The "Triple Depreciation Line" against the "Triple Bottom Line": towards a genuine integrated reporting

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Abstract

The **goal of this presentation** is to **analyse the concept of "Triple Bottom Line" (TBL)**, from a critical perspective, and to **give an alternative** with another concept based on another theory: the "**Triple Depreciation Line**" (TDL).

Indeed, since "Cannibals With Forks" (Elkington, J. 1997. Oxford: Capstone), TBL has gained a tremendous notoriety. Nevertheless, the production of critical analysis of TBL has remained very scarce. Moreover, to our knowledge, **no one of the critics propose an alternative to TBL**.

So, the **first part** of the talk will be dedicated to a critical analysis of TBL. We will firstly show that there are two main different ways of comprehending TBL, based respectively on the concepts of "**effectiveness**" and "**efficiency**". Then, from four major critical comments on this method, those of:

- Bebbington, J., Gray, R., Hibbitt, C., & Kirk, E. 2001. Full cost accounting: An agenda for action. ***ACCA research report***, 174.
- Gray, R., & Milne, M. 2004. Towards reporting on the Triple Bottom Line: Mirages,Methods and Myths. In A. Henriques & J. Richardson (Eds.), ***The Triple Bottom Line : Does It All Add Up?*** 70–80. Earthscan Ltd.
- Norman, W., & MacDonald, C. 2004. Getting to the bottom of "Triple Bottom Line". ***Business Ethics Quarterly***, 14: 243–262.
- Robins, F. 2006. The challenge of TBL: a responsibility to whom? ***Business and Society Review***, 111: 1–14.

we will notably suggest that **TBL is not a novelty** and emphasise that **the financial capital is the only one systematically protected under TBL.**

However, **why not take seriously the existence of different types of capital** and **apply to**

all of them the same instruments of protection as used in the case of the financial capital? This will lead us to promote TDL instead of TBL as an effective instrument for solving the urgent problems of today's capitalism. In short, take one of the most famous weapons of capitalist accounting, the **planned depreciation**, and turn it on financial capitalists.

Thus, in a **second part**, from a short analysis of depreciation in accounting, we will show how it can be used for other types of capitals, notably the Human and Environmental Capitals (HEC).

This approach, TDL, is based on several assumptions:

(1) firms have an obligation to protect some particular HEC that they use;
(2) the use of these HEC implies a *systematic* degradation of them;
(3) these HEC are not *a priori* substitutable to financial capitals: the level of their protection has to be *regularly* and *collectively* determined by their representatives, like scientists, NGOS, public organisms, etc... and firms;
(4) an integrated reporting, based on a common unit, money, is needed to allow all actors to communicate.

(1) and (2) firstly involve the **creation of liabilities**, related to the protection of the concerned HEC and of **two corresponding assets** (the use of these HEC). The systematic degradation of the HEC will be registered as **depreciations of these assets**.

We will clearly present the mechanism of the TDL and discuss several consequences of this approach. In particular, the costs incurred to concretely protect the HEC become a type of **investments**. Moreover, as TDL concerns the balance sheet and the income statement, the focus is **not only on flows** but also **on the capitals** at stake and their relative description.

In the **last part**, we will compare TDL with TBL and similar methods. We will replace TBL and TDL in the framework of a new emerging concept: the **integrated reporting**. We will argue that TBL and "integrated reporting" are basically similar things and that the TDL is the only serious mean to achieve a genuine integrated reporting.

(600 words)