Article Review

In response to an invitation from John Ferguson to review an article of my choice from the following edition of the Accounting Forum;

- Accounting Forum, Vol. 33, Issue 3, Measuring Sustainable Development Performance

Please find below a review of the following article from the above edition of accounting forum. The review is 378 words in length (sorry).


The Review

This article reviews different measures (monetary, biophysical and composite) making the case that they operate within a reductionist paradigm and thus no single one can be used to measure progress towards sustainability. It is argued that the reductionist paradigm results in measures having; (1) a single measurable indicator, (2) a single dimension (either social, environmental or economic), (3) a single scale of analysis, (4) a single objective and (5) a single time horizon. Consequently, single measures fail in a sustainability context because of this and also because economies, societies and the environments are now understood as complex adaptive systems. Where with these systems it is not enough to understand the parts (single measures) but it is also necessary to understand the interrelationships between the parts. Furthermore because these systems incorporate social elements they also contain “individuality, a degree of intentionality, consciousness and morality” (p248) - aspects that are beyond measurement.

In reviewing the different measures, the article argues that monetary measures need to be treated with caution because they measure economic efficiency not equity. Biophysical measures (eg ecological footprint) face difficulties because of allocation (what’s in and out of scope), data intensity (extrapolating data across different temporal and spatial scales) and the assumptions used to build the measure (validity
within a particular set of conditions). Composite indicators face difficulties because in aggregating individual measures the pluses and minuses associated with each are lost.

After reviewing the different measures the article then discusses the difference between value and exchange value. This is perhaps the real meat of the article. The case is made that biophysical measures operate with a production theory of value (value), whereas economic measures rely on a social preference theory of value (exchange value). To support this, organic food is used as an example where it is highlighted that it ‘costs’ less biophysically to produce (production theory of value), yet ‘costs’ more in the shops (social preference theory of value). Thus different measures have different conceptions of value within them and ergo no single measure of progress towards sustainability can be used. The article then closes by outlining how identifying a common view of value is extremely difficult and as such measuring progress towards sustainability requires the mobilisation of multiple measures (methodological pluralism) and multiple stakeholders.