

Reflections on Current Brazilian Accounting Research

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Abstract

Objective: This text argues that Brazilian accounting research has shifted from the extreme normativism of the past to the extreme positivism that characterizes the present. Propositional studies have virtually disappeared, and research now focuses almost exclusively on testing what already exists, with little or no creation directed toward the standardization of corporate accounting. This raises a fundamental question: Who, exactly, is creating? What we observe is that regulatory bodies—not academia—have become the main agents of accounting innovation. Even more concerning is the growing volume of positivist studies and publications that add little value to accounting theory and practice. In this context, it is essential to bring both approaches together, establishing a virtuous circle: create to discuss, test (normativism), practice, test again, refine (positivism), debate, and create again—completing the cycle. Finally, the text also calls for great caution regarding the specialization driven by taxonomy, which often leads us to lose sight of the broader picture.

1) Attention!!!

I received the honorable invitation to write this editorial from the editor-in-chief. Poor him—and poor readers. Perhaps still holding onto an old student habit, he dared to give me the freedom to write as I wished, without necessarily adhering to the formalities of academic writing. He forgot that he has already surpassed the master, but I intend to take full advantage of the occasion.

I will speak freely, grounded in reflections from the past, observing the present, and attempting to contribute to the direction of the future regarding certain aspects of accounting research—as if I actually had the competence to do so. Still, dreaming is always worthwhile, even for an octogenarian. Sharing these dreams may not be particularly useful, but let us see.

Please excuse the limited concern with citations—most of them widely known—as well as with any other formalities. Let us talk.

2) Introduction – normativism among us and the turn towards positivism

Born and raised professionally at the School of Economics, Business and Accounting of the University of São Paulo (FEA/USP), I initially held the view—even during my doctoral studies (1973)—that research in Accounting consisted of gathering the existing bibliography on a given topic, analyzing what others had already written about it, criticizing everything that had been presented, and, for it to become a dissertation, creating something new. Adding concepts, ideas, propositions—in short, creating. In the Brazilian academic system, a master's thesis does not necessarily require original creation, but a doctoral dissertation does. Writing a thesis on something was one thing; writing a dissertation was quite another.

Such were the doctoral dissertation and habilitation thesis of my advisor, Professor Sérgio de Iudícibus (1966 and 1968), as well as that of Professor Alkindar de Toledo Ramos (1968), also brilliant. And so were all the others that preceded mine. This pattern persisted for a long time.

Therefore, our dissertations were essentially normative and conceptual, yet still propositional. At times, they were supported by empirical surveys, though usually with only simple statistical analyses. To the best of my knowledge, it was only in 1976 that my colleague, Professor Stephen Kanitz, presented his dissertation—which resulted in the then-famous Kanitz Thermometer—employing a truly econometric method and marking what became the first positivist work in Accounting in Brazil. It was only much later, in 1988, that the second study in this exploratory direction appeared, authored by our colleague, Professor José Rafael Guagliardi.

Finally, in 1996, Professor Iudícibus introduced the Advanced Accounting Theory course in the graduate program at FEA/USP, and “Contabilometrics” began to take shape more formally and with greater momentum.

We used to base our work on European and American academic studies, all of which were also normative. But the Americans—mainly, as far as I know—initiated a significant shift and were the first to apply econometric techniques to accounting research. Although concerns about the “scientific method in accounting” had appeared in the literature in the 1940s and 1950s, it was only from 1968 onward that Ray Ball, Philip Brown, and Beaver (according to most authors) implemented this positivist approach in the United States and, from there, spread it throughout the world. Less than ten years later, we already had Professor Kanitz, who earned his master's degree at Harvard, bringing the methodology to the forefront.

But, overall, we took far too long to wake up. In fact, nearly three decades passed after the American pioneers before Professor Iudícibus triggered a major turning point in Brazil.

a) The first revolution of Professor Sérgio de Iudícibus – in teaching

(Opening a parenthesis: Professor Iudícibus had already sparked, in the 1960s, a significant revolution in the teaching of Accounting in Brazil by applying the American pedagogical model introduced by the late Professor Alkindar de Toledo Ramos.) Although Italian by birth and influenced by Professor José da Costa Boucinhas (a Cost accounting professor—imagine that!), Professor Iudícibus assumed leadership of this new methodology and this new way of understanding Accounting, establishing FEA/USP as the Brazilian leader on this path.

They implemented the Anglo-Saxon perspective at FEA/USP in 1964, following the retirement of the professor who had remained entirely focused on business administration. Professor Alkindar, then the most senior assistant, took over the chair and initiated this transformation. In 1966, with Professor Iudícibus completing his doctorate, he assumed the leadership that resonated so strongly throughout the country—especially with the enactment of Law No. 6,404 of 1976, on Corporations—which, under the guidance of then-Minister Mário Henrique Simonsen, brought this Anglo-Saxon perspective into practical application for us. And, as everyone knows and I never tire of repeating—in 1977, Fipecafi was commissioned by the newly created Securities and Exchange Commission of Brazil (December 1976) to teach this accounting approach in Brazil, because it was the only school that followed this perspective and could teach the “new accounting” established by the legislation. Thus, the *Accounting Manual for Corporations* was born.

The expansion of this movement to other Brazilian schools, to professional organizations, and to continuing education programs was strongly influenced by the first accounting books produced in this vein (Introductory Accounting, Intermediate Accounting, Cost Accounting, etc.), and it gained remarkable momentum with the publication of the Manual. The great leader, I repeat, was Professor Sérgio de Iudícibus, who also guided us in the realm of academic research, then predominantly normative in nature.

b) The second revolution of Professor Sérgio de Iudícibus – in research

Professor Iudícibus, nearly 20 years after U.S. leaders had introduced positivist research into the academic accounting world, spearheaded a new shift in Brazilian accounting—this time in research within our field. As I mentioned earlier, in 1996 (if I am correct), Professor Iudícibus created the Advanced Accounting Theory course in the graduate program at FEA/USP and effectively initiated the implementation of “Contabilometrics,” now developed in a more formal and forceful manner. And this approach spread throughout our Brazilian graduate programs in a firm and remarkably rapid way.

In practice, it spread across all research campuses, just as it had in his country of origin—and, indeed, very intensely throughout Europe as well. And, in this process, it became the only methodology accepted in certain institutions and by many advisors and referees. With the due and honorable exceptions, of course, which could be counted on the fingers of one hand.

And today, despite so many efforts by editors and editorial boards, we rarely see work in the “old,” normative style. I have taken part in initiatives of this kind, but it seems that those who once worked in that manner eventually gave up after encountering many closed doors. Perhaps they no longer believe even in the ones that are said to be open. And it appears that today’s newcomers have no idea what happened back then and probably do not even understand our old dissertations. Moreover, reviewers tend to reject work that is not grounded in statistical techniques.

Readers, you may sense a certain air of nostalgia in my words, but do not mistake that for opposition to quantitative approaches or to positivism in our field. Quite the contrary. I regret that we did not—and I personally regret this deeply—begin this movement earlier; we lost decades. We expended enormous energy that could undoubtedly have been put to better use.

But if we erred in the past by spending too much time exclusively on normativism, I believe we are now making another serious mistake by idolizing positivism and abandoning theoretical research. You may say: *we have heard this before*. Yet I return to the same point because I see very little progress.

3) Today's exaggerated positivism and its consequences

And what do I mean by evolution? After all, Accounting is certainly not part of the natural sciences, where **things simply are** and **researchers merely uncover what already exists**. Nor does it belong to the exact or formal sciences—far from it. If we classify it as a soft science, it is an applied social science. Incidentally, out of curiosity, I asked ChatGPT whether Accounting is a science, and here is the answer I received right away (we all know it takes plenty of trial and error to get the AI to improve its responses—when it manages to get them right):

Accounting is recognized—by virtually all modern doctrine—as an applied social science.

This means that it:

- **has its own object: the assets of entities** (or, in modern terms, wealth and its variations);
- **has a scientific method:** observation, recording, measurement, analysis, interpretation, and communication of the reality of assets;
- **has a purpose:** to provide **useful information for decision-making** and the control of wealth;
- **and possesses principles and theories** that can be tested, revised, and improved.

Classical and modern authors confirm this:

“Accounting is an applied social science that studies, interprets, and controls the assets of entities.” (translated from Portuguese)

— **Sérgio de Iudicibus**, *“Teoria da Contabilidade”*, 2023.

“Accounting is a social science because it studies human phenomena related to assets.” (translated from Portuguese)

— **Eliseu Martins**, 1972, *“Introdução à Teoria da Contabilidade.”*

(original emphasis)

Interesting, isn't it? Even I am quoted! (I got excited—sorry, I couldn't resist.) But notice how the AI has also fully absorbed positivism. To say that Accounting has its own object is correct. That it has a purpose is also correct. But to claim that it has a scientific method based on the observation, recording, measurement, analysis, interpretation, and communication of patrimonial reality is to restrict it solely and exclusively to positivist research. And it contradicts itself when it then states that Accounting has principles and theories. The contradiction does not lie in what the AI adds—that principles and theories can be tested, revised, and improved. Incidentally, that statement is also positivist.

However, this is contradictory because, by stating that Accounting has principles and theories, it gives the impression that these principles and theories are already fully established, leaving the researcher merely to test, evaluate, verify, and report.

Now I ask: has everything that could be conceptually developed in Accounting already been developed? Have all possible alternatives been sufficiently studied and are they now only waiting to be chosen, standardized, and applied—only so that we may later conduct academic research on the effectiveness, usefulness, and other characteristics of the standards implemented? Is there truly nothing left to create in Accounting Theory? Are there no alternatives beyond those that already exist? The text speaks of improvement—correct. But I am deeply concerned with CREATION, with the evolution of Accounting Theory. After all, who is responsible for this fundamental stage of evolution? Or has Accounting already evolved enough? Of course not. And I state this with complete conviction: it has NOT.

Shouldn't many researchers be working along these lines—critically analyzing what already exists, proposing alternatives, creating concepts, and suggesting new practices? Shouldn't part of this group be devoted to the art and science of thinking freely—having ideas, building their foundations, putting them up for discussion, and promoting workshops and conceptual academic seminars? And, very importantly, shouldn't many researchers discuss these ideas with practitioners and users of accounting information (managers, creditors, regulators, investors, tax authorities)? Shouldn't they then promote field tests to gain a more practical perspective and produce analyses of their effects, processing costs, and assessments of their usefulness?

None of this is seen in academic accounting research today—or it is seen only in very rare exceptions. Does this mean that in the past there was more conceptual evolution in accounting than there is today, simply because it was permitted, accepted, and even encouraged in the academic world? So, has accounting theory stopped in time?

4) Going back a little to the past

a) First example

To avoid dwelling only on ideas, let us look at some facts. In Europe, in the early years, the rampant proliferation of different currencies before the creation of the Euro led to the development of techniques for converting accounting statements from one currency to another. As U.S. multinational corporations began to expand, this technology naturally crossed the ocean.

And when inflation rates drifted away from normal levels at various points in the previous century, techniques for mitigating the effects of this phenomenon on accounting statements were developed, both in practice and in academia. Initially, this was done almost exclusively in the balance sheet, with adjustments for long-term non-monetary assets (fixed assets, intangible assets, certain inventories, etc.), and only later in the income statement.

The Americans (as far as I know) took a major step when academic researchers used the already widespread practice of converting financial statements from one currency to another (e.g., from pounds to dollars) to convert historical dollar values into inflation-adjusted dollars. This gave rise to price-level accounting, which was even required—by order of the Financial Accounting Standards Board (FASB)—for large publicly traded companies in the United States to present, in explanatory notes, balance sheets and income statements based on this methodology as supplementary information to the financial statements prepared in nominal dollars. (Imagine the inflation at the time for them to accept this; when inflation decreased, the requirement became optional and was later eliminated—but inflation did not disappear!) Later, this model became mandatory practice under the International Accounting Standards Board (IASB)—and, for a time, also under the FASB, although that has since changed—to create the standard for hyperinflationary countries (I said “hyper”), CPC 42 (IAS 29). It all began with researchers who wrote about the damaging effects of inflation on wealth and profit, developed the modeling, conducted the testing, and ultimately enabled standardization.

English researchers and writers, after World War II, also facing very high inflation, simplified the way of incorporating the effects of inflation into equity and profit, creating a more straightforward model for reflecting inflation in the balance sheet and income statement (much simpler, though with less informational capacity). This model was brought to Brazil by Manoel Ribeiro da Cruz Filho, an accountant trained in the English school, who was a member of the team that drafted the bill that became Law No. 6,404 of 1976, which implemented this model in the country.

In this model, fixed assets and equity were adjusted, and the difference between them affected the result (“Brazilian corporate law model”). The English did not apply this model, as the inflation resulting from World War II was brought under control earlier. The major practical application occurred in Brazil, where many researchers produced studies on its effects. I myself obtained my habilitation through a theoretical study that demonstrated the profound connection between the American and English models, explained the so-called Monetary Correction account of the Brazilian balance sheet, and revealed its true nature—gains and losses on monetary items, which had nothing to do with fixed assets or equity, despite the accounting entries arising from these two elements.

In other words, work that moved from theory to practice—and from practice back to theory. By the way, who brought price-level accounting to Brazil? Professor Iudícibus, in his 1966 doctoral dissertation!

We continued to develop this price-level accounting model conceptually within academia, eventually arriving at what came to be known as the *Correção Integral de Balanços* (Full Balance Sheet Adjustment). I was fortunate to work extensively in this area and, in 1985—with inflation soaring again and taking advantage of my position on the board of the Brazilian Securities and Exchange Commission—we implemented Full Adjustment in Brazil. This helped managers, external users, and tax authorities better track companies’ assets and their changes. The model was applied at the UN and in several other countries and was, unfortunately, discontinued as a mandatory practice in Brazil in 1995.

Subsequently, the Full Adjustment method was developed at FEA and, after extensive theoretical discussion, was implemented in several companies—initially in two that, curiously, no longer exist: Telepar and Vasp, and later at Companhia Vale do Rio Doce (now Vale). Soon afterward, it was standardized under CVM Instruction 64/67. In other words, practical tests facilitated its rapid implementation. And once again, accounting became capable of providing useful information even with inflation rates in the hundreds of percent per year, with far larger volume and utility than what the earlier American and English models had offered.

Moreover, this is a far more in-depth model than the one currently required by the IASB for countries with hyperinflationary economies. And it encompasses the entire process: identifying practical problems, developing new theories and models, testing them, and applying them in practice.

b) Another two examples

Far back—about a century and a quarter ago—the discussion on the effects of price variations on financial statements led, at the turn of the 19th to the 20th century, to a major academic controversy in Europe. The debate centered on whether to use a monetary correction methodology based on general consumer price indices (genuine inflation), within the Monetary Capital Maintenance Theory, or to apply the “simple” substitution of the historical cost of non-monetary assets with their respective current values (Physical Capital Maintenance Theory). Even IAS 1 and CPC 00 in Brazil mention this old dichotomy. Yet, despite that, few people today understand the subject well.

While researching the theory, Professor Iudícibus introduced price-level accounting to Brazilian academia in his doctoral dissertation. Two years later, he presented the theory of replacement costs in his habilitation thesis. From the dissemination of this theory (profit is what the selling price yields above the **replacement cost** of what is sold, not what the product cost in the past), many managerial mechanisms were developed—fundamental in periods of inflation and, even in its absence, when the specific prices of inputs vary significantly over time. Those who studied this topic will remember this essential concept, for example, in the *Gestão Econômica de Empresas* (Gecon –Economic Management of Companies) model, also created by the dearly missed Professor Armando Catelli.

Incidentally, speaking of Gecon, how much theory had to be developed beforehand—with models designed—before we arrived at the testing of this fantastic mechanism? So fantastic that it will probably be revived someday, because it goes far beyond the average understanding of today. It effectively employs one of the most complex concepts applicable to Accounting, beyond the issue of inflation: the accounting use and recognition of opportunity cost. This is a fundamental concept for performance evaluation (let us remember the uproar in the market when the still-current Economic Value Added – EVA – emerged), for project feasibility analysis, for valuation (the famous *ke*). And how brilliantly it works in the Catelli model!

Going back to our line of thought

5) Who creates today?

May I begin by saying something unsettling? Sometimes I feel that we discuss Accounting Theory more frequently within regulatory bodies than in academia. And it is true: just look at how much theory has been debated within the IASB and the FASB. I have participated in discussions of this nature in sectoral regulatory bodies, such as the Central Bank of Brazil (Bacen), the Superintendence of Private Insurance (Susep), the National Agency of Electric Energy (Aneel), and the National Agency of Supplementary Health (ANS), and in the Accounting Pronouncements Committee (CPC). In the latter, there are always several academics involved—not only Fipecafi representatives.

And may we ask the uncomfortable questions? Such as: **which thesis, paper, or similar from academic work led to the capitalization of real estate lease agreements** for administrative, sales, or production use (CPC 06 (R2))? In Accounting Theory, the prevailing position remains that executory contracts—rights and obligations still to be fulfilled by both parties—are not recognized as assets and liabilities unless there is some imbalance (and this is fully reiterated in CPC 00).

Has anyone ever seen “Accounts Receivable” listed under current assets simply because it represents a contract for future payment? Or “Accounts Payable When Goods Arrive” under liabilities? Only when there is an advance payment involved—correct? Large construction contracts, agreements with banks to obtain financing for that construction, multi-year cleaning contracts, service contracts for a defined period, and so on are not recognized. Everything that is recorded is based on an accounting event that has actually occurred.

So where did the idea of capitalizing a property rental contract for five years, for example, come from? On which academic research did the regulator base this rule? Or was this discussed solely within the regulatory bodies, which then decided accordingly (the IASB and the FASB)? Or did it originate from a user request, with the decision taken entirely on pragmatic grounds, without any conceptual foundation?

Or is this the beginning of accounting for executory contracts? The start of a shift in current theory? After all, several regulatory bodies—such as the Central Bank, for example—require these records in a separate group of accounts called Compensation Accounts, used solely for informational purposes (for the Central Bank, not for the public). Some companies even use these accounts without any legal or regulatory requirement, and without being able to disclose them, as a source of information for certain explanatory notes (relevant contracts for future investments, guarantees and sureties, and so on). However, they do not form part of the primary financial statements, although they did in older theory that led to their legal adoption in Brazil under the former Corporations Law, Decree-Law No. 2,627 of 1940.

Now, it is a fact that the lease standard (CPC 06 (R2)) opened a field for positivist research—indeed it did. And that is good. Excellent, even, in the effort to capture the usefulness of this information for investors and creditors, for example. But the origin of the idea does not appear to have come from academic thinkers. So much so that the level of criticism in Brazil toward this model is intense today (interestingly, this does not seem to be the case elsewhere...).

Another example is IFRS 18—CPC 51 in Brazil—which will significantly affect the presentation of many income statements beginning in 2027. We know that academic research on the problems of current income statements has been used, which is excellent. But the research that is supposedly useful to users was conducted by the regulatory bodies themselves. The conceptual justifications for classifying revenues and expenses into operating, investing, and financing categories were, as far as I know, discussed within these bodies and, at times, debated with academics—but through initiatives led by the regulators, who were the ones seeking ideas, justifications, and conceptual reasoning.

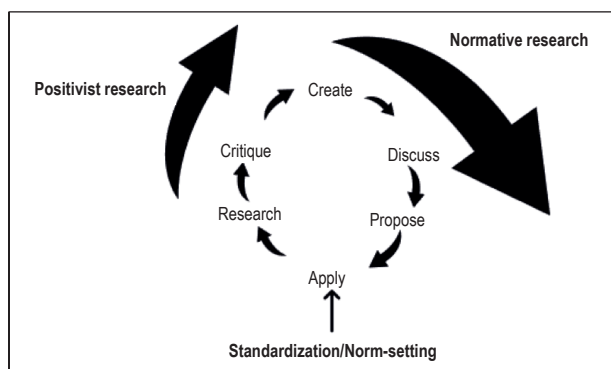
Again, the fuel for the plane is not coming from academia. And if researchers wish to produce papers, dissertations, and theses discussing alternatives, poor things—their work will be eagerly “received.” In fact, some journals are even looking for such contributions, but then the potential producers of this material simply disappear.

Another example: when the *Conselho Federal de Contabilidade* (Brazilian Federal Accounting Council) led the development of the CPC Pronouncement on Entities in Liquidation, the designated committee found only the usual references in the literature—the standard claim that, in this situation, everything should be measured at exit value. But there is much more to consider from a conceptual standpoint. And where did the inspiration come from? From a recent FASB standard, in fact the only one identified that addresses this subject. It includes, for example, recording assets at their sale value even when they are not recognized for accounting purposes; creating provisions for future expenses (a clear breach of accrual accounting) related to managing the liquidation process; and treating asset-sale expenses as liabilities rather than reductions of assets, in order to better reflect cash inflows and outflows. And all the underlying conceptual framework came from that regulatory body.

And there are countless examples in which the standard-setter becomes the true creator of accounting theories. The role of creation has long since ceased to belong to academia. If accounting is a social science, why should everything be studied solely on the basis of what society currently does? This attitude is necessary, yes—but should we restrict ourselves to it?

6) How about creating a virtuous circle?

It is clear that what I boldly envision as the ideal world of research is something like this: Create -> Discuss -> Propose -> Apply -> Research -> Critique -> Create. In other words, the free thinking of the theorist analyzes, reflects, substantiates, and creates. The idea is then broadly discussed and, once it is reasonably developed and understood as useful, testing begins. Up to this point, we are still within the realm of normativism. If it passes the tests, the idea may move to practical adoption—standardized or not (as in managerial accounting, for example). From practice, all possible empirical research is then conducted to examine, in concrete terms, its usefulness, informational quality, and the actual benefits of adopting it—or not. Positivism! Based on the analysis of this material, reflection and creativity resume, and the cycle restarts at a more advanced level. Normativism begins again, followed by positivism, followed by normativism, and so on.



7) Usefulness of research

I will touch on this subject only briefly so as not to leave it aside, especially because there is excellent material available for a deeper discussion. Naturally, criticism applies to both worlds: the normative and the positivist. How much useless work was produced during the normative phase? Yet many studies published in that period profoundly shaped the accounting field. And how much uselessness exists within positivism? How many studies are actually useful—beyond meeting targets, promotions, enhancing prestige, and so forth? Many, indeed. But there are also those that genuinely offer important and valuable knowledge. There is no denying that.

What matters is assessing the degree of usefulness; one hundred percent—or anything close to it—is probably unattainable in any field of knowledge. But the degree of usefulness of academic accounting research worldwide, and especially in Brazil, is highly questionable and is being questioned today. And I say worldwide because there are European universities, for example, establishing committees of external professionals from the business world—individuals with strong academic backgrounds (many of whom are also professors and/or researchers)—precisely to evaluate paper and thesis proposals submitted within the university, assessing their potential for practical application. Some Brazilians are even involved in this effort. What a fine initiative! Perhaps we should imitate them. We're quite good at that...

Questions that get stuck in our throats: how much academic research actually leaves the academic circle? Who in the “real world” reads our papers? Are we researching for ourselves? Do we write only for ourselves?

In the normative approach, there was indeed some demand for academic texts. This was partly because they were understandable even for non-academic readers. But what about today? Beyond the fact that the professional accounting world often has no idea what we are researching, can they actually read what we produce? Our papers are excessively hermetic, even for fellow accountants. And the statistical jargon is enough to kill any desire to read—utterly unintelligible. There have been attempts to make academic publications more accessible to the practical world, but what were the results? As far as I know, failure.

I think we should introduce a mandatory Marketing course in our master's and doctoral programs; in fact, in undergraduate programs as well. (In my time, we had a yearlong marketing course—and how useful it was!) We need to learn how to sell our products. The vast majority of us are inept in this area. We reproduce those beautiful but useless formulas so others can talk about probability. It is incredible to recall that, in my adolescence, I could understand all the statistics in a book that covered everything from the atom to the universe, using expressions such as: “This event occurs approximately every 235 times the Earth completes its orbit around the Sun”; or “Probability: only 1 in every 7 events” and similar phrases. Any child could understand that.

Furthermore, we should follow the age-old advice of our colleague Professor Ariovaldo dos Santos: explanatory notes should be written by journalists, not accountants. The same applies to abstracts of papers, dissertations, and so on.

There is much more to say about this matter, but these remarks serve only to avoid accusations of complete forgetfulness. Let us move on to one last topic—different, but related.

8) Thoughts on taxonomy

Another point I would like to mention concerns the excessive attachment I believe we all have to taxonomy. We are very fond of this practice, especially in the field of education (at all levels and in all areas). Again, I have nothing against taxonomy—absolutely nothing; on the contrary, its use seems to be, and indeed is, quite successful. The problem, as I see it, is its excessive use, which leads to certain exaggerations of specialization, with the very real risk of losing the broader view, the whole, and ultimately, reality.

And because taxonomy greatly facilitates our teaching, we run the risk (and I believe we often do) of forgetting to critique it, and as a result, our teaching often loses enormously in effectiveness. But the issue is not limited to teaching; we face the same risk in research. We overemphasize the hyper-specialization of topics, samples, and econometric models, and the broader view of reality becomes difficult to grasp when it is most needed. How can we devote so much time and effort to overly specialized topics that are not even particularly useful in Accounting?

Let us then try to examine these two perspectives in detail: taxonomy and positivism/normativism, beginning with the first.

The empirical organization of knowledge usually occurs through the classification and hierarchization of information by the knowledgeable individual, so that its transfer to the receiver can take place in the most efficient way possible, minimizing the time and effort involved. And this seems to be something absolutely natural to human beings—and perhaps even beyond them.

And this technique—taxonomy—is useful for everything: family education, formal education, religious education, civic education, sports education, and so on. In our field, we divide Accounting into managerial, financial, regulatory, tax, and so forth. And then we subdivide each of them into other boxes, and so on. We teach what assets, liabilities, equity, revenue, and expenses are, and then move on to the aspects of recognition, measurement, and transmission of information. And in doing so, we atomize the concepts and the “truths.”

But we often forget to do the reverse: to move from the details back to the whole, from the “finally” to the beginning, to the basics. Sometimes we fail to convey the notion that all these divisions and subdivisions are powerful tools for transmitting knowledge and learning, but by neglecting the other side of the story, we lose sight of the big picture.

For example, we have come to believe that managerial accounting is one thing, financial accounting for external users is another, tax accounting is yet another world, regulatory accounting is a completely different territory. And so we create specializations of knowledge and also train specialists (and companies and other entities train them as well) who increasingly live in their own worlds, without a holistic view. And in the academic world, the same risk exists.

I always insist on the view that Accounting is one thing and its applications are another. Accounting can be directed toward information with a specific report, a specific valuation method, a specific provisioning system, and so on, and it can present different pieces of information about the same elements to investors, regulatory bodies, tax authorities, and other users. For example, I always argue that true Controllanship is the one that recognizes that what matters is not this or that type of Accounting, but rather the maintenance of a database that allows information to be extracted according to the needs of each user.

Different users have different needs. Sometimes the same user requires different information for different purposes. There is no right or wrong accounting method. Accounting uses nominal currency for mere convenience—and often due to a lack of attention to the effects of inflation, including by many users. Yet it has the capacity to transform monetary values originating from different dates into amounts with the same purchasing power and, therefore, genuinely comparable, summable, and so on. The same product can have its cost calculated using full absorption costing, variable costing, the future replacement value of raw materials, ABC, RKW, and so forth. We might conclude that absorption costing is ideal for the preparation of the balance sheet and income statement—and for tax purposes as well (although, for the taxpayer, direct costing is far better, as it immediately reduces fixed costs)—but this is not an absolute truth. Such truths may not exist at all, except through faith.

Accounting is a science and an art with the remarkable ability to collect and process data to produce information for a wide variety of users, in many different ways, all based on the same underlying fact. But why am I talking about taxonomy in general? Simply because I want to draw researchers' attention to the fact that excessive specialization is a kind of convenience—always studying the same problem—but often results in information that may be of limited use. Yet over-specialization makes the work easier, promotes investigations that are more readily publishable, and thus allows the “publish or perish” principle to be satisfied more easily. But it dulls the academic mind and this dullness can be passed on to students.

Therefore, I would like to encourage bold minds to pursue research that connects different fields of study—not only within Accounting, but also with other areas such as Law, Economics, Information Technology, and Administration. And within the latter, a particularly significant effort should be directed toward Emotional Intelligence. Increasingly, self-control, knowledge, and appropriate behavior toward peers, superiors, and subordinates constitute the best path to professional advancement, including in the administration of our academic world. Atomized and profound super-knowledge is not being criticized here; the point is merely to ensure that it does not lead to blindness to the world around us.

And the misuse of taxonomy—which subdivides each sub-area into n “sub-sub-areas” and so on—can lead us precisely to this situation: an overwhelming dominance of something that, because it does not correlate with other areas, may lose relevance and usefulness along the increasingly specialized path of study.

I repeat: taxonomy is indispensable and important; the problem lies in its blind use. And it must continue to evolve. As for research, since Aristotle there has been evidence of how taxonomy supports inquiry and the transmission of knowledge. In the Middle Ages, there was a major leap forward, and the Enlightenment and the Renaissance further accelerated this process by promoting the classification of knowledge in the fields of biology, mathematics, astronomy, physics, literature, sociology, anthropology, and so on. Without this development, the entire process of research and knowledge transfer would not have advanced so rapidly during those periods.

If we focus on the field of education, more recent taxonomies, with their hierarchical cognitive levels (knowledge, comprehension, application, analysis, synthesis, evaluation), later reframed more methodologically as remembering, understanding, applying, analyzing, evaluating, and creating—as well as the most recent developments, such as those presented in this journal by Fábio Frezatti, in an editorial (Oct–Dec/2020) and paper (Oct–Dec/2024) discussing the Pentagon of Competencies (technical, theoretical, methodological, behavioral, social), all aim to support us in both research and teaching.

It is not my intention to go into detail here (nor am I the most qualified person to do so), but simply to issue a warning that, at least to me, seems pertinent. Specialization is vital, but please, be very careful not to lose sight of the big picture.

9) In conclusion

I warned you at the beginning: they loosened my reins, and I ended up flying. It was interesting to speak freely, without constraints, about normativism, positivism, and the evolution of Brazilian academic research, practically leaping from one to the other. To comment on the excesses of positivism and the opportunities lost due to the absence of normativism. The impression that theory is already complete—or that it is useless. Creation in Accounting has dwindled excessively; everything now is merely a confirmation of what is already practiced. Little or almost nothing is created today in academia, and regulators have had to assume this role, with all the shortcomings that come from the lack of method. The excess of positivism leads to a significant loss of usefulness in the research produced. Normativism and positivism are not mutually exclusive; they are fundamental elements in the development of Accounting. And the pinnacle, I believe, will be reached when we find balance that produces the virtuous cycle normativism -> positivism -> normativism -> positivism, and so on. Finally, a warning about the blind idolization of taxonomy, which leads to excessive specialization and a loss of the whole.

Thank you very much, and my apologies, Editor-in-Chief.