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WHICH ACCOUNTING RULES FOR ECONOMIC AND SOCIAL SUSTAINABLE DEVELOPMENT? ENGAGING CRITICALLY WITH IFRS ADOPTION IN THE EU

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"Which Accounting Rules for Economic and Social Sustainable Development? Engaging Critically with IFRS Adoption in the EU"

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ABSTRACT

This paper challenges the idea that financial reporting is risk-neutral to economy and society.

Indeed, accounting is not simply a metric; it is, rather, a calculative practice that shapes the socio-economic environment. Financial reporting affects a great variety of constituencies: not only market actors such as firms, investors, bankers and auditors but also ordinary citizens, employees and states, as financial information serves as a basis for determining a number of rights. It serves, for instance, to set the limit for distributable profits, to elaborate public budget and for tax purposes.

In tackling this issue, the paper therefore considers risk related to financial disclosure not at a firm, but at a systemic level, highlighting the role of financial reporting in driving economy over the long run.

KEYWORDS: Accounting, European Union, IFRS

JEL Classification: M41 accounting; A12 relation of economics to other disciplines; Z13 economic sociology

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