

D P Wickramasinghe

*Dept of Business Administration, University of Ruhuna, Matara*

Although accounting has become embedded in so many areas of social and economic life, researchers have neglected the interrelations between accounting and development policies in developing countries. This paper analyses *how* accounting is embedded in the Sri Lankan context. By illustrating particular rationales of accounting controls, it also analyses *why* those controls persist in this contest.

Accounting controls are theorised as to how accounting is integral to the articulation of non-capitalist with capitalist modes of production. Qualitative data collected from two comparable holistic cases link the country's history of industrial development to privatisation issues, including associated transformations in accounting controls. A comparative analysis is also pursued through certain benchmarks identified from a dialectic approach to accounting, organisations, and social systems.

It is found that, in public mode of accounting, the powerful segments maintain their power relations as the relations between king and his people, while, at factory level, engineering rationalities are being attempted. In private mode of accounting, the articulation of cultural beliefs, which is stemmed from non-capitalist modes of production, is dominant. Although engineering rationalities have made to become salient, the attempt does not seem sensible since the articulation of non-capitalist concerns is always dominant in both modes of accounting control systems, resulting in difficulties in gaining better performance and development.

This concludes that the Articulation of the Modes of Production Theory has potential in analysing development accounting phenomena and that a worker-oriented accounting system, which empowers employees through a bottom-up approach to decision-making, is sensible.