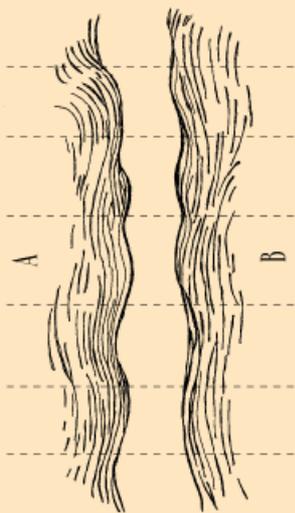


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An attempt at a non-linguistic semiology: The case for 'Accounting Semiology'

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This paper addresses the theme of the session in which it was first presented – ‘*the Course beyond linguistics*’ – from a narrow perspective: from Saussure’s own semiology. It is not looking for analogies or indirect extrapolations. Its objective is to assess a potential manifestation – though underexplored manifestation – of Saussure's own semiology, as presented in his *Course in General Linguistics* (Saussure 2011 [1916], hereafter the *CGL*) and in his manuscripts (Saussure 2006 [2002], hereafter the *WGL*). It starts with discussing the boundaries of a non-linguistic semiology, and then moves to the core of the argument: an attempt to depict a financial-numeric semiology, an ‘*Accounting Semiology*’. In its third and fourth sections, the paper discusses the usefulness of such a semiology in accounting research and particularly in addressing two of accounting’s most enduring challenges relating to the recognition and valuation of assets in financial statements. The fifth section provides concluding notes and points to the contribution of *Accounting Semiology* to the general theory of semiology.¹

A. Semiology beyond linguistics

The starting point regarding the relation between semiology and linguistics seems to be simple: Saussure argues that one should treat linguistics as being *within* semiology (*CGL*, pp. 16, 68). Language may indeed have certain qualities that make it different from other semiological systems (*WGL*, p. 188), but overall "language is merely one case of the sign among others, and may not be judged independently" (*WGL*, p. 150). "Language is merely a *specific case* of the theory of Signs... [W]ithin the general theory of signs the specific case of vocal signs might not be incalculably more *complex* than all the specific known cases, such as *writing, numerals, etc.*" (*WGL*, p. 154). And finally: "Whatever differentiates *langue* from other semiological systems must be regarded as its least important aspect..." (*WGL*, p. 201). These statements pave the way to treat, generally, Saussure's principles regarding human language as applicable more broadly to all semiological systems.

But how wide, in fact, is the gap between Saussure’s semiology and his linguistics? Phrased differently: What can be a non-linguistic semiology? In order to address this question, one needs to start with Saussure’s definition and characteristics of semiology. Semiology is defined by Saussure as a theory of social sign systems (*CGL*, p. 16) and as a theory which deals with arbitrary, relational co-systemic values (*WGL*, pp. 203, 238). The main characteristics of a semiological system are: (i) it is a social fact, where meaning is derived by the community’s use, i.e. by its practice; (ii) its signs are arbitrary; (iii) it has a

¹ I wish to thank Professor John E. Joseph for his valuable guidance and feedback in developing the research underlying this paper. All remaining errors are solely my own.

coherent classificatory nature; (iv) immutability and mutability are both characteristics of the system; and (v) its signifiers are uttered in a linear manner. If we take these definitions and characteristics seriously, we see that the scope of semiology is quite limited. In the spirit of semiology, these definitions and characteristics will be used in the following paragraphs in order to briefly explain what **cannot** be a Saussurean semiological system.

First, a distinction must be made between semiology and sign theories that do not engage exclusively with social systems. For C.S. Peirce, everything – from mathematics to ethics, from gravitation to phonetics, from economics to astronomy – can be studied through semiotics (Cobley, 2001, pp. 8-9). He discusses, for example, natural signs, such as high temperature being a sign of illness. Similarly, Sebeok's vast semiotic project includes the investigation of nonverbal interactions between animals as well as between body cells and organs (e.g. Sebeok, 2001). Saussure's semiology is much more restricted: the sign system here is a social fact. The community constitutes the sign system, and the sign system is destined to the community; "this community environment changes everything for the sign system" (WGL, pp. 202-3). The sole role of Saussure's sign system is to facilitate interpersonal comprehension (WGL, pp. 120, 121, 203).

Second, and related to the previous point, Saussure's sign is an intentional sign: "the sign can only begin to be truly known when it is understood that it is something not only transmissible, but intrinsically *destined to be transmitted*" (WGL, p. 154). This is not a trivial restriction. The semiotic theory developed by Umberto Eco, for example, deals with social signs, but not exclusively with intentional signs: "I propose to define as a sign *everything* that, on the grounds of a previously established social convention, can be taken as *something standing for something else*" (Eco, 1979, p. 16). A certain style of clothing, such as a suit and tie, would therefore qualify as a sign under Eco but not under Saussure's semiology.

Another example of the distinction is Levi-Strauss' anthropological analysis, which is inspired by Saussure's thought, but goes beyond the boundaries of his semiological project. Kinship relations, structured and symbolic as they may be, are not a product of an intentional human act of communication. In fact this case illustrates a broader phenomenon consequential in the intellectual history of the 20th century: the disparity between structuralism, frequently associated with Saussure, and his original semiology. While semiology has been restricted to purposeful social sign system, structuralism has expanded some of its insights to diverse realms (see, e.g., in the review of Joseph, 2001), far broader from merely purposeful communication vehicles. As Norris (2004, p. 239) concludes: "It is among the greatest ironies of recent intellectual history that Saussure's meticulous specification of the scope and limits of his project should since have given way to a movement of thought so markedly at odds with his own clearly stated aims and priorities" (and see similarly in Krampen, 2013 [1987], p. 207, and more generally in Harris, 2003).

Third, signs which are essentially visual are not captured by Saussure's semiology. Roland Barthes, for example, extends his analysis to various types of signifying units, including visual ones. Saussure, on the other hand, views visual symbols as very different from acoustic and written language signs (CGL, p. 70; WGL, pp. 74-75). The one-dimensional linearity characterises only the latter. Semiological signifiers convey message by way of an analytical unfolding process; not by way of aesthetic impression. Furthermore, in what sense is a specific photograph or visual graph part of a coherent system, which is also a pre-condition for Saussure's semiology? The visual symbol, in sum, is not a semiological sign.

In trying to conceive a non-linguistic semiology, we must also briefly discuss the scope of linguistic semiology. This realm includes not only the trivial case of the 'core' linguistics, but also second-order linguistic semiology. Barthes's reference to myth (1993; 1968) is an explicit manifestation of this genre.

The first elementary system is that of natural language, which product – the linguistic sign – is the signifier of the second-order system: the myth. The same logic applies to Greimas’s structural analysis of narratives (e.g. Greimas, 1983). His semiology of narrative builds on, and presupposes, a more fundamental semiology: Saussure’s language semiology.

When, on the one hand, general semiology is quite narrow and, on the other hand, linguistic semiology is quite broad, is there any gap between the two at all? Is there a space for a truly non-linguistic semiology? Almost half a century after the publication of the *Course*, in the very first words of his *Elements of Semiology* (1968[1964]), Roland Barthes argues that all meaningful semiological systems are eventually reduced into the human language. We are therefore left with linguistics, with no space – no need or interest – to discuss semiology independently.

Accounting, this paper argues, might refute Barthes’ pessimistic conclusion. Accounting might occupy the gap – indeed a narrow gap but still a gap – between semiology and linguistics. Accounting is a significant social sign system and a system of relational values, but it is fundamentally numeric rather than linguistic. Although financial statements – the manifestations of accounting – include words, accounting is substantially numeric as it involves mathematical operations and must be quantifiable in terms of monetary units. Accounting signs, different from linguistic signs, must be capable of mathematical aggregation. *Figure 1* below captures the intersection of semiology, linguistics and accounting (as well as the broader semiotics and structuralism). Our interest in the following sections is therefore in a non-linguistics semiology: in ‘*Accounting Semiology*’.

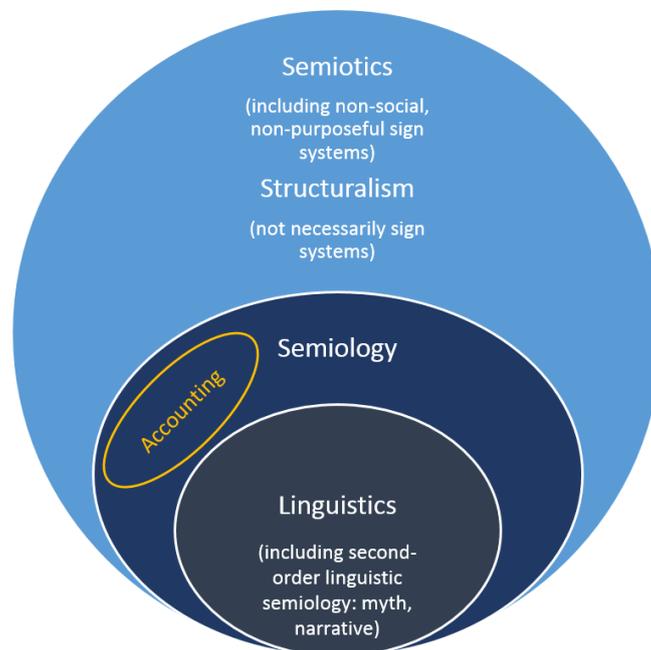


Figure 1: The disciplinary intersection of semiology and accounting

B. The case for Accounting Semiology: financial accounting as a semiological system

Accounting systems are sets of principles according to which financial information pertaining to business companies is communicated through distinct utterances: financial statements. There are various types of financial statements, but the most important ones are the statement of financial position (sometimes referred to as the 'balance sheet') and the income statement. Different from statements in most natural languages, financial statements unfold and are read vertically from top to bottom, but in its essence this is a constative statement similar to that in natural language. The statement of financial position states the state of affairs of the firm, by depicting the various types of its assets and liabilities. The paragraphs below briefly outline the manner in which the fundamental characteristics of Saussure's semiology – as drawn from his *Course* and his manuscripts – are applicable in a meaningful way to financial accounting.

First, the social nature of accounting as a semiological system. In accounting, the social grounds are fundamental in the design of its goals, principles, elements and criteria for recognition and measurement. Accounting is not mathematics; it is distinctly a social phenomenon. In accounting, principles and their meanings are the evolving products of use, and not of intrinsic criteria. In accounting, as in language, the development comes not only from an external standard setting authority, but is a product of a cumulative communication process anchored in practice. Indeed, accounting principles are named 'Generally Accepted Accounting Principles (GAAP)': their normative force comes ultimately from their use.

Second, the sign's arbitrary nature. In accounting, as in language, different systems establish different principles for communicating the same economic phenomena, and even within one system the same phenomenon may be represented differently in different circumstances. For example, the same real estate property may be assigned with different numerical value under the US accounting regime and under the European regime, as each has its own conventional principles. Furthermore, as envisioned by Saussure, the accounting signified is not the actual referent but rather a conceptual notion; not the physical resource, but rather the economic one.

Third, accounting as a coherent system of classificatory nature. Limiting the impacts of the arbitrariness of the sign, the semiological system as a whole provides order and regularity, and is considered to be coherent to a certain extent. Accounting principles are also conceived as constituting an articulated comprehensive system. The various principles, such as those relating to the recognition, measurement and presentation of assets, liabilities and other accounting elements in financial statements, are interrelated. Furthermore, the products of financial accounting – its various specific statements – are integrated to a coherent set with important internal relations (e.g., a change in the statement of financial position will have impact, directly or indirectly, on the income statement, and *vice versa*).

Furthermore, language's ongoing task of introducing order is done primarily through classification and differentiation. Classification plays a crucial role also in accounting, which facilitates analysis by categorising financial information in groups. Accounting's classification is multi-layered. Initially information is classified into the different types of statements, such as assets and liabilities in the statement of financial position, and income and expenses in the income statement. These are then further divided into sub-classifications. Indeed, semiology uses rules of form to categorise and articulate expressions and concepts in order to constitute apprehensible identities. In line with this principle, accounting uses rules of form to organise, frame and operationalise the otherwise incomprehensible flux of economic knowledge.

Fourth, the linear nature of the signifier. A financial statement is comprehensible mostly in a linear fashion, as conceived in Saussure's semiology. Accounting items are generally not viewed in isolation but are part of broader categories, and the various items are read and processed in a linear manner. The income statement, for example, unfolds with a certain logic from top (gross income) to bottom (net profit). The statement is not considered an aesthetic artefact, but rather is structured to allow an analytical process which at any point in time progresses in only one dimension to enable the apprehension of meaningful relations.

Fifth, the system's hybrid position of immutability and mutability. In accounting, as in language, we acknowledge the important notions of both consistency and development. Consistency in applying accounting principles and policies is an essential feature in achieving comparability, which is one of the qualitative characteristics of useful financial information. Consistency allows for the comparison between different companies, as well as the assessment of the state of affairs of a company along different time periods. However, "Although those characteristics are expected to be stable, they are not immutable. They are affected by the economic, legal, political, and social environment in which financial reporting takes place and they may also change as new insights and new research results are obtained" (FASB, 1980, paragraph 2), and "consistent use of accounting principles...if pushed too far, can inhibit accounting progress" (*ibid*, paragraph 122). As in the case of language, so is in accounting: continuity and mutability are in a close-knit relationship with one another (*WGL*, pp. 104, 235, 239).

Saussure's main characteristics of a semiological system are therefore applicable to accounting. Indeed, while Saussure's focus is on natural language, accounting is an artificial sign system. However, this is not an obstacle from considering it as a semiological system. In fact, Saussure explicitly refers to artificial languages, and specifically to Esperanto. The creator of an artificial language, Saussure argues, controls it only before its actual use. When the artificial language starts to circulate, its attachment to its foundation is terminated (*CGL*, p. 76). We see that also in accounting: the accounting standard-setter's control over its rules terminates upon their circulation within the user community, as interpretation in specific applications is mostly practice driven.

Nevertheless: Accounting Semiology has a distinct characteristic. Financial accounting, as the human language, aims to make information comprehensible, but only in accounting signs must be addable and be reducible to a single sign: the 'bottom line'. In a financial statement we not only categorise information, but such information must also be included in the statement totals (such as 'total assets' or 'net income'). Accounting recognition requires an attribute that is monetarily measurable. Accounting communication requires both structured classification and aggregating information. The latter is a distinct feature of *Accounting Semiology*. The objective of contemporary financial accounting is narrower than that of the human language: it is to enable the communication of information that allows investment decisions among alternative uses. Such an objective requires comparison, achievable through a common scale that reduces various different factors – amounts, timing and risk – into a common denominator. To conclude, *Accounting Semiology* is a distinct semiology, as it stands to Benveniste's (1981 [1969]) non-redundancy criterion for semiological systems: we are not able to say 'the same thing' with language and with financial accounting; the two are not mutually interchangeable.

C. Why use semiology in accounting? Offering an internal perspective on accounting principles

Showing the fit of financial accounting to the carefully delimited boundaries of Saussure's semiology is not merely an intellectual exercise. It has the potential of contributing to fundamental issues in accounting research with possible pragmatic implications to accounting policy-making (standard-setting). Before turning to two of these important contributions, a general note is due with respect to the manner in which a semiological lens is different from those currently used in accounting research.

Traditional accounting theories view financial statements as a technical medium for the representation of an underlying economic phenomena. In this tradition, the disciplinary lenses used are mostly economics, finance and (to a lesser extent) psychology. Alongside this predominant approach, the last three decades have evidenced the emergence of an alternative research school, employing 'critical' and interdisciplinary approaches, realizing that the power of accounting over contemporary society cannot be overstated. The success of the critical stream has been in studying and explicating the social dimensions of accounting. However, neither the positivist traditional accounting research nor the critical social studies of accounting have paid enough attention to the signifying operation of accounting – to its being not merely a social phenomenon but a very specific one: a purposeful social sign technology. The focus in extant research has been more on the 'surroundings' of accounting – its historically contingent evolution and its financial or socio-political implications. As typical in other realms (e.g., literature – and see Levine, 2015), there has been less consideration of the 'internal' signifying principles underlying accounting forms and procedures.

This is precisely where semiology's advantage clearly surfaces. Semiology requires a focus on the principles of the sign system. Saussure's famous distinction between 'external linguistics' and 'internal linguistics' (e.g., *CGL*, pp. 20-23) is now of importance to the study of accounting as it has been for the study of language. While recent critical accounting studies have dealt with its external spheres – such as culture, politics, and institutional power, in a semiological study of accounting one would switch the spotlight inwards and focus on accounting's immanent manner of communicative functioning and operation. Saussure emphasises that both external and internal linguistics are important research fields, but also that they must be distinguished from one another (*CGL*, p. 22). This disciplinary sensitivity should not be interpreted as ignoring the social within accounting, but rather has complementing it. To the useful research trajectory of broadening the context of accounting, discussing power, interests and institutions located at the external spheres interacting with accounting, a semiological approach proposes to add a narrower angle: one that focuses on accounting's signifying capacity manifested through its principles of constructing financial statements. Such an approach would be complementary to, and not contradictory with, the research of broader contexts. As Barthes clarifies, semiology's "relevance principle" is just one among few. For him, "Semiology, once its limits are settled, is not a metaphysical trap: it is a science among others, necessary but not sufficient" (Barthes 1993, p. 112). We must, Barthes continues, use the various relevant sciences in order to produce a comprehensive explanation of the phenomenon at hand. In sum: in the current study of accounting we benefit from the insights of sociologists, historians, political scientists and psychologists. But, following Saussure and Barthes, we would also benefit from those of semiologists.

Furthermore, semiology and critical accounting studies share some important features in terms of the justification in pursuing them as new research agendas. One of the *Course's* first observations relates to the public interest in understanding the nature and complexities of language as a sign system: "Still more obvious is the importance of linguistics to general culture... That linguistics should continue to be the prerogative of a few specialists would be unthinkable – everyone is concerned with it in one way or another" (*CGL*, p. 7). This broad interest is coupled with the fact that prejudices, mirages and fictions are abundant in linguistics (*ibid*). Amending the then-prevailing flaws in the understanding of such a science is of public significance. A third element in Saussure's justification for the study of internal linguistics is the complexity of language, and the fourth – its elusiveness. Its users cannot see it, and it must be grasped through reflection (*CGL*, p. 73). In such circumstances and with such implications, Saussure calls for a normative task of unravelling misperceptions and illusions that run deep in contemporary accounts of language (*WGL*, pp. 136-137).

This depiction of the context and motivation of semiology at the turn of the 20th century could be used, just as much, in describing the context and motivation of critical accounting studies more than eighty

years thereafter. Critical scholars also acknowledge the importance of accounting to individuals and societies, beyond the boundaries of the professional arenas: "Accounting is too important to be studied only by accountants!" (Chapman *et al.*, 2009, p. 21). As with Saussure in language, the founding fathers of the critical accounting community have pointed to the consequences of misconceptions in contemporary accounting and have called for their unmasking.

Importantly, the ethical dimension is embedded in the rules of the language/accounting themselves, even before addressing issues of specific political context (only the latter issues are at the focus of current critical accounting research). As Joubert (2006) argues, Saussure brings out the language itself as a problem: the power of language as a critical force, which is inextricably **both** conceptual and political" (p. 50). Especially in his manuscripts, Saussure is "keeping the question of language on its toes as critical of the metaphysics of the sign" (*ibid*, 51). This, so it seems, would be an appropriate guiding theme in the critical research of accounting as well. We may use, again, Barthes's articulation regarding the "ideological commitment of semiology" (1994, p. 8). For him, "it is not enough to seek to change contents, we must above all aim at *fissuring* the meaning-system itself" (*ibid*). We must, as a first step, become familiar with the characteristics, sometimes covert, of meaning-systems as knowledge-production systems. Accounting is one such meaning-system, and, indeed, an important and consequential one.

D. Rethinking accounting 'recognition' and 'measurement' through semiology's 'reciprocal articulation' and 'value constellation'

Studying accounting through semiology problematises some of the most fundamental assumptions in contemporary accounting research and policy-making. This will be shown below with respect to two principal accounting procedures: asset recognition and asset measurement. These aspects require technical accounting terminology, which this paper will avoid at a price of being abstract in terms of the accounting concepts (for a more detailed account see Hayoun 2017a, 2017b). Our focus, instead, would be on the general principles underlying the production of financial statements. The recognition of assets (and liabilities) and their value measurement are the main operations involved in accountants' construction of the statement of financial position. In conventional research, they stand for two general themes: representation and value. These are, of course, not unfamiliar to Saussure: one may say that he has revolutionised the language sciences precisely through the redefinition of these two concepts.

I. Asset recognition as reciprocal articulation

Saussure provides a fundamental critique of the notion of representation as the one allegedly underlying the operation of language. Indeed, a distinctive characteristic of semiology (Daylight, 2012) has been the realisation of the inadequacy of the representation-correspondence relation between expression and content. Saussure argues that semiological systems cannot be fully understood as a representation mechanism, because in such systems there are no readily defined objects (*WGL*, p. 5), ready-made ideas (*CGL*, pp. 65, 112) or objectively delimited phenomena (*WGL*, pp. 11, 163). Language, Saussure tells us, is not a naming process (*CGL*, p. 114). Without neglecting the practical importance of representation as a human habit, Saussure proposes to focus on 'articulation' (or 'delimitation') as the performative process according to which elements are differentiated from the whole system, and thus constituted. Such delimitation, articulation or differentiation is the fundamental operation of social sign systems:

the characteristic role of language with respect to thought is not to create a material phonic means for expressing ideas but to serve as a link between thought and sound, under conditions that of necessity bring the reciprocal delimitations of units...the somewhat mysterious fact is

that 'thought-sound' implies division, and that language works out its units while taking shape between two shapeless masses (CGL, p. 112).

Saussure proposes to redefine language as "the domain of articulations" (CGL, p. 112). What about accounting?

It is by now well acknowledged in the critical accounting literature that a representational approach is insufficient. The alleged dichotomy between a passive accounting expression – the financial statement – and an existing economic reality, is ideal and does not reflect the performative power of accounting. More generally, accounting scholars have been dealing with the impossibility of representation and correspondence. However, these studies have mainly remained on the level of a negative critique of 'representation', with various socio-political analyses showing its insufficiency and consequences. Going beyond such critique, semiology's 'articulation' provides, positively, a conceptual alternative to representation. Semiology's offering of the complementary notion – 'articulation'/'delimitation' – provides an enlightening framework to understand the mystery of signification in accounting, as in language.

The fruitfulness of semiology's principle of articulation is most clearly evident in the case of 'intangible asset', which is defined under accounting principles first and foremost by its delimitation from the broader category, i.e. the 'general goodwill' of the company. As in semiology, the articulation of the asset is neither technical nor natural. There is no one clearly-delimited intangible resource that could be simply represented in the balance sheet. It is 'produced' by accountants and accounting standard-setters through delimitation.

More surprisingly, accounting standards evidence an increased realisation – though only implicitly – that accounting recognition for all assets, and not only intangible ones, involves underdetermined delimitation (for a detailed analysis see Hayoun, 2017a). Even with assets with the most tangible and inflexible boundaries, such as real estate, there is discretion as to their accounting delimitation. In fact, the core of judgment in recognition is precisely with respect to such 'plastic' boundaries. Thinking of the boundaries of tangible assets as malleable is counterintuitive because of the association of the physical properties of such assets. However, these physical elements are *not* the object of the financial statement; its objects are instead the conceptual economic resources. The object of the statement is the anticipated economic benefits (signifieds); not the physical asset *per se* (referents). This manifestation of the referent-signified distinction is important for understanding the plasticity of accounting assets, the judgment that is involved in producing the financial statement and the power granted thereby to statement preparers (accountants and managers). When it comes to financial statements, 'existence' has more to do with active reciprocal articulation than with passive representation of allegedly pre-existing economic resources.

II. Asset measurement as value constellation

This ambivalent relation to representation is at the heart of sign systems "for two reasons: (1) the internal void of signs; (II) our mental ability to grasp a term that is in itself nothing" (WGL, p. 74). This mystery and ambiguity would be partly settled in its pragmatic and operative dimensions through semiology's concept of value. This concept allows to bypass "the impasse of signification: the relation to the signified (to gold) being uncertain, fragile, the whole system (of language, of currency) is stabilised by the behaviour of the signifiers among themselves (of the currencies among themselves)" (Barthes, 1994, p. 154). This is therefore the second frontier of semiology that may be useful in accounting, where we are offered a detailed paradigm of a relational value.

Importantly, the semiological value is relational in two different axes: the associative and syntagmatic axes (e.g., *WGL*, pp. 21, 39-40). In the associative axis, elements in the sign system are grouped (associated) into categories sharing a common feature. The differentiation principle is paramount in this axis, as the value of an element is firstly based on its similarity with and difference from other 'adjacent' elements. The syntagmatic axis focuses on the positioning of the element in the broader statement – on the co-presence of other elements in the statement. The semiological value is therefore defined in negative terms (*WGL*, pp. 51, 153), as a product of relation with other values: other values in the system, from which it is differentiated, and other values in the statement, with which it is interrelated (*WGL*, p. 60). It is not more than a "center of constellation; it is the point of convergence of an indefinite number of co-ordinated terms" (*CGL*, p. 126). Lacking pre-determined substance, the semiological value is the mere *assemblage* of other terms 'around it', *in praesentia* – the syntagmatic axis, and *in absentia* – the associative axis (Saussure, 1993, p. 136; Barthes, 1968, pp. 58-9; Joseph, 2012, p. 597).

Although the internal relation between a 'signifier' and a 'signified' is neither natural nor rational, meaning is not completely abandoned. In sign systems, there are both 'exchange' and 'comparison' (*CGL*, pp. 115-116): "If we consider on one hand the exchangeable, and on the other the co-systematic terms, no relationship is perceptible. The role of value is to relate these two things. It relates them in a way which defeats the mind" (*WGL*, p. 239). The interrelation between the co-systemic (relational value) and in-exchange (meaning) is left unresolved by Saussure (Joseph 2004, p. 67). It is a 'paradoxical truth' in Saussure's words: "It is perhaps one of the most subtle points there is in linguistics, to see how sense [meaning] depends on but nevertheless remains distinct from value" (Saussure 1993, p. 134). The semiological value may therefore be portrayed as comprised of actually three axes: one of which is ideal (the meaning, signifier-signified relation), and two that are pragmatic (the associative and syntagmatic).

If one views accounting as a semiological phenomenon, Saussure's three axes may shed light on the Triad of accounting value: intrinsic value, fair value and entity-specific value. The characterisation of accounting value has been and still is a crucial issue that has been occupying accounting standard-setters for decades, and to a greater extent in the recent decade. **Intrinsic Value** (or Net Present Value) focuses on the income expected to be produced from the asset. **Fair Value** is based on market prices of similar assets, adjusted to reflect necessary differences. And **Entity-Specific Value** takes into account the impact of firm-specific considerations, i.e. the specific 'location' of the valued asset within a specific entity with its other assets.

Current accounting regimes insist on separating the above methods of value, and specifically the Fair Value is positioned in contradiction to Entity-Specific Value. This is where semiology's contribution to policy making could be significant: it proposes to look at these three coordinates not as separate, but rather as interrelated. Viewed from such a perspective, accounting value combines the unreachable intrinsic value with the comparative (associative) and situational (syntagmatic) axes of value. This is exactly the role of value: "It relates them in a manner which defeats the mind" (*WGL*, p. 240). In fact, a detailed study (Hayoun, 2017b) of contemporary measurement prescriptions issued by the world leading standard setter (IASB) shows, that notwithstanding the contrary rhetoric, accounting value is indeed a constellation of these different axes that are complementary to one another rather than mutually exclusive.

Semiology's 'value constellation' is manifested throughout the value measurement prescriptions issued by the accounting standard setters (IASB). The Fair Value of an asset is based on similarity and differentiation from other (market-priced) assets. Accounting's operation on the associative axis is clear. What is more surprising (for accounting research), is that accounting valuation – even in Fair

Value measurement – also embraces the implications of the syntagmatic axis. Accounting value is sensitive to the interrelation between value-bearers in the specific statement. For example, a certain machinery item would be valued differently in two different firms, if certain other assets (e.g., intellectual property such as patents) are existing in one firm and not in the other. The specific syntagmatic ‘location’ of the asset is important in accounting as in language. Although for political and institutional reasons the standard setter does not explicitly acknowledge that (and in fact portrays a contradictory picture), Fair Value is indeed two-dimensional. As Saussure insists with respect to the semiological value, “Neither order of relations is reducible to the other” (Saussure, 1993, p. 133). This two-dimensionality is a necessity in semiological systems, and it has significant consequences to contemporary accounting debates: the situatedness of accounting value is not reducible into ideal market prices.

Finally, as in semiology, the ‘in-exchange’ relation is not completely abandoned in the shift to the ‘co-systemic’ relation of value constellation. Here, intrinsic value, or ‘net present value’, is the expected cash flow. However, the net present value remains an unreachable ideal, in light of risk and uncertainty embedded in any estimation of the amount and timing of future cash flows. Fair Value is dually characterised by IASB as based on both present facts and on forward-looking estimations – those of future cash flows. Future and present go hand in hand in accounting value, as co-systemic and in-exchange values more generally in semiology. In summary, the accounting value is a manifestation of the semiological value constellation on all its dimensions.

E. Concluding Notes

One of Saussure’s famous quotes is that semiology will have much to accomplish if it does nothing else but discover its own boundaries (Saussure, 1957, p. 19). The realm of financial accounting is perhaps the one single realm, other than that of the human language and its derivatives (such as narrative and myth), which would naturally fit these boundaries in their original form. The paper has shown that semiology is broad enough to include financial accounting, and that it is narrow enough so its applicability to accounting, as a unique phenomenon, is meaningful. Semiology therefore allows a reflective and critical perspective – a re-conceptualisation – of accounting practices, as it allowed the re-conceptualisation of natural language more than a century ago. With Saussure’s groundbreaking linguistic semiology, *Accounting Semiology* undermines some of the most consequential assumptions underlying the current theorisation of financial statements. It offers not only a more realistic account of the operation of financial accounting, but also one that is more explicit about the judgment – and power – that is involved in it.

Furthermore, the study and development of *Accounting Semiology* is important also for semiology, and not only for accounting. It contributes to semiology first and foremost by instantiating and materialising the gap between semiology and linguistics, and thus enhancing the justification of the former as a distinct framework even under Saussure’s narrow version of it. By introducing a non-linguistic semiology, a financial-numerical semiology, the paper breaks with a century-long association of semiology with language and its derivatives. With the case of accounting, semiology is more clearly positioned on an independent stance, separate and distinct from linguistics. With it, the core operations of semiology – whether linguistic or numeric – are distilled. As shown above, reciprocal articulation and value constellation underlie the production of both language sentences and financial statements; they are the crux of the *semio-logic* of both natural language and financial accounting.

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