(^7\) from a variety of sources which are independent of the company and then subsequently compared it with the way in which “Alpha” itself reports on its activities. The result has attracted a variety of interested response.

Consequently, the silent accounts project was developed from the initial motivation so as to encompass and respond to these other issues. The result of the exercise is (i) a “Silent Report” section which is collated entirely from data published by the organisation concerned (the “accountable organisation”) and (ii) a “Shadow Report” section which is compiled from publicly available non-company sources\(^8\). (The process by which the reports were compiled is provided in the section: **Silent and Shadow Accounts: The CSEAR Approach**)


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\(^7\) The change of name has arisen, we believe, via legal threats from the company concerned.

\(^8\) A guide to such sources is provided in Adams C and Y.Laing “How to research a company” *Social and Environmental Accounting Journal* 20(2) 2000 (pp6-11) and available, with Internet links, on this website under Introductory Materials.