Critical Perspectives on Accounting 99 (2024) 102728

Contents lists available at ScienceDirect

Critical Perspectives on Accounting

journal homepage: www.elsevier.com/locate/cpa

Accounting paradigms and neoliberalism. A Gramscian interpretative analysis of the evolution of the asset-liability view and revenue-expense view in Italy and the United States (1891–1991)☆

Massimo Costa [a,*], Stefano Coronella [b], Giuseppe Valenza [a], Antonio D'Andreamatteo [c]

[a] *University of Palermo – Department of Economics, Business and Statistics, Italy*
[b] *University of Pisa – Department of Economics and Management, Italy*
[c] *G. d'Annunzio University of Chieti Pescara – Department of Management and Business Administration, Italy*

A R T I C L E I N F O

Keywords:
Asset-liability view
Revenue-expense view
Neoliberalism
Gramsci
United States
Italy

A B S T R A C T

This article proposes a historical analysis of the evolution of both the asset-liability and the revenue-expense views as accounting paradigms functional to the expression of the hegemonic relations exercised by the ruling classes in their social contexts. Focusing on the United States and Italy, the study outlines the common trajectories of the development of the revenue-expense accounting system after the initial classical asset-liability phase. It then highlights the differences in terms of the subsequent changes that drove the United States to new asset-liability positions of a financial connotation, whilst, in Italy, they were more oriented towards the consolidation of the revenue-expense view. The research methodology is based on critical accounting history lenses, using Gramsci's concepts of Integral State, ideology, and intellectuals to analyse and understand the above developments. The study concludes that the asset-liability paradigm, which has been spreading in the United States since the 1960s, has characteristics that are useful for the neoliberal ideology and the implementation of its programme, contributing to the cultural hegemony of financial capitalism. In Italy, on the other hand, there has been the persistence of the revenue-expense paradigm, which has characteristics less compatible with the aforementioned ideology. Central to this dynamic has been the mediation of intellectuals in the accounting bodies of Civil Society and in the apparatuses of Political Society. These paradigms should, therefore, be the subject of renewed interest in the debate of the international scientific community, as well as in professional practice, in order to support the strengthening of a role of accounting intellectuals functional to the interests of the subordinate classes, for a truly emancipatory function of accounting with respect to the current dominant hegemony.

☆ This article is also available in Italian as supplementary material in electronic format.

* Corresponding author.
E-mail addresses: massimo.costa@unipa.it (M. Costa), stefano.coronella@unipi.it (S. Coronella), giuseppe.valenza01@unipa.it (G. Valenza), antonio.dandreamatteo@unich.it (A. D'Andreamatteo).

https://doi.org/10.1016/j.cpa.2024.102728
Received 27 December 2022; Received in revised form 26 February 2024; Accepted 28 February 2024

1. Introduction

The neoliberal political and economic discourse has become so dominant that it is globally understood as the 'common sense' (Gramsci, 1975), the natural order of things, serving the hegemony of the financial capitalist class. Several studies have examined the relationship between accounting, the spread of neoliberalism, and the financialisation of economic systems (e.g., Chiapello, 2017; Zhang et al., 2012; Zhang & Andrew, 2014). Some studies (Cooper, 1995; Goddard, 2002; Yee, 2009; Bigoni, 2021) agreed that accounting practices play a role in financial hegemony and have highlighted, from a Gramscian perspective, how the ruling class embraces, manipulates, or rejects a particular vision or content of accounting in order to consolidate its supremacy.

Furthermore, if we look at the Italian and American accounting cultures, which are currently very different from each other, it should be noted that in the past they converged considerably. While comparisons between these two cultures have been made (e.g., Alexander & Servalli, 2011; Viganò & Mattessich, 2007), no study to date has delved into the analysis from a historical and longitudinal perspective. In this sense, this study aims to make a broad contribution to issues that have often been limited to the national dimension, as noted by Antonelli and D'Alessio (2014).

This study examines the characteristics of the asset-liability and revenue-expense accounting paradigms with the aim of studying the conditions that facilitate the spread of neoliberal ideology: how did the characteristics of the accounting paradigms evolve in the United States and in Italy? What was the role of intellectuals, academies, and accounting bodies in the spread of these paradigms? What was the relationship between these characteristics and the neoliberal ideology?

To this end, this research, inserted in the field of critical accounting history, has used some of Gramsci's conceptual categories to study the role that intellectuals and Civil Society accounting bodies may have played, even implicitly, in the affirmation of the hegemony of the capitalist class in the Italian and American contexts. While it is indeed true that the asset-liability and the revenue-expense paradigms are two different accounting systems for recording transactions (Coronella, 2014; Costa, 2020), a deep analysis of their features also shows how these systems are inspired – in Gramsci's language – by different 'world views' (Gramsci, 1975). Specifically, the asset-liability view privileges capital, i.e., accumulated wealth, as an aspect of observation and accounting knowledge. The revenue-expense view, on the other hand, privileges income, i.e., wealth that is produced and possibly distributed.

The longitudinal analysis carried out allowed an interpretation of the asset-liability view (especially according to the more recent 'financial' variant) as an accounting system that is more functional to the neoliberal ideology, which is known to be instrumental in managing the hegemony of financial capitalists over socially weaker groups. The accounting experts acted, consciously or unconsciously, as organic intellectuals of the financial capitalists, while the accounting bodies functioned as an ideological structure in their service. With regard to the revenue-expense view, on the other hand, the study concludes that it has characteristics that are less compatible with neoliberalism. Indeed, although embedded in a capitalist system, the revenue-expense view is, above all, coherent with the capitalist characteristics of the real economy, in contrast to the new asset-liability view, which exaggerates its financial and speculative aspects. In this sense, the present analysis considers the revenue-expense view as a more balanced and 'socially desirable' accounting paradigm and, in any case, less functional for the implementation of the neoliberal agenda and its ideology.

The structure of the article is as follows. After this introduction, the second section is devoted to the literature review, focusing on the relationship between accounting, capitalism, and neoliberalism. The third section focuses on the conceptual framework of reference, while the fourth focuses on the methodological approach adopted in the study. The fifth and sixth sections then describe the evolution of the asset-liability and revenue-expense accounting paradigms, with reference to the American and Italian contexts, respectively. The characteristics of these paradigms in relation to the neoliberal ideology are also discussed, including the role of intellectuals and Civil and Political society bodies in their dissemination. In the seventh section, the development trajectories of the two different accounting systems are interpreted in the light of Gramsci's conceptual categories from a comparative perspective. Lastly, the eighth section presents the discussion and conclusions, highlighting the contribution of the study, its implications and its limitations.

2. Accounting, capitalism, and neoliberalism

Research into the relationship between accounting and capitalism has been the subject of numerous contributions in recent years. In general terms, these studies have sought to understand how the characteristics and techniques of accounting may in some way facilitate the advancement of the capitalist orientation and its ideology. In this context, Cooper (1995) was one of the first scholars to argue that accounting plays a role in perpetuating capitalism as an integral part of hegemonic leadership, helping to prevent alternative visions of reality. In this sense, the role of accountants would have changed from that of professionals at the service of the state with its regulatory and governing function of the financial markets to commercial entrepreneurs at the service of capitalists, hired by the large consulting firms that have established themselves over time as a global industry (Arnold & Cooper, 1999). In the same vein, Spence (2009) demonstrated the inherent contradictions of accounting practices related to corporate social responsibility, as in its current mode of implementation it would only serve to further strengthen the economic base, hence the leadership position of capitalists.

More recently, critical accounting has begun to focus more closely on the relationship between accounting and neoliberalism, the latter being seen as an 'exaggerated' form of capitalism. More specifically, neoliberalism has been described as the most advanced phase of capitalism, with neoliberal reforms becoming part of a process of increasing privatisation and commodification of relevant aspects of society and the environment (Andrew & Cahill, 2017).

In this context, studies have analysed how specific characteristics of accounting can facilitate the implementation of the neoliberal agenda. For example, Zhang et al. (2012) observed how Fair Value Accounting (FVA) can be seen as a tool for the spread of neoliberalism. In particular, the authors focused on the analysis of accounting change in China, arguing that FVA implies adherence to the ideals of neoliberalism (deregulation, privatisation, and adoption of international accounting standards) and legitimises the transformation of the market into a form consistent with global capitalism (Zhang et al., 2012). Other contributions have focused on the influence of the characteristics of the international accounting standards system in supporting the spread of the neoliberal ideology, such as that of Zhang and Andrew (2014), who, in studying the characteristics of the conceptual framework of the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB), found them to be functional for the spread of neoliberalism and the process of financialisation of economies. They focused on analysing the ideological underpinnings of the convergence project of the IASB and FASB, highlighting its ability to orient accounting practice towards the needs of speculators in the financial markets while neglecting social and environmental concerns. Thus, according to the authors, the reconceptualisation of accounting through the 2010 Conceptual Framework placed 'financialised' markets at the centre of accounting practice, while the identification of investors as the primary users of accounting information implied a shift in favour of the interests of financial capital (Zhang & Andrew, 2014).

Focusing on the process of adoption of the International Public Sector Accounting Standards (IPSAS) in the Nigerian context, Bakre et al. (2022) highlighted how neoliberalism and accounting are seen as tools that facilitate the economic imperialism imposed on poor countries like Nigeria by rich countries and international financial institutions. From this perspective, accounting can be seen as an instrument of power in the service of the neoliberal agenda and market forces. In this sense, not only do accounting practices reveal the adoption of neoliberal policies but also legitimise them to the detriment of the welfare of society, as dramatically shown by the Grenfell Tower fire (Funnell & Jupe, 2022).

In addition, accounting can have an influence on how individuals conduct themselves as they are induced to behave in accordance with the neoliberal model. For example, through a study of the Canadian government's immigration policy, Gilbert (2021) shows how accounting, by exploiting the phenomenon of refugee indebtedness, plays a central role in constructing the neoliberal subjectivity of individuals. In particular, the link between accounting and neoliberalism is explored in order to understand the role of accounting in the construction of 'financially responsible' citizens (Gilbert, 2021).

The relationship between accounting and neoliberalism has also recently been analysed in the context of the public debate on the issue of public debt (Gilbert & Everett, 2023), noting how accounting has been mobilised to arouse emotions of fear and guilt in the population, making the 'public debt problem' more immediate and personal. In particular, the authors used Gramsci's concept of hegemonic ideology to show how accounting can be used to both reinforce and challenge neoliberal hegemony.

While most studies have focused on the role of accounting in facilitating the implementation of the neoliberal agenda, there are other studies that have focused on the function of accounting in constraining this agenda, in addition to the one already mentioned by Gilbert and Everett (2023). In this regard, Finau and Chand (2023) have shown how some indigenous communities in Fiji have resisted neoliberal reforms by using accounting as a tool of struggle. In this sense, it can be argued that accounting can be used not only to facilitate the neoliberal agenda but also to resist it (Forsberg, 2023; George et al., 2023).

3. Theoretical framework

The aim of this research is to explore whether and how two different accounting paradigms may have contributed to the construction of an accounting cultural *humus* that is favourable or unfavourable to the spread of neoliberal ideology. Consequently, the interpretive work favoured Gramsci's philosophical and sociological categories (Gramsci, 1975), which explain the complex dynamics of power, culture, and politics in a capitalist society.

The most well-known construct of Gramsci's theory is undoubtedly that of 'hegemony' (Femia, 1987; Simon, 2015). Indeed, one of the keys to understanding the internal dynamics of society is to interpret its evolution as a continuous struggle between groups to conquer power (Elster, 1986). With respect to this interpretation, Gramsci, further elaborating on the theories of Karl Marx, proposed that the supremacy of the capitalist class would be historically based not on coercion (*domination* over the opposing classes) exercised by controlling the apparatuses of the state but initially on the consensus (*direction*) obtained around its own ideas and values. This second path is theorised by Gramsci as the consequence of the capitalist group's expression of superior moral and intellectual strength over other groups and, therefore, its hegemony over all (Bates, 1975).

For a full understanding of Gramsci's philosophy of *praxis*, however, it is necessary to delve into further dynamics. Indeed, Gramsci, elaborating on a typical Hegelian and Marxian concept, observed that the underpinning of capitalist hegemony, before the situation crystallised into the *domination* of capitalists by state apparatuses, was the so-called 'Civil Society' (Buttigieg, 2005), which can be defined as the set of households and private institutions (Simon, 2015), distinct from the organisations of production and state apparatuses. Observed in its dynamic aspect, Civil Society is the result of the incessant composition of the outcomes of political and ideological conflicts arising not only from the opposition between capitalists and labour but also from the generality of the different social groups that compose it, thereby expressing a variety of social forces and world views (Simon, 2015). The main effect of this composition is the strengthening of the dominant hegemony or its decline and replacement by a new leadership. Ultimately, it is important that the group aspiring to dominance succeeds in gathering around itself a set of allies who share its 'world view' and accept its new leadership (or confirm it, in the case of a class already in command). Political Society, on the other hand, consists of the set of institutions of the state, through which relations of coercion between different social groups within society are materialised. The 'State', in its Political Society component, is thus conceived as 'the instrument for adapting Civil Society to the economic structure' (Gramsci, 1975, p. 1254). In fact, Gramsci prefers the term 'Integral State' to 'State', that is, a new conception that integrates Political Society and Civil Society into a dialectical unity. He elaborated such notion from the changed political and social situation of the capitalist states of the early 20th century, in which Gramsci sees the increased importance of the 'apparatuses of consensus' (Civil

Society) as opposed to the more traditional apparatuses of coercion that characterised the liberal states of the 19th century (Liguori, 2016).

The process by which the capitalist class has acquired political and economic power over the others has, therefore, according to Gramsci, an ideological nature (Gramsci, 1975). Social groups express their power relations through 'ideological forms', which in the full sense are visions or conceptions of the world (Liguori, 2016). To Gramsci, ideology has both an abstract nature, because it is a system of ideas, and a material nature, because it is embedded in the social practices of people and organisations in which they take place, all of which play a role in elaborating, supporting and/or disseminating these ideologies, whether in the sphere of Civil Society, Political Society (the apparatus of the state), or the economic sphere of relations of production. Moreover, any ideology can only be thought "within the horizon of hegemony, that is, as an ideology always at odds with other ideologies" (Francioni, 2018, p. 134). For a concrete exercise of power, the social group aspiring to hegemony must control the so-called 'common sense', the world view (ideological layer) that is specific to each different social group (Francioni, 2018).

Within the 'Integral State', the so-called 'intellectuals' operate. According to Gramsci (1975), the consolidation of a group of *organic intellectuals* was fundamental to the capitalists' acquisition of hegemony, without which they would not have been able to exert any force of attraction in Civil Society and thus emerge and then dominate through Political Society. On the contrary, the so-called 'traditional' intellectuals are pre-existing to the new historical bloc (the new inseparable unity between the economic, political, and social spheres that legitimises the cultural hegemony and domination of the ruling class) and thus supporters of an earlier ideology (Simon, 2015). They should be involved in the positional struggle to conquer or reinforce hegemony. In summary, intellectuals exercise an "organising function in society" (Simon, 2015, p. 98) at all levels, both in Civil Society and Political Society, and their mediation is necessary for the exercise of the hegemonic and coercive function of the group that is – and aspires to remain – dominant, and therefore continues its ideological struggle. Although Gramsci did not offer an exhaustive list of the different types of intellectuals, examples can be proposed in the three spheres (Simon, 2015): economic, such as managers, technicians, and engineers; civil, such as politicians, *academics*, journalists; political (state apparatus), such as civil servants, armed forces officers, judges, and magistrates.

4. Method

This study proposes the hypothesis that the historically determined choice between the asset-liability and revenue-expense accounting paradigms has not only technical and economic connotations but also ideological ones, and is based on a critical historical-longitudinal analysis of the main theoretical contributions of American and Italian (academic) intellectuals, in order to identify the main dynamics, from the elaboration of theories to their diffusion also through the constitution, management, and development of the leading accounting bodies in Civil (or Political) Society. Once the role of the intellectuals and institutions of Civil and/or Political Society had been explored, the aim of the study was then to propose alternative courses of action with respect to the hegemony of the neoliberal agenda. The theory of power elaborated by Gramsci is, in the words of Gilbert and Everett, "particularly useful when reflecting on how an intellectual – or a critical accounting academic – might intervene to challenge the established order" (Gilbert & Everett, 2023, p. 3).

In order to coherently investigate the possible relationship between accounting paradigms and neoliberalism, this study adopted a methodological approach that is in line with critical accounting research. In particular, it starts from the assumption that a given

Table 1
Primary sources used in the research.

American accounting paradigm	'Traditional' Asset-liability view	• Sprague (1908)
	Revenue-expense view	• Paton (1931, 1934) • Littleton (1937) • Paton & Littleton (1940) • American Accounting Association (1936,1965a, 1965b)
	'New' or 'Financial' Asset-liability view	• Sprouse & Moonitz (1962) • Sprouse (1966) • Watts & Zimmerman (1978) • FASB Framework (1978-1985)
Italian accounting paradigm	Asset-liability view	• Besta (1891) • Royal Decree 262/1942 (Civil Code)
	Revenue-expense view	• Zappa (1920-1929, 1927, 1937, 1956) • Amaduzzi (1953) • D'Ippolito (1958) • Onida (1960) • Ardemani (1974) • Caramiello (1987) • National Council of Certified Public Accountants and the Council of Accountants (Document No. 1, Financial Statements, Purpose and Postulates – 1975) • Law 191/1958 (Rules for the preparation of financial statements of companies, companies, entities producing or distributing electricity) • Law 216/1974 (Provisions relating to the securities market and the tax treatment of shares) • Law No. 127/91 (Implementation of Directives No. 78/660/EEC and No. 83/349/EEC on company and consolidated accounts)

accounting system cannot be taken out of the context in which it developed, as the accounting system is inevitably intertwined with the social, cultural, and political processes of a given context (Ahrens et al., 2008). Indeed, interpreting the characteristics of a given accounting system is useful for understanding the particular political and social implications it may have (Baker & Bettner, 1997), especially in relation to political contexts and policies, such as the neoliberal one that we have considered here.

Specifically, the study was based on an interpretative historical analysis of primary and secondary sources (Previts et al., 1990) from the period 1891–1991. More precisely, the primary sources corresponded to the main treatises and works of asset-liability and revenue-expense scholars published in Italian and American contexts. In fact, as stated by Amaduzzi (2001), accounting works constitute primary sources for research in the field of historical studies. The primary sources in this study also include laws and institutional documents. These sources have been analysed in order to reconstruct the evolution of the asset-liability view and revenue-expense view and, in particular, to identify the typical theoretical characteristics of the two accounting paradigms, both in relation to time, with the aim of understanding how these paradigms have evolved from a historical perspective, and in relation to space, in order to grasp the similarities and differences between the paradigms in the American and Italian contexts. Furthermore, the sources were critically analysed to study the adherence of theoretical characteristics of the aforementioned paradigms to neoliberal ideology. In order to avoid possible interpretative errors, secondary sources were used to support the conclusions drawn from the analysis of primary sources, in addition to inter-author comparisons in the interpretation of primary sources. Table 1 shows the list of primary sources used.

With reference to the steps followed in the development of the research, first of all, the historical evolution of the characteristics of the dominant accounting paradigms in the American and Italian contexts was investigated. This longitudinal reconstruction, conducted from a comparative point of view, has made it possible to contextualise the characteristics of the revenue-expense view and of the asset-liability view in the two countries. For the purposes of the historical reconstruction of the evolution of accounting systems, the scientific publications of the most representative academics (intellectuals in Gramsci's sense) of each historical period and nation were taken into consideration.

Subsequently, the evolution of the most representative academic and professional accounting institutions and regulatory authorities within the Civil and Political societies was analysed, focusing on their role in fostering or not fostering the diffusion of the different accounting paradigms and how this role was functional to the strengthening of neoliberal ideology. In particular, the focus was on understanding the use by these institutions of the accounting theories developed by intellectuals (in Gramsci's interpretation, their effective mediation of neoliberal hegemony), as well as the latter's possible direct involvement in the development of 'common sense' which is in line with the needs of financial capitalists.

5. The American accounting paradigm

In line with the theoretical and methodological approach described above, this section reconstructs the evolutionary lines of both the revenue-expense and the asset-liability views in the context of the United States of America, analysing their relationship with neoliberal ideology. Furthermore, the section highlights the role of intellectuals and accounting and regulatory bodies in the diffusion of the American accounting paradigm.

5.1. The American accounting paradigm, leading intellectuals, and the institutions of Civil and Political Society

Throughout its history, American accounting has shown some parallels with Italian accounting (Costa, 2020). In particular, in the United States, the decade 1926–36 witnessed an accounting paradigm shift that led from a primitive asset-liability view to an overt form of revenue-expense view in which the profit and loss account and the measurement of income became central (Buckmaster & Jones, 1997).

Prior to this decade, accounting scholars, most notably Sprague's (1908) approach in the late 19th and early 20th century, had favoured the balance sheet within the framework of proprietary theory (Zimmerman & Bloom, 2016). A primacy was accorded to stocks' sizes, reducing flows (and thus, income) to a mere consequence of the change in the stock (net worth) between two accounting periods.

Following the change in the accounting paradigm in the 1920s and 1930s, American accounting doctrine began to embrace the revenue-expense view. For example, flows were favoured, and the deferral of costs was explicitly theorised, with its provisional allocation in the balance sheet until it correlated with the corresponding revenue (Heilman, 1929). Furthermore, the proprietary conception of the company was progressively marginalised in favour of the institutional conception, which was typical of the entity theory. This institutional conception of the firm was fully dominant by the late 1940s. The Concepts and Standards Research Study Committee, referring to a 1948 document, defined an entity as follows: "Anything that is viewed by an interested individual or group as having a separable and definable existence is an entity, in its broadest sense. The essence of an entity is its separable existence from a particular point of view" (American Accounting Association - Concepts and Standards Research Study Committee, 1965a, p. 359). One of the cornerstones of the American revenue-expense view was the correlation of costs and revenues (matching principle) and the capitalisation of costs into assets, which were conceived as a "pool of costs to be consumed in future operations" (Buckmaster & Jones, 1997, p. 198). In the same years, the proprietary theory disappeared completely (Chow, 1942).

Among the scholars who promoted this accounting paradigm were Littleton and Paton, who together composed in 1940 the landmark text on the American revenue-expense view: *An Introduction to Corporate Accounting Standards* (Paton & Littleton, 1940). The historical cost part of this monograph became a true landmark, adopted by most American universities for their accounting courses and widely read and adopted by professionals (Zeff, 1999).

In confirming the supremacy of this accounting paradigm, the position of the greatest exponent of this current, Littleton, was certainly of great importance. In 1937, when he was already vice-president of the American Accounting Association, he defined the characteristics and cognitive objectives of accounting in these terms: “Income produced, not capital in use, is the central theme of account-keeping as it is the focal centre of the business enterprise. Capital is only a means to an end; income is that end” (Littleton, 1937, p. 13). A year earlier, Littleton had influenced the Executive Committee of the American Accounting Association, which stated in a 1936 article: “Accounting is thus not essentially a process of valuation, but the allocation of historical costs and revenues to the current and succeeding fiscal periods” (American Accounting Association, 1936, p. 188). In the context of the revenue-expense view, the task of accounting was to account for the difference between revenues and costs for the correct determination of a year’s net income. Precisely, it was stated that “accounting exists primarily as a means of computing [...] the difference between costs (as efforts) and revenues (as accomplishments)” (Paton & Littleton, 1940, p. 16).

The golden age of the revenue-expense view coincided with the establishment of the Committee on Accounting Procedure (1938–59), a committee set up by the American Institute of Accountants (AIA) (later AICPA), which established accounting standards based on the matching between costs and revenues and the concept ‘assets are costs’ (Storey & Storey, 1998). In this view, accounting had to distinguish costs to be charged to the current year (charged to the income statement) from costs to be charged to subsequent years (recognised in the balance sheet). The balance sheet, therefore, was a kind of connector of the different income statements over time, lacking its own distinct autonomy.

Paton and Littleton’s work provided the theoretical basis of the American revenue-expense view, which was seen as “largely an explication and defence of historical cost accounting” (Zeff, 2018, p. 18). The work promoted an institutionalist concept of an entity as an abstraction separate from ownership, whilst an asset was understood as a potential of services. The revenue-expense theory manifested hostility to particular profits/losses and excessive infra-annual time divisions, as they conflicted with the ideal unity of business income and showed a preference for deferrals (Paton & Littleton, 1940; Zeff, 2018).

This approach remained prevalent for a long time (Mackenzie, 1947), especially in Paton’s more moderate version (1931, 1934). While Littleton promoted a full application of historical cost valuation, Paton preferred a replacement cost valuation or, as an approximation, revalued historical cost.

Ultimately, the centrality of the income statement, the matching principle, entity theory, and historical cost accounting had become dominant; a centrality that was increasingly criticised over time but never really challenged (Barker & Penman, 2020).

Until the 1950s, the influence of the revenue-expense view in North American accounting culture remained undisputed. However, from the 1960s onwards, this view began to be questioned. The revenue-expense view began to lose ground in favour of a return to the asset-liability view with markedly financial characteristics. Signs of the reaffirmation of the asset-liability view were highlighted by the doctrine, which noted a return to the Balance Sheet Approach (Hylton, 1962) and, thus, again, the primacy of the balance sheet over the income statement.

The attack on the revenue-expense view was initiated by the reactionary criticism of Robert Thomas Sprouse, who – through the publication of the famous article *Accounting for What-You-May-Call-Its* (1966) – openly criticised certain accounting practices for items in the balance sheet typical of the revenue-expense view. These items were referred to somewhat derogatorily as ‘what-you-may-call-its’. Since they were considered assets and liabilities of “questionable substance” (Dichev, 2008, p. 456), these items, although formally considered assets and liabilities from a revenue-expense view, were not to be considered ‘real’ assets and liabilities according to the emerging new asset-liability paradigm and, therefore, should not have found their place on the balance sheet. According to Sprouse (1966), examples of ‘what-you-may-call-its’ were capitalised costs and deferrals, and their accounting in the balance sheet as assets and liabilities would have had a number of distorting effects on the accounting situation of companies: overvaluation of assets, accounting for liabilities even in the absence of a formal obligation to third parties, and frequent overestimation of income (Sprouse, 1966).

According to the emerging new asset-liability doctrine, only assets and liabilities with an autonomy of negotiation would be recognised in the balance sheet, from which *what-you-may-call-its* would be excluded. In this sense, the new asset-liability paradigm proposed a more restrictive conception of assets and liabilities. Excluding items that were the result of a revenue-expense view, such as capitalised costs and deferrals, meant that only assets and liabilities that were configured as economic resources in the strict sense (economic resources and claims) were to be recorded in the balance sheet.

According to Sprouse, it was partly the lack of a clear and agreed definition of the nature and characteristics of assets and liabilities that, in previous decades, had encouraged the practice of accounting for assets and liabilities that could not really be considered as such. For the academic, the problem also stemmed from the absence of an analytical framework that was generally accepted by doctrine and accounting bodies and which should have been issued by the Accounting Principles Board (APB) some years earlier (Sprouse, 1966). Starting with Sprouse’s criticism, the reaction to the revenue-expense view widened in the following years. The revenue-expense view was criticised in its foundation, i.e., the primacy of flows over stocks. According to the new asset-liability theory, flows could not be regarded as independent but as dependent variables. In the asset-liability view, these were simply changes in stock, i.e., changes in assets and liabilities. The independent variables were, therefore, assets and liabilities.

The criticism involved a cornerstone principle of revenue-expense view, namely historical cost, which a few years earlier had been considered the prevailing valuation criterion in American accounting doctrine. In addition to the aforementioned inconsistencies arising from *what-you-may-call-its*, the historical cost was also challenged from a doctrinal point of view following the neo-positivist developments in the late 1970s that promoted Positive Accounting Theory (Watts & Zimmerman, 1978). If Positive Accounting had initially sought to justify what exists without any normative judgement, it had also endorsed the prevailing historical cost, perhaps with a kind of ‘Orwellian doublethink’ (Chambers, 1993). The observation of the ‘real’, however, would inevitably have thrown into crisis a valuation criterion incapable of providing real valuations of balance sheet items, one which was linked to a discredited prudent valuation of income. It was at this point that the current value criterion began to prevail, as it was considered capable of recording values of assets and liabilities that were closer to reality than the historical cost criterion.

From a regulatory point of view, the demands of the renewed asset-liability view were accepted and then propagated through the issuance of the American Conceptual Framework, starting in the early 1970s. In 1973, the Accounting Principles Board (APB) gave way to the Financial Accounting Standards Board (FASB). By the time the FASB was formed, criticism of the revenue-expense view had been underway for almost a decade. The drafting project of the Conceptual Framework, which would follow a path of progressive enactment based on a series of statements issued from 1978 (first statement) to 1985 (sixth statement) (Costa & Valenza, 2016), was therefore influenced from the outset by the paradigm shift that subordinated the revenue-expense view to the new asset-liability view.

The FASB's early studies for the development of the *Conceptual Framework for Accounting and Reporting* focused on the purpose of accounting. If in the revenue-expense view, the purpose of accounting was to account for the difference between revenues and expenses in order to correctly determine income, in the new asset-liability view promoted by the FASB, the purpose of accounting was to provide useful information to guide and support the economic decisions of investors. In particular, accounting "provides information that is useful to present and potential investors, creditors, other resource providers [...] in making rational investments" (Financial Accounting Standards Board, 1978, para. 34).

Accepting Sprouse's wish, the FASB initiated a study to identify a definition of assets and liabilities. Although the FASB initially appeared to be prepared to consider the demands of the supporters of the revenue-expense view, in the subsequent elaborations of the Conceptual Framework, the FASB preferred to adopt definitions more in line with the new asset-liability view. In the late 1980s, the definitions proposed by the FASB were unambiguous and not open to any interpretation: assets were defined as future economic benefits that an entity obtains or controls as a result of past transactions or events (Financial Accounting Standards Board, 1985, para. 25). Liabilities, on the other hand, were to be considered as future economic sacrifices arising from obligations to third parties resulting from past transactions or events (Financial Accounting Standards Board, 1985, para. 35).

In the 1980s, therefore, the definitive affirmation of the new asset-liability view led the FASB to develop definitions of assets and liabilities that were entirely consistent with this accounting paradigm, and that resolutely excluded *what-you-may-call-its* (Storey & Storey, 1998). This period, therefore, was the final setback for the revenue-expense view in North American accounting culture. Therefore, it was no longer correct to state 'assets are costs'. For the FASB, in fact, "although an entity normally incurs costs to acquire or use assets, costs incurred are not themselves assets" (Financial Accounting Standards Board, 1985, para. 179).

In its financial version, the American Conceptual Framework emphasised assets and liabilities as the fundamental elements of the balance sheet, while economic flows (revenues, expenses, gains, losses) were conceived as increases or decreases in assets and liabilities (Storey & Storey, 1998). The FASB, therefore, eventually adopted a Balance Sheet Approach and abandoned the Income Statement Approach (Basu & Waymire, 2010). The supremacy of the asset-liability view, ratified in the Framework, established the primacy of stocks over flows, according to which flows are stock-dependent variables. The historical cost criterion, with the new asset-liability view, lost its importance as a valuation criterion. As it was linked to the cost criterion, the matching principle was also called into question (Zimmerman & Bloom, 2016). The historical cost criterion and the matching principle, therefore, retained a certain importance in doctrine and practice until the 1970s (Zeff, 2007), before the gradual emergence of the current value criterion, which evolved into the more recent fair value criterion (Dichev, 2008).

The new asset-liability approach was also widely discernible in the Framework's approach, which favoured the concept of capital maintenance in the financial sense (financial capital maintenance) as the basis for preparing financial statements (Storey & Storey, 1998). In particular, the FASB took a clear position in favour of this conception, stating that "the financial capital concept is the traditional view and is the capital maintenance concept in present financial statements" (Financial Accounting Standards Board, 1984, para. 47).

This position weakened the concept of capital maintenance in the physical sense (physical capital maintenance), which was conceptually closer to the revenue-expense view. The epistemological perspective adopted was strongly reductionist since the adoption of the fair value model implied a vision of the company as a set of economic resources individually evaluated on the basis of their current market value (Dichev, 2008), and which contrasted with the holistic perspective of the revenue-expense approach, which was inevitably linked to the cost criterion.

The FASB's decision eventually influenced standard setters everywhere, resulting in the international rejection of the revenue-expense view in favour of the Balance Sheet Approach (Perry & Nölke, 2006).

5.2. The relationship between the American accounting paradigm and neoliberalism

In its most recent development, the American accounting paradigm, known as the 'new financial asset-liability view', allows some reflections on the consistency of its theoretical and technical aspects with the characteristics of the neoliberal ideology.

In general terms, the asset-liability view, both in its classical variant and in its later 'financial' variant, implies the need for the accounting system to observe the changes in assets and liabilities over time and, thus, in capital. In the asset-liability view, the privileged item of the accounting system is capital, which consists of the sum of the resources made available by the company's owner-capitalists. The asset-liability view has its original theoretical foundation in proprietary theory, especially in its classical version or pre-revenue-expense view (Costa, 2020). From an ideological point of view, the asset-liability system privileges the interests of capital holders alone, i.e., capitalists, to the exclusion of other actors and interests. Therefore, the asset-liability view takes the form of an accounting approach that is more subservient to the logic of capitalists, in which the interests of a few privileged private subjects prevail to the detriment of the interests of others and of the community. The exasperation of the capitalist characteristics of the American asset-liability view is even more evident in the new financial asset-liability view that emerged in the United States from the

1960s onwards. The new American asset-liability view, in its most recent financial declination, seems to imply ideological conceptions close to a more 'exasperated' capitalism in which financial and speculative logics prevail and are taken to the extreme. The new asset-liability view no longer needs to question the entity theory. However, this paradigm presupposes an investor who is even more alien and neutral towards the company than the classical asset-liability view. Indeed, the company is seen as an 'investments portfolio' in which the interests of investors alone, the privileged users of accounting information, prevail. As reiterated by Jinnai (2005), these aspects characterise contemporary accounting, which has been greatly influenced by the FASB framework, which focuses on financial values that may be of interest to investor-speculators or those who manage stock markets in which only securities are traded. Therefore, the asset-liability approach is considered more likely to provide useful and relevant information for the capital market and, thus, for potential investors (Barth, 2006; Hitz, 2007). Within this framework, a conception of capital maintenance in a strictly financial sense dominates (Storey & Storey, 1998). Furthermore, 'current' valuations, including those based on fair value, prevail (Dichev, 2008). According to this paradigm, the current values of assets and liabilities considered individually provide useful information for the market (Braun, 2022). In fact, fair value represents the present value of cash flows related to balance sheet items, for which the price expressed by an efficient financial market is the best proxy (Braun, 2019). In the American approach, the purpose of accounting is to support investment decisions (Financial Accounting Standards Board, 1978, paragraph 34). According to our interpretation, these elements create the new American asset-liability view as an accounting paradigm with characteristics that make it subservient to the short-term speculative logic of the financial markets and, thus, fully consistent with and functional for neoliberal ideology and its agenda.

5.3. The role of intellectuals and accounting and regulatory bodies in the spread of the American accounting paradigm

The position of intellectuals appears to be decisive in the process of dissemination of the revenue-expense paradigm in the United States; in particular, the figures of Paton and Littleton (1940) emerge. In addition, the position taken by some Civil Society bodies, such as the American Accounting Association (American Accounting Association - Concepts and Standards Research Study Committee, 1965b) and the American Institute of Certified Public Accountants (AICPA) (Watts, 2003), and by Political Society through the Securities and Exchange Commission (Zeff, 2007), have played a decisive role in the dissemination of the revenue-expense view. Littleton, it is worth remembering, also held the position of vice president of the American Accounting Association; therefore, it can be assumed that he had an influential position in the transfer of the revenue-expense ideas to the body in question and, as a consequence, these ideas spread in the academic and professional context. This process of propagation of the revenue-expense paradigm took place mainly thanks to the Accounting Principles Board (APB), an accounting body within the AICPA, which issued 'revenue-expense view' accounting principles until 1973, when it was replaced by the FASB. From this point of view, the American Accounting Association, as a Civil Society body, was a 'vehicle' for ideas previously developed by intellectuals, in this case Paton and Littleton. In the years following the end of the Great Depression, the American Accounting Association openly promoted the use of historical cost to value assets and discouraged the use of current value and any practice of revaluing assets (Swieringa, 2011).

The establishment in 1934 of the Securities and Exchange Commission, the regulatory agency of the US government (an apparatus of the American Political Society), had also strengthened this process of propagation of the revenue-expense paradigm and encouraged professionals to seek stricter rules for determining income. The SEC's various statements transformed the revenue-expense paradigm into a norm. In fact, the SEC exerted a dominant influence in imposing the historical cost criterion in the United States from its establishment until the 1970s (Swieringa, 2011; Zeff, 2007). The origin of this revenue-expense influence is due to the policy exercised by Robert Healy, one of the five founding commissioners of the SEC. First of all, Healy was strongly hostile to revaluations above historical cost, and he undoubtedly preached prudence and conservatism on this issue. In fact, from his point of view, accounting should simply 'account', avoiding dwelling on the potential current values of balance sheet items (Zeff, 2007). Healy's strong views dominated the SEC in the 1930s and 1940s and influenced an entire generation of SEC accountants. Another member of the SEC who became an advocate of the revenue-expense approach was Andrew Barr, who served as assistant chief accountant from 1947 to 1950, chief accountant of the SEC Division of Corporation Finance from 1950 to 1956, and finally chief accountant from 1956 to 1972. It is no coincidence that Barr had had Littleton himself as a lecturer at the University of Illinois, namely the leading intellectual of the American revenue-expense school (Zeff, 2007).

The process was further aided by the simultaneous creation of the AICPA, a professional organisation that, at a precise moment in North American history, filled a relative 'power vacuum', and became an arbiter among other key actors in Civil Society. In fact, a strong university academy did not yet exist, nor had financial capitalism achieved the capacity to significantly direct the real economy, as would only happen later.

In this context, a small elite of intellectuals, led by the Paton-Littleton duo, had the privilege of being able to develop in relative autonomy the new accounting approach, which was later adopted by AICPA, and influencing the most important institutions, contributing to limiting the liberalist ideology and thus the power of the capitalist bourgeoisie. The revenue-expense view, a true compromise between conservatism, capitalism (although still hegemonic), and social demands, mediated by AICPA, represented the balancing point of this historical phase (Tinker, 2005). It was, therefore, the accounting corporation, understood as a set of academic and professional intellectuals, that disseminated a 'world view' that contributed to the development of 'common sense' (in a Gramscian sense) in which it was immediately perceivable to most that it was not the status of capital that was the main object of cognitive investigation, but income. A decisive role was then played by the accounting bodies of the Civil Society (AICPA), which had contributed in no small measure to shaping accounting theory and practice from a revenue-expense view, and by the apparatuses of the Political Society (SEC), which had imposed the same paradigm on the companies they supervised.

However, in the United States, the mindset of the new dominant accounting system changed starting from the 1960s onwards in favour of the asset-liability view and the balance sheet approach. On closer inspection, this was not a simple return to the asset-liability view established in the US in the period preceding the revenue-expense view but, rather, a new asset-liability accounting approach in which the 'financial' aspect of the accounting paradigm prevailed. This accounting approach was based mainly on the theories developed by Sprouse (1966), as well as on the Positive Accounting Theory (Watts & Zimmerman, 1978), leading to the progressive retreat of the revenue-expense view, but not without resistance. In 1960, Maurice Moonitz was appointed director of accounting research at the APB and worked with Sprouse to define general accounting principles. This collaboration resulted in a monograph published in 1962: *A Tentative Set of Broad Accounting Principles for Business Enterprises* (Sprouse & Moonitz, 1962), also known as *Accounting Research Study No. 3*. They proposed a view based on the asset-liability view, on the centrality of assets and liabilities, and on greater use of current values to the detriment of historical cost (Sprouse & Moonitz, 1962). However, the APB rejected the two academics' proposals, as the APB members were more interested in justifying the status quo of the revenue-expense view, which was largely defended by the logic of the SEC (Swieringa, 2011).

A few years later, Sprouse had the opportunity to impose the new asset-liability view when he resigned as a university lecturer in 1972 to become one of the seven founding members of the FASB. The opportunity was ripe for the FASB to adopt the asset-liability view, abandoning the last vestiges of the revenue-expense view that had been vehemently imposed by the SEC in previous decades.

The FASB, as a private accounting organisation conditioning – and conditioned by – the US Civil Society, played a decisive role in consolidating and strengthening the new historical bloc, also determining the consequent legal response of the Political Society (SEC). With the creation of the FASB in 1973, a decisive institutional shift had, in fact, taken place, which then favoured the spread of the new financial asset-liability view. The previous body, the APB (1959–1973), was a technical committee of the AICPA, representing only the accounting profession. The AICPA, and consequently the APB, were heavily influenced by the revenue-expense doctrine of Paton and Littleton, which was dominant in those years. In contrast, the eight large consulting firms manifested a certain hostility towards the AICPA's relatively autonomous handling of the APB and, thus, towards the accounting profession's influence on the issuance of accounting standards (Zeff, 2015). In particular, the hostile actors were Arthur Young & Company, Touche Ross & Company, and Arthur Andersen & Company. In addition to the large consulting firms, the SEC also showed some impatience with the AICPA's discretionary authority over the accounting standard-setting process. In fact, the SEC and the APB (as a body of the AICPA) were competing for the authority to set accounting standards (Zeff, 2015). As a result of these pressures, the Wheat Study Group was established in 1971 with the aim of identifying a new configuration of standard setters more in line with the needs of these actors. Not surprisingly, the Wheat Study Group was chaired by Frank Wheat, the SEC Commissioner from 1964 to 1969 (Zeff, 2015). The composition of the group was indicative of the interests: Wheat represented the interests of the SEC, while three members represented the interests of the large consulting firms: John Biegler (senior partner of Price Waterhouse & Co., New York), Wallace E. Olson (executive partner of Alexander Grant & Company, Chicago), and Arnold I. Levine (executive partner of J.K. Lasser & Co., New York). The minority was represented by two accounting professionals and one academic (Zeff, 2015). The conclusions of the Wheat Study Group's study laid the groundwork for the creation of the FASB in 1973, a body completely independent of the AICPA (Chatfield & Vangermeersch, 1996), which was strongly supported by the SEC and the large consulting firms. There was a clear change of pace from the previous APB, as the FASB immediately adopted a speculative approach to financial investment. Already at the time of its foundation, the SEC hoped that the FASB would promote the interests of investors (Zeff, 2015).

The SEC, which had been a proponent of the revenue-expense view and historical cost up to that point, began to abandon the revenue-expense paradigm and gradually move towards the new asset-liability due to a number of circumstances. In particular, this change of view was due to the fact that Andrew Barr, an advocate of the revenue-expense view who had held internal positions at the SEC since the 1930s, left the institution in 1972 and was replaced by John C. Burton (Zeff, 2007). While Andrew Barr favoured historical cost valuations, it was Burton who persuaded the SEC to promote the adoption of current valuations (Zeff, 2007), the first step towards the change of accounting paradigm, namely the *new* asset-liability view, which was later adopted by the FASB.

At this stage, the role of intellectuals, Civil Society organisations, and the apparatuses of Political Society re-emerged. The 'common sense', with regard to these issues, began to evolve towards positions more favourable to a centrality of assets and liabilities rather than income and a consequent theory of valuation less sensitive to the principles of cost and prudence. First of all, it was again the academy, with Sprouse as its leading intellectual, that provided theoretical constructs on the basis of which the FASB, a private body of Civil Society, then elaborated its principles in favour of investors and thus reinforced the neoliberal cultural hegemony. It is interesting to recall that Sprouse offered his professional services to the FASB from its creation until 1985, including 11 years as vice president starting in 1975 (Basu & Waymire, 2010). It is the SEC that, with its regulatory power as an agency of the US federal government, acts as a barrier to a shift towards capital-centricity and a valuation at current values. In other words, at least until 1972, SEC accountants acted as 'traditional intellectuals', defenders of an earlier 'world view'. From then on, and through translation into the international accounting system, which was largely inspired by the US system, this approach would remain dominant and unchallenged.

6. The Italian accounting paradigm

This section explores the thought of leading intellectuals and the role of the academy of accounting and *Economia aziendale* in the Italian 'Integral State', a context in which the revenue-expense view has become predominant.

6.1. The revenue-expense paradigm, leading intellectuals, and the institutions of Civil and Political Society

While the second half of the 19th century in Italy witnessed the rise of the asset-liability view (*patrimonialismo*) by Fabio Besta, the early 20th century laid the foundations for a radical change in the approach to accounting, in which the revenue-expense view (*redditualismo*) prevailed following the radical renewal in business studies driven by the insights of Gino Zappa.

The asset-liability approach proposed by Fabio Besta concentrated on company wealth, i.e., 'net worth'. By studying its modifications, it was possible to express the actual increases/decreases in its value. This approach was consistent with an economic structure (from Gramsci's perspective) characterised by a context of small companies with relatively simple production processes and allowed the entrepreneur-patron (Catturi, 1997) to keep the company's activity (and its assets) under control without creating any problems from an accounting point of view.

In the space of a few years, however, scholars' attention shifted from net worth, whose preservation and increase were the main objectives of the entrepreneur-patron, to income, on which shareholders concentrated their focus (Di Stefano, 1991). During the third Congress of the *Istituto per l'Incremento degli Studi di Ragioneria* (i.e., 'Third Conference of the Institute for the Advancement of Accounting Studies'), Besta himself perceived a profound change in the economic scenario in which companies operated and the consequent need for an adjustment of accounting that he thought should introduce constraints and checks (Coronella & Gambino, 2013). It is clear that Besta had perceived the need for an adaptation of accounting, but he was not able to provide adequate or convincing answers, either at that conference or later, just as his orthodox followers failed to do in the following years (Coronella & Gambino, 2013; Giannessi, 1960). Indeed, none of them, for different reasons, could actually elaborate on Besta's approach after his death – which occurred on 3 October 1922 – and update it to the new experiences and needs of the economic structure (Gramsci's 'economic sphere').

It was from the crisis of the classical asset-liability view that Zappa laid the foundations for the 'income revolution'. After his early years as an orthodox follower of Besta's approach, in which Zappa fully embraced the paradigm of the Venetian School (Zappa, 1910), in the second decade of the 20th century, he began to develop a new accounting theory by publishing the 'first instalment' of the work *Il reddito* (i.e., Income) in 1920. Although his work was still deeply rooted in the asset-liability logic, a departure from Besta's approach began to appear (Coronella, 2022).

This evolution is even more evident when reading the notes of the course he gave in 1923–24, entitled *Corso critico alla dottrina prevalente* (i.e., Critical Course against the Prevailing Doctrine) (Amaduzzi, 2007), in which Zappa went over the most significant parts of Besta's work *La ragioneria* (i.e., Accounting) highlighting those that were still topical and those that had been superseded or were about to be superseded by changes in the economic environment and in companies. In this context, Zappa proposed to move from the asset-liability view (*patrimonialismo*) to his new revenue-expense approach (*redditualismo*).

The first edition of *Il reddito* was completed when the 'second instalment' came out in 1929 under the title *La determinazione del reddito nelle imprese commerciali* (i.e., The Determination of Income in Commercial Enterprises) (Zappa, 1920–1929). The first part, from 1920, included the first two volumes: *I preliminari* (i.e., Premises) and *La natura dei valori di conto* (i.e., The Nature of Account Values); the second part, from 1929, contained the third book *La determinazione dei valori di conto: il sistema del reddito* (i.e., The Determination of Account Values: the Revenue-Expense View). Nearly ten years elapsed between the publication of the first and second instalments, which shows that the sedimentation and refinement of the revenue-expense system still required a great deal of time and attention. The final draft dates back to 1937 and was referred to as the 'second edition' (Zappa, 1937). It took Gino Zappa almost twenty years to produce the final version of his accounting system.

The revenue-expense view represented a true 'revolution' (Antonelli, 2012; Canziani, 2014; Costa, 2001; Valenza, 2020) as it completely overturned the observation of transactions from a logical-technical point of view. The asset-liability system aimed to determine the company's assets and liabilities and, by extension, its income, seen in terms of a simple increase or decrease in the 'net worth' of a company. On the other hand, the revenue-expense system considered as its primary objective the quantification of the income for the year; the net worth would increase or decrease with respect to the beginning of the period, owing precisely to the income generated during the financial year. This change in interpretation gave rise to the need to assess the company's prospective earning capacity when drawing up the annual balance sheet.

This approach allowed Gino Zappa to consider a company's net worth in an economic sense as a single value resulting from the capitalisation of future income. Therefore, based on this conception, it was no longer possible to interpret net worth simplistically as the sum of the current values of the individual elements constituting it. Net worth had to be considered as a complex of interdependent factors interconnected and coordinated by combinatorial relations that also incorporated non-tangible values (Coronella, 2014).

Similarly, the growth in the complexity of companies stimulated the emergence of the subject called *Economia aziendale* – a multifaceted discipline (which 'merged' Accounting, Management, and Organisation studies together) capable of responding to the new and broader requirements of companies – which Gino Zappa himself devised in the same period (Zappa, 1927).

The new revenue-expense approach immediately led to determining the economic results of a business and minimised the transactions to be recorded, limiting them only to external ones, i.e., those that generated cash movements.[1] However, it took quite a long time – at least two decades – for the revenue-expense approach to become fully established (Coronella, 2013, 2015a). In small companies managed by the patron-entrepreneur or by members of the same family, there was no real need to drop the asset-liability approach. In larger companies, whilst the new conception presented the undoubted advantage of simplifying general accounting, by excluding the recording of all internal facts, which did not involve cash movements, it implied the need to follow (and assess) internal operations by means of *ad hoc* extra-accounting entries. With this system, companies could not help but implement a parallel system of cost accounting.

[1] Fabio Besta's accounting paradigm proposed that business operations should be observed and recorded as a function of the changes in the balance sheet items and the equity that summarises them. In essence, according to Besta it was necessary to record (and valuate) every change in balance sheet items, including 'internal' changes such as the transformation of raw materials into work in progress or finished products.

Evidence – albeit indirect – of the persistence of Besta's approach could also be found in the Civil Code (Art. 2423 et seq.), which regulated the preparation of the financial statements of limited companies. The original version from 1942 (i.e., twenty years after Fabio Besta's death and well after the publication of Gino Zappa's works), which introduced for the first time an analytical discipline on the subject, was deeply rooted in the asset-liability tradition so that the only format indicated as mandatory was that of the balance sheet. In 1974, the reform implemented by Law 216 introduced the *conto economico*, i.e., income statement, which, at the time, was still called by the old name *conto dei profitti e delle perdite* (i.e., profit and loss account) as an annex to the document called the 'Balance Sheet'. The income statement introduced with the Italian Civil Code of 1974, although it was still called *conto dei profitti e delle perdite*, was, in fact, a *conto economico* deeply rooted in a revenue-expense approach, given its structure based on 'expense, revenue and inventory'. In defining the structure and content of the income statement, the 1974 law took as its point of reference the revenue-expense balance sheet model envisaged for companies in the electricity sector by Law 191/1958. This model was later extended to corporations. Evidence of the academy's influence in guiding this reform is to be found in the fact that the sponsor of Bill 191/1958 was Tommaso Zerbi (https://legislature.camera.it/), an academic intellectual and a follower of Gino Zappa at Bocconi University.

Gino Zappa's revenue-expense approach became fully established thanks also to the contribution of other academics (intellectuals in a Gramscian view) and, in particular, his first-generation disciples, who improved the revenue-expense system. After Gino Zappa's proposal of the revenue-expense system (the so-called *sistema del reddito puro*), the revenue-expense view has become predominant to this day, also as a result of the variants proposed by his followers, such as Onida's *sistema del reddito purissimo* (1960, 1970), Amaduzzi's *sistema del capitale e del risultato economico* (1953), D'Ippolito's *sistema del reddito e del capitale* (1958), Ardemani's *sistema del valore aggiunto* (1974, 1986), and Caramiello's *sistema del reddito rettificato* (1987).

Ultimately, with the establishment of *redditualismo* in Italy, the revenue-expense system shifted its emphasis from static quantities (stocks) to dynamic quantities (flows), similar to what happened in the American context with the establishment of the revenue-expense view. The influence of *redditualismo* became progressively dominant in the doctrine thanks to the influence of Zappa and his disciples, and then in practice, and finally translated into actual law with the Civil Code of 1974, which provided for the presentation of the revenue-expense profit and loss account.

From this moment on, preference was given to the determination of income, i.e., the flow of wealth, rather than assets and liabilities, i.e., stocks. As can be understood, since its introduction, *redditualismo* is still a cornerstone of the Italian accounting approach, a 'world view' proposed by the science of *Economia aziendale*, which has, in fact, modified the 'common sense' (Gramsci, 1975) of other social strata, more accustomed to perceiving the prevalence of income over capital (regardless of technical accounting knowledge). In spite of international influences, to date, this paradigm remains unchallenged.

6.2. The relationship between the Italian accounting paradigm and neoliberalism

The revenue-expense view (*redditualismo*) implies the accounting system's need to observe the formation of income over time and, hence, of economic wealth in its long-term formation. According to the revenue-expense view, the accounting system's focus is, therefore, income, which represents the wealth produced by the company conceived as an economic institution intended to last over time for the satisfaction of human needs (Zappa, 1956); that is to say, as a productive combination at the service first and foremost of the community that potentially binds to itself the interests of a multitude of subjects, thus not only the entrepreneur and the holders of capital. In this sense, the revenue-expense view is inevitably connected to a holistic conception of the company, which finds its natural theoretical foundation in the entity theory (Braun, 2022) since the company remains the holder of its own interests, which do not necessarily coincide with those of its capitalist-entrepreneurs. In particular, the revenue-expense view that has become established in Italy does not focus on the value of specific assets and liabilities considered analytically but on the economic performance of the company as a whole, conceived of as an 'entity' (Braun, 2022). The economic performance of the company can be summarised in the measure of 'income', which is seen as the wealth that can be distributed in the medium to long term to the aforementioned capitalist-entrepreneur, but also, potentially, to other society components, especially when the revenue-expense system is of the 'value-added' type (Ardemani, 1974, 1986).

From an ideological point of view, the revenue-expense view privileges the interests of the capitalist-entrepreneur but considers also those of other stakeholders in the company's fortunes without, however, putting the interests of the 'financial' capitalist-speculator in the foreground. Thus, compared to the new American asset-liability view, the revenue-expense view is configured as an accounting paradigm that is less subordinated to the logic of the financial capitalists (even if it is still an internal logic of capitalism) since it takes more account of interests that are not exclusively those of investors and financial speculators. The revenue-expense view seems to imply ideological conceptions close to a capitalism that is more 'real' than 'financial', certainly fairer and more balanced, in which financial and speculative logics do not prevail. In this framework, in fact, the revenue-expense view prefers to adopt a conception of capital maintenance in the physical sense, which is certainly more in line with the idea that the withdrawal of wealth must not compromise the company's productive combination in the long run. In particular, this view tends to ideologically limit the extraction of wealth through short-term financial speculation. Moreover, the emphasis on prudence, historical cost, and conservatism (Braun, 2019) severely limits valuations that follow the logic of financial markets, i.e., 'current' valuations. These elements configure the Italian revenue-expense view as an accounting paradigm with characteristics that make it less subservient to the short-term speculative logic typical of financial markets and, therefore, less coherent and functional for neoliberal ideology and its agenda.

6.3. The role of intellectuals, academic societies, and accounting bodies in the diffusion of the Italian accounting paradigm

In Italy, Gino Zappa's introduction, in 1927, of the '*sistema del reddito – Economia aziendale*' combination was in open opposition to the previous asset-liability paradigm of Fabio Besta's School, which was instead based on the '*sistema patrimoniale – Ragioneria scientifica*' structure (Coronella et al., 2017). In particular, dynamics that contributed to making the revenue-expense paradigm dominant had manifested themselves. This dominance had its origins in the influence of academic intellectuals in favour of the revenue-expense view, who were able to consolidate their influence above all from a competitive point of view, conditioning a relevant part of Civil Society, represented by the universities, and consequently conditioning the education of future accounting professionals and company directors. In fact, in those years, competitive selection in the academic field had almost exclusively rewarded the direct or indirect followers of Gino Zappa. In this respect, Francesco Della Penna, one of the last advocates of the asset-liability view and a second-generation disciple of Fabio Besta, already pointed out in 1939 that the most recent hiring trends were proving to be extremely harmful as they could lead to the creation of "syndicates for the placement of affiliated members and syndicates for steering university competitive selections" (Della Penna, 1939, p. 182), effectively relegating the advocates of the asset-liability view to the role of traditional intellectuals. Indeed, it has been noted how recruitment has since contributed to rewarding those academics whose views were consistent with Zappa's revenue-expense approach (Antonelli, 2012). The aforementioned recruitment dynamic, by rewarding revenue-expense academics in the various universities, ended up making the revenue-expense 'intellectual class' dominant in the Italian academic landscape, and consequently, the revenue-expense paradigm itself became dominant over the asset-liability approach. In the 1950s, Italian academics were, in most cases, aligned to the Zappa school and thus to the revenue-expense approach.

In order to make the revenue-expense paradigm culturally dominant, the group of intellectuals who supported this view moved to promote an increasing number of technical and scientific writings in favour of this approach. In addition, the academic debate against the asset-liability approach intensified. From this point of view, there was a real struggle between intellectuals (not only academics but also accounting professionals). Reading the pages of the *Rivista Italiana di Ragioneria* (i.e., Italian Accounting Review), for example, one of the oldest journals in the field and one of the most involved in the debate between Besta's and Zappa's followers (asset-liability *vs.* revenue-expense), the progressive erosion of Besta's model and the consequent establishment of Zappa's approach clearly emerge. A few years after Besta's death, starting in October 1926, a doctrinal opposition began that continued in the *Rivista* until the 1960s, with numerous articles defending the asset-liability and revenue-expense positions (Coronella, 2013, 2015a). It is evident how, over time, there were more and more works in favour of Zappa's approach, with authors who had initially defended the asset-liability view switching to the revenue-expense approach. By the 1960s, it was clear that the doctrinal conflict between the two 'schools' had indeed come to an end, with the asset-liability view almost completely succumbing to the revenue-expense view (Coronella, 2013, 2015a).

In order to consolidate their intellectual dominance in the Italian context, the academic advocates of the revenue-expense view also moved to monopolise the direction of the *Rivista Italiana di Ragioneria*. In fact, in 1966, Aldo Amaduzzi, a disciple of Gino Zappa, took over as editor of the journal, succeeding Vincenzo Masi, the last direct disciple of Besta. As a result, from those years onwards, the articles published in the *Rivista* were almost exclusively authored by followers of Gino Zappa and his revenue-expense approach (Antinori, 2003). In this way, such intellectuals ended up monopolising the scientific debate in the most important Italian accounting journal of the time, making the revenue-expense view the dominant accounting paradigm. Significantly, in 1972, the journal changed its name from *Rivista Italiana di Ragioneria* (i.e., Italian Accounting Review) to *Rivista Italiana di Ragioneria e di Economia Aziendale* (i.e., Italian Review of Accounting and Economia Aziendale), demonstrating the total acceptance of the Zappa paradigm in the direction and content of the scientific debate within the journal.

In order to consolidate its dominant position, the intellectuals subscribing to the revenue-expense view also played a role in influencing and eventually monopolising the direction of the *Accademia Italiana di Ragioneria*, Italy's most important academic-professional accounting institution. Until the 1960s, the Accademia's governing councils were chaired by advocates of the asset-liability view, such as Vincenzo Masi and Ubaldo De Dominicis. From the 1970s onwards, the governing councils were composed entirely of academics who supported the revenue-expense view; an academic component that had now replaced the professional component. In 1970, Carlo Masini, a disciple of Gino Zappa and a follower of the revenue-expense paradigm, took over the presidency of the academy. From then on, the *Accademia* only had presidents with an academic background and, directly or indirectly, from Zappa's school (Coronella, 2015b). The seal of the revenue-expense orientation came in 1980 when the institution changed its name to *Accademia Italiana di Economia Aziendale* (AIDEA), which clearly indicates how the focus had broadened to the whole discipline of *Economia Aziendale* and thus to Gino Zappa's revenue-expense paradigm.

The dominant role played by the class of academic advocates of the revenue-expense view did not end with the above, as they also monopolised the strategic direction of accounting bodies. In Italy, when the *Commissione per la statuizione dei principi contabili italiani* (i.e., Commission for the Establishment of Italian Accounting Standards) of the *Consiglio Nazionale dei Dottori Commercialisti* (National Council of Chartered Accountants) and the *Consiglio dei Ragionieri* (National Council of Accountants and Bookkeepers) was set up and began to publish its first documents in 1975 (Document No. 1, *Bilancio d'esercizio, finalità e postulati*), it was composed of academics and professionals who supported the revenue-expense view. The academic component was made up of professors such as Vittorio Coda, Flavio Dezzani, Walter Di Meo, Gilberto Mazza, Margherita Poselli, Lucio Potito, Enrico Viganò, and Giovanni Cardillo, who were all strictly following the revenue-expense model. The professional component was made up of accountants coming exclusively from Italian universities, institutions of Civil Society now entirely converted to the revenue-expense accounting paradigm. In this way, the proponents of this approach also had the opportunity to influence the adoption process of national accounting standards, bringing them fully in line with the revenue-expense approach and giving further impetus to a 'common sense' in which the flow of wealth should be the focus of analysis with respect to the value of capital (Galassi, 1980).

In short, the academic intellectual Gino Zappa, thanks also to his numerous orthodox followers, ended up monopolising the intellectual context of the period and imposing his own vision in the academic sphere and, by extension, in the operational and corporate sphere, where the concept of 'all-round business economist' (Coda, 1985) was rapidly gaining ground. For the reasons already mentioned, the members of this intellectual class in Italy have not acted in such a way as to favour new concepts in the field of the asset-liability view, and in fact they openly opposed them. In this sense, they do not seem to have served the interests of financial capitalist and neoliberal classes. On the contrary, having long maintained their unifying paradigm in the revenue-expense view, they even managed to transfer it to positive legislation, conditioning the whole of Civil Society and the basic economic infrastructure and permeating society with a ‘common sense’ that was less functional to the interests of the elites led first by liberal and then neoliberal thought. This class, therefore, also conditioned Political Society, which had no choice but to elaborate norms consistent with the revenue-expense paradigm, as happened, for example, with the introduction of a profit and loss account consistent with the revenue-expense view in the Civil Code of 1974, or with the influence of Tommaso Zerbi in guiding the accounting reform of 1958. These facts provide clear evidence of how Italian academic intellectuals promoted the revenue-expense view and even managed to steer the legal reforms in accounting.

It was only when, under the impetus of European integration, the reform of corporate financial statements was implemented in Italy with Legislative Decree 127/91 that an asset-liability ‘form’ was achieved (the configuration of the income statement is, in fact, a direct descendant of Schmalenbach’s *Dynamische Bilanz* and of its Italian version, i.e., De Dominicis’ *sistema patrimoniale corrente*, not widely adopted in the national context), albeit with a ‘substance’ still firmly anchored in the canons of the revenue-expense approach, such as prudence, historical cost, and capitalisation of costs. Only the winds of globalisation, as an ‘external constraint’, have finally posed an epochal challenge to this component of cultural hegemony, which undoubtedly constitutes a factor in the containment of the power of capitalists in general and financial capitalists in particular. Nevertheless, this happened in relatively recent times and is therefore outside the temporal scope of this research. In fact, neoliberalism arrived in Italy quite late and was driven by external factors such as EU constraints and market globalisation. In this era, however, these factors are too weak to challenge the revenue-expense approach, which has become strongly entrenched and deeply rooted, and thus managed to survive almost until today, despite what has been happening outside Italian national borders.

7. Accounting Paradigms, Intellectuals, and Civil/Political Society: A comparative analysis of the United States and Italy

The previous sections have presented the main evolutionary dynamics of the two accounting paradigms, the asset-liability view and the revenue-expense view. The American and Italian accounting paradigms experienced a certain convergence, at an early stage, which had its origin in a classical asset-liability view (Costa, 2020). In particular, in the Italian context, the accounting approach was centred on the *sistema patrimoniale* (Besta, 1891), while in the American context, it was centred on the asset-liability view (Sprague, 1908). In a second phase, the two accounting cultures shifted towards a common revenue-expense approach with the affirmation in Italy of the *sistema del reddito* (Zappa, 1927, 1956), and the revenue-expense view in the United States (Paton & Littleton, 1940). The Italian and American accounting paradigms, which until then had been converging, began to diverge from the 1960s onwards: the United States moved towards a new asset-liability system with a financial connotation, while Italy essentially maintained the revenue-expense view (Figs. 1 and 2 allow a comparison of the evolution of accounting paradigms in the United States and Italy).

A possible explanation for these different lines of development, as has emerged from the previous reflections, is to be found in the different composition and evolution of the superstructural forces (Gramsci, 1975) arising in the two economic, cultural, and social contexts.

First of all, despite the undeniable technical aspects of the different accounting approaches, it becomes clear how these approaches imply different ‘world views’ (according to Gramsci’s perspective) of economic activity, which are only partially overlapping and, therefore, not equally functional for the neoliberal ideology. The revenue-expense view represents an accounting paradigm less compatible with neoliberalism and more compatible with ‘real economy’ capitalism, i.e., more traditional and less bound by financial logics. Principles such as historical cost, prudent and conservative valuations, and the concept of capital maintenance in the physical sense make this paradigm less consistent with the free-market logic typical of financial markets. According to this approach, the company is a system given by the ‘combination’ of its constituent elements, in which these elements have a value that depends on their contextualisation in the business combination (entity-specific). Hence, there is a preference for historical cost valuations, which are more conservative and prudent and, by their nature, limit the ‘market’ valuation of individual elements of the company. For these

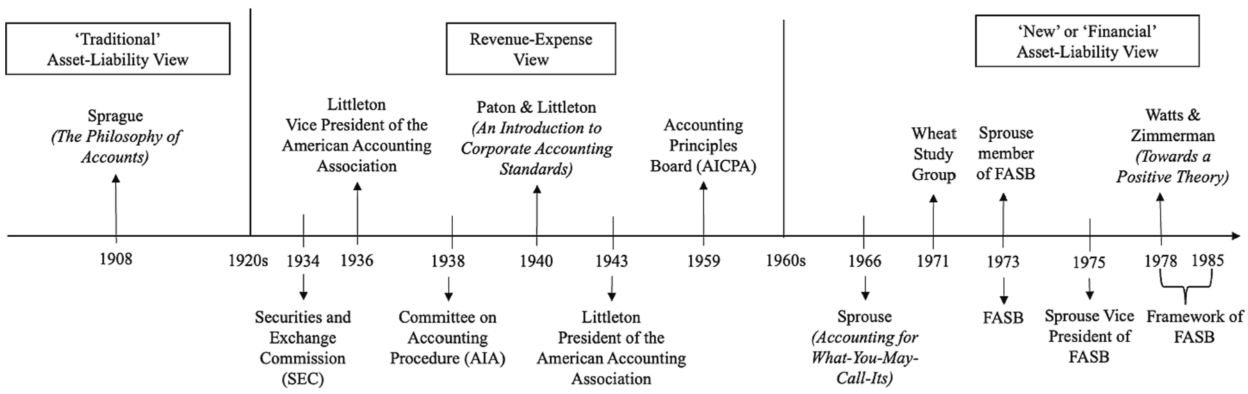

Fig. 1. Accounting paradigm, intellectuals, and Civil/Political society organisations in the United States.

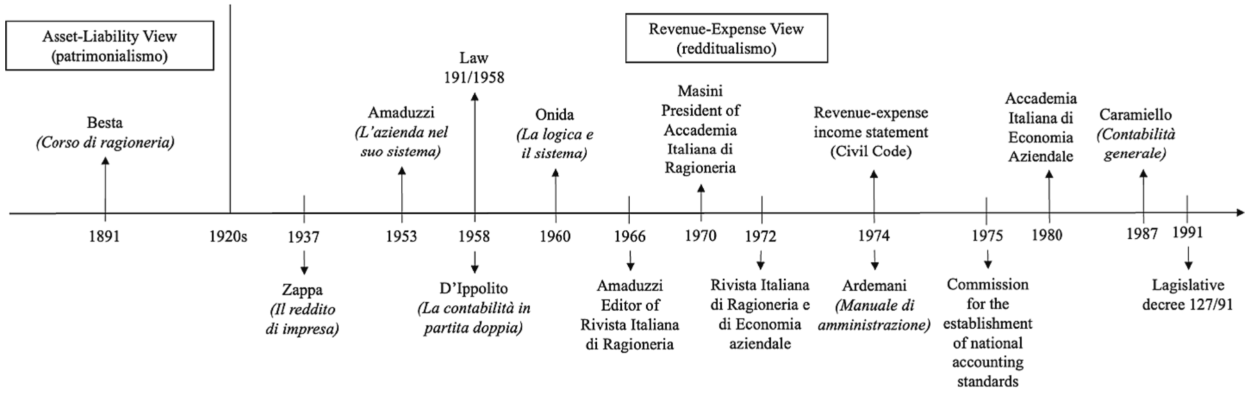

Fig. 2. Accounting paradigm, intellectuals, and Civil/Political society organisations in Italy.

reasons, it can be said that the revenue-expense view implies a 'world view' that is less in line with neoliberal ideology. Considering a company as an economic institution intended to last for a long time in order to satisfy human needs (Zappa, 1956) implies an accounting paradigm that also takes into account the demands of the various social partners involved in the long-term destiny of the enterprise, thus not considering it as a mere 'investment' whose aim is short-term cash flow for the benefit of investors alone.

The asset-liability view, on the other hand, especially in the version established since the 1960s, seems to be more in line with the neoliberal and financial logic. The cornerstones of the new financial asset-liability view are current value and fair value; therefore, valuations are more speculative. Moreover, the concept of capital maintenance in the financial sense prevails over the physical. This 'world view' sees the company not as a *system of* interrelated elements but rather as a *set of* disjointed elements and, therefore, susceptible to a proper valuation (not entity-specific). In this sense, according to the new financial asset-liability view, the company is nothing more – from a speculative point of view – than an 'investment portfolio', and consequently, the accounting paradigm sees investors as the privileged recipients of accounting information, interested only in the cash flow that can be 'extracted' from it in the short-term. The interests of other stakeholders – workers, communities, subordinate classes – are neglected because they are not aligned with the aims of financial speculators.

Using Gramsci's conceptual categories, the role of academic and/or professional accounting intellectuals becomes clear. The spread of the two accounting paradigms came about because of the role they played in Civil and Political Society, in facilitating or not facilitating the spread of the two accounting paradigms. The hegemonic function of financial capitalists was thus facilitated, on the one hand, in the United States by intellectuals who became organic to the ruling class, such as Sprouse (1966), who played a decisive role not only at a conceptual level, initially in the academy, but also in practice within the FASB. In Italy, on the other hand, capitalist 'common sense' did not find fertile ideological ground among academic experts, who were totally committed to the revenue-expense view, and among accountants, who studied in Italian universities largely influenced by the revenue-expense paradigm.

A decisive role in this dynamic was therefore played by the accounting bodies of the Civil Society in which these intellectuals operated. The American Accounting Association, the Securities and Exchange Commission, the American Institute of Certified Public Accountants, the *Accademia Italiana di Economia Aziendale*, and the various universities and business schools were the ideological structures within which the world views of economic activity, proposed by various groups of intellectuals, spread and, in some cases, as in the US context, contributed to the construction of a 'common sense' closer to liberalism and financial market logics.

In the American context, there is a return to the asset-liability view, which, according to our interpretation, goes hand in hand with the strengthening of the neoliberal ideology and the hegemony of financial capitalists. In fact, neoliberalism began to spread from the 1950s onwards but took hold mainly from the 1970s, promoting political-economic ideas that sought to liberalise markets, reduce state intervention in the economy, and promote free trade. Within this framework, intellectuals and accounting bodies played a role, consciously or unconsciously, in promoting an accounting paradigm in line with the characteristics of neoliberalism, that of the new financial asset-liability view. In fact, intellectuals such as Sprouse or Watts and Zimmerman contributed to changing the accounting culture, which was then transmitted to the accounting and regulatory bodies, which then 'crystallised' the new asset-liability view from a standardisation and regulatory perspective.

In Italy, on the other hand, there was a gradual strengthening of a 'class' of intellectuals who never really became organic to financial capitalists. They gradually took control of the *Accademia Italiana di Ragioneria*, which later became the *Accademia Italiana di Economia Aziendale*, effectively relegating the asset-liability system to the past and paving the way for subsequent legal reforms aligned with the revenue-expense view (Coronella & Sargiacomo, 2023). The revenue-expense paradigm seems more balanced and implies a more holistic and multi-stakeholder conception of the company than the reductionist one, which is more in line with financial capitalism. Indeed, the emphasis on the long-term economic combination seems to be a conception that is at odds with that of institutional investors and stock market speculators.

The advocates of the revenue-expense view in the United States were relegated to the role of traditional intellectuals. This was also possible because, in the United States, the power to control the accounting bodies of Civil Society was assumed by intellectuals who had become 'agents' (Arnold & Cooper, 1999) of the new elites, as well as by consulting firms. In contrast, in Italy, they were progressively controlled by the Academy, which had not assumed the same role.

8. Discussion and conclusions

The contribution of this study is twofold. First of all, the paper joins the debate concerning the relationship between accounting and neoliberalism (Zhang et al., 2012; Zhang & Andrew, 2014) and provides a critical historical interpretation of how a different conception in accounting paradigms may have contributed to the spread and consolidation of neoliberal ideology. This objective has been achieved by comparing the accounting paradigms that have spread in two very different countries, chosen precisely because of their contrasting development. Although there have been some attempts to compare Italian and American accounting in the past (e.g., Alexander & Servalli, 2011; Viganò & Mattessich, 2007), no study to date has proposed a systematic comparison developed from an evolutionary perspective of the accounting systems of these two countries and their greater or lesser support for neoliberal ideology. The analysis was carried out using Gramsci's (1975) conceptual categories, specifically those of intellectuals, ideology, Civil Society, and Political Society (Integral State). Through this interpretive lens, this study provides a possible interpretation of the historical reasons why accounting has contributed to the hegemony of capitalists and the neoliberal agenda, deepening what previous literature has provided (e.g., Chiapello, 2017; Cooper, 1995; Spence, 2009). As argued above, this historical-interpretive analysis shows that the characteristics of the new financial asset-liability view configure it as functional to the speculative and short-term logic of financial capitalism and financial markets and, thus, ultimately more compatible with neoliberal ideology. On the other hand, the revenue-expense view is an accounting paradigm that is more in line with a 'real' economy capitalism, in which there is no predominance of financial or speculative logics, and therefore presents characteristics that are less in line with neoliberal ideology.

With regard to accounting aspects, Zhang et al. (2012) have already observed how the adoption of fair value accounting implies an adherence to the ideals of neoliberalism. Zhang and Andrew (2014) also focused on the influence of the characteristics of the FASB's Conceptual Framework on the spread of neoliberalism and the process of financialisation of economies. This research broadens the perspective of analysis by focusing not on specific and limited characteristics of accounting but on whole accounting paradigms, such as the asset-liability view and the revenue-expense view, which can be interpreted as competing 'world views' of economic activity.

A further contribution of this research is that it highlights the specific role that intellectuals have played in Civil and Political societies, guiding different approaches to accounting and potentially supporting, even unconsciously, neoliberal ideology. In this context, there have already been studies that have focused on the role of professional accountants in serving capitalists and the neoliberal agenda (e.g., Arnold & Cooper, 1999; Goddard, 2002). In comparison to these studies, this research broadens the focus on the role of intellectuals in Civil and Political Society bodies, thereby broadening the perspective of those involved in promoting accounting paradigms that are more (or less) in line with financial capitalism and neoliberalism. More precisely, in Italy, academics since Zappa have constituted a group of intellectuals who, consciously or unconsciously, have held back the accounting paradigm that was most consistent with financial capitalism and neoliberalism, monopolising academic societies and university competition procedures at the intellectual level (Antonelli et al., 2020; Lai et al., 2015), as well as accounting bodies. In the United States, on the other hand, Sprouse (1966) was not only the founder of a group of intellectuals whose conceptual approach facilitated the emergence of a new 'common sense' that was favourable to the financial capitalist elite but also actively collaborated in the creation and operation of the FASB, the current leading accounting body in US Civil Society, whose activities are certainly consistent with neoliberal thinking.

This raises the question of the involvement of accounting academics in public debates and decision-making, as already expressed, for example, by Spence (2009) and Gilbert and Everett (2023). Academics who adhere to the critical accounting research perspective should seek to be more involved as advisors in the decisions of policymakers and regulators in order to help shape accounting reforms that are more open to the revenue-expense view, or at least less orthodox, and thus more economically and socially aware and balanced. This implies that academics should recognise their potential role as organic intellectuals of the weaker social groups to contribute to the liberating potential of accounting (Spence, 2009) and propose accounting paradigms that are consistent with a more benevolent form of capitalism. They should encourage the transition to a more general paradigm that favours, where necessary, a shift to a revenue-expense approach to the detriment of a financially oriented asset-liability approach, especially when broader interests than those of the investor/speculator alone are at stake. This openness to the revenue-expense view, or the new revenue-expense view for the inevitable adjustments, could be an active tool to challenge the neoliberal ideology that prevails today. Indeed, according to Haines-Doran (2022), the role of organic intellectuals should be to propagate 'common sense'. In particular, as academics, we should play an organic role towards subordinate social groups by defending and propagating accounting theories that are less in line with financial capitalism and neoliberalism. In this sense, the academic accountant supporting the revenue-expense view could be the organic intellectual who seems best suited to interpret the different needs that converge in the common interest of the company, being an economic combination capable of generating income in the long run for the benefit of all social components. On the other hand, the proponents of the new asset-liability approach seem to have relegated themselves to the role of 'agents' (Arnold & Cooper, 1999) of the hegemonic class, specialists at the service of capitalist investor groups, completely indifferent to the fate of the individual company and those with vital interests linked to it, such as workers or, to a lesser extent, consumers.

This study has a number of implications, particularly for policymakers and regulators. First of all, when formulating their accounting decisions (rules, accounting standards, primary users, accounting systems, etc.), policymakers and regulators in a given national context should consider the fact that the new asset-liability view is consistent with the hegemony of finance capitalists and the implementation of the neoliberal agenda. Therefore, when possible and appropriate, they should promote the revenue-expense view as being more consistent with the ideology of real-economy capitalism, which can potentially benefit a wide range of stakeholders. More specifically, policymakers and regulators should promote reforms to revise accounting standards and the adoption of revenue-expense accounting models, with the aim of imposing a fair and solidarity-based accounting paradigm that considers the plurality of stakeholders and, above all, the interests of the subordinated classes, thus limiting new asset-liability models linked to a business model whose nature is exclusively speculative.

There are also some managerial implications. Managers should think more about the implications of their organisation's accounting decisions. The revenue-expense view is more consistent with real-economy capitalism and takes more account of the different interests at stake. For this reason, at least for internal purposes, managers and accountants should design accounting and reporting systems with a revenue-expense perspective that takes into account the long-term economic benefits generated for all stakeholders and not just the short-term financial results generated for the benefit of investors and speculators.

This work has limitations that characterise interpretivist research in general. Indeed, this study focuses on the interpretation and understanding of not only accounting but also economic, social, and political phenomena. An inevitable result is that the conclusions can only be partially generalised. Since results and reflections have been developed based on the interpretation of facts inherent to specific contexts, such as Italy and the United States, they may not be extended to other contexts, which should be studied in order to better understand the role that accounting can play in the mobilisation of certain ideologies (Bigoni, 2021; Zhang et al., 2012). Besides, interpretivist research implies an active role for researchers in interpreting facts and findings; a role that may lead to interpretive errors. Therefore, a potential limitation is that the interpretive process may be influenced by the researcher's subjective perspectives and assumptions.

Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Data availability

No data was used for the research described in the article.

Appendix A. Supplementary material

Supplementary data to this article can be found online at https://doi.org/10.1016/j.cpa.2024.102728.

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