

DECONSTRUCTING FAIR VALUE: A POSTMODERN ANALYSIS OF ACCOUNTING AS A SOCIAL REALITY

Fırat Botan Şan

Assist. Prof. Dr., Muğla Sıtkı Koçman University / Faculty of Economics and Administrative Sciences, Türkiye, firatbotansan@mu.edu.tr,
ORCID ID 0000-0002-2034-6565

Alper Erserim

Assoc. Prof. Dr., Muğla Sıtkı Koçman University / Faculty of Economics and Administrative Sciences, Türkiye, alperserim@mu.edu.tr, ORCID ID 0000-0003-4352-2426

Abstract: *The human-centric structure that emerged after the Enlightenment placed deterministic and mathematical models at the forefront of scientific thought. As a result, the historical cost concept became the dominant valuation method in accounting, and it continues to be partially used in some countries today. However, since the 1980s, leading academic journals have increasingly discussed the cost-based valuation approach within the framework of Foucault's concept of the "dispositive" a mechanism of control within the surveillance society. In contrast, Baudrillard argues that in the contemporary information society, reality is no longer directly represented but instead transformed into a performance through codes and models. This perspective raises important questions about whether real-time exchange transactions in financial markets truly reflect economic reality, particularly in underdeveloped markets. This study critically examines the concept of fair value, introduced by IFRS 13, which prioritizes market values. Using Jacques Derrida's deconstruction approach, the study analyses how fair value is constructed as a financial and social reality. The findings emphasize that economic reality is shaped by language and social structures, making it a dynamic and periodically shifting phenomenon rather than an objective truth.*

Keywords: Postmodern Accounting; Discipline Power; Simulation; Fair Value.

JEL classification: M40, B59

INTRODUCTION

This study explores whether control and governmentality exist within the framework of *disciplinary power theory* and, if so, the mechanisms through which they operate. Scholars drawing on *Foucault's perspective* argue that traditional state mechanisms—particularly tax and fiscal policies—have shifted from centralized government control to production enterprises through *micro power dispositifs* (Akdeniz, 2012). Businesses, in turn, exert control over society not only through marketing and

public relations but also via consumerization policies that shape economic and social behaviour. However, as financial capital and market-based valuation systems gain dominance, traditional stakeholders increasingly lose influence.

In this *postmodern economic order*, representation has been dissolved, and fundamental concepts such as value no longer carry intrinsic meaning. Baudrillard (2013: 15-17)) argues that contemporary financial markets create a value simulacrum, where value is detached from any tangible reference and sustained by self-referential indicators. Unlike earlier periods, when commodities derived their worth from use value or exchange value, the simulation universe replaces economic reality with financial symbols that lack a definitive counterpart. The perpetual circulation of financial instruments—debt, credit, stock, and derivatives—contradicts the transience of life, introducing a paradox where economic constructs outlast their material foundations.

The postmodern paradigm traces its roots to *dialogism*, where consciousness is shaped through socially constructed indicators rather than objective reality (Ilum, 2015: 44-45). Unlike dialectics, meaning emerges from open-ended dialogues among multiple perspectives. Nevertheless, communication and knowledge remain essential for interpreting reality, requiring objective judgments (standards) to be contextualized within linguistic and epistemological frameworks.

Foucault (2012, 2015) conceptualizes disciplinary governance as a system of power dispositifs designed to structure social order through surveillance. Once concentrated in sovereign rule, power has now fragmented into dispersed practices that permeate every aspect of society. Accounting, typically regarded as a technical and neutral discipline, has evolved beyond its economic function to become a social, ideological, and governance tool, shaped by industrialization and capitalism ((Hopwood, 1987; Hoskin, 1986; Miller & Napier, 1993).

This study adopts a *historical and conceptual approach* to examine accounting as a *social reality*, analysing its evolution across different periods. Early accounting practices—such as clay tablets used in ancient city-states—contrasted sharply with Renaissance accounting, where aesthetic and religious symbols played a significant role. The Industrial Revolution marked a further shift, transforming markets from embedded social functions (Polanyi) into independent institutions. The genealogy of accounting as a *disciplinary power* can be traced through conceptual frameworks such as *Miller and Napier's (1993) genealogy of calculation*, *Hopwood's (1987) archaeology of accounting systems*, and *Miller's (1998) concept of accounting margins*.

Within this disciplinary framework, studies typically address accounting's role in the post-industrial era. However, Baudrillard (2013), in *Forget Foucault*, challenges this notion, arguing that governance structures no longer serve an empirical truth but rather a hyperreal discourse sustained by financial models. This hyperreality is particularly evident in modern accounting standards, where market-based valuation has become the primary metric.

In recent decades, International Financial Reporting Standard (IFRS) 13—alongside its Turkish equivalent, TFRS 13—has reinforced market value as a dominant valuation criterion. This shift prioritizes externally derived active market values, often independent of intrinsic or operational worth. Within the context of postmodern theories, fair value represents a detached signifier, lacking a direct equivalent in material use value. Consequently, accounting systems may no longer function as a

disciplinary mechanism (Foucault) but rather as a self-referential financial construct (Baudrillard).

The power dynamics between ruler and ruled do not fit into a strict binary. Instead, as Boje (Boje, 1995) argues, the pre-modern, modern, and postmodern periods are not entirely distinct but rather fragmented and competitive. Historical development should not be viewed as a linear progression but as a cyclical process with recurring patterns. In terms of value theory, pre-modern societies were dominated by use value, modern economies by exchange value, and postmodern markets by the relationship between the signifier and the signified. The postmodern era is characterized by self-referential financial indicators, such as leveraged transactions in derivative markets, which derive their value from their own internal systems rather than external economic fundamentals.

This study critically examines accounting's role in constructing financial reality through postmodern theories. The evolution of accounting—from its origins in Sumerian record-keeping to its financialized role in global capitalism—is analysed through the deconstruction approach of Jacques Derrida. Special emphasis is placed on IFRS 13, where fair value is contextualized as a linguistic and economic construct rather than an objective measure of worth. The following sections explore:

- *The historical transformation of accounting* and its conceptualization as a social reality.
- *The evolution of value* from anthropological origins to its role in the *political economy of signs*.
- *The methodological framework*, applying postmodern theories to *deconstruct IFRS 13*.
- A final discussion, concluding whether modern accounting remains a disciplinary tool or has become a simulacrum of financial reality.

LITERATURE REVIEW

Accounting as a Social Reality

In social sciences, theories are expected to describe and explain rather than predict. Unlike natural sciences, they face the question of whether institutions created by individuals act independently and whether researchers affect what they study. For instance, the exchange of goods often obscures the production processes behind them. As Polanyi notes, when the economy becomes disembedded from society, the concepts of production, exchange, and the use value begin to merge.

According to Searle (2005: 192), the world exists independently of language and of our representations—thoughts, beliefs, and perceptions. We relate to reality through symbolic systems like tables, maps, and graphs, whose validity depends on how well they correspond to the external world (correspondence theory of truth). Yet intentionality and context lead to conceptual relativity, which undermines epistemological objectivity. Social constructs such as money and bureaucracy arise from shared language and rules. As such, value can only be legitimized through social rules and standards, such as TFRS/IFRS.

As Foucault emphasized, institutions normalize behavior through repetition. While accountants are often viewed as objective observers, they actually help construct a specific version of social reality. Abandoning objectivity opens up a view of

accounting as interpretive, metaphorical, and communicative. Numbers gain meaning through usage and context, not neutrality. Thus, accounting is shaped by various metaphors, such as:

- Accounting as language
- Accounting as discipline
- Accounting as ideology
- Accounting as economy
- Accounting as history

Each metaphor frames how accounting constructs social meaning. With the rise of market-based valuation, especially the fair value, Barker and Schulte (2017: 56) note a shift in metaphor from “accounting as history” to “accounting as economy.” This marks a move from recording past transactions to projecting market-driven representations of economic reality.

Postmodern Condition

Although the metaphors shaping accounting theory, as discussed in the first section of this study, cannot be strictly categorized, they may be broadly divided into two groups. The first group views accounting as an impartial information system, designed to transmit historical data from an economic perspective. In contrast, the second group interprets accounting as a language that constructs reality—a disciplinary and control tool (*dispositif*) employed rhetorically to shape human relationships (i.e., politics), with the aim not of reflecting reality but of directing it and transferring ideological content. In this section, the discipline of accounting is examined through the lens of the second group of metaphors, which emphasize its constructive and regulatory functions.

Historical studies of primitive societies reveal that commercial relations among individuals predate written language. The earliest form of exchange—what Mauss (2005) calls the “gift economy”—operated without money or substitutes. In this system, reciprocity was governed by the spirit of the gift (*Hau*), wherein failure to return a gift with appropriate interest would disturb the recipient. This intertwining of the sacred and the worldly, expressed through ritual, illustrates the symbolic and moral dimensions of early economic systems. As Ökse (2018) notes, such practices, though symbolic and rooted in early societies, have persisted into modern times, evolving into traditions shaped by social transformation.

With the emergence of the first city-states and growing populations, the need for centralized administration and economic oversight increased. Archaeological evidence from Tell Brak, dating back to the Chalcolithic period (Photo 1), reveals the construction of an Eye Temple and numerous eye-shaped artifacts—interpreted as symbols of surveillance employed to legitimize authority. This era marked the beginning of social specialization, stratification, and ritual institutionalization, driven by the division of labor and centralized governance (Batihan, 2018: 25).

Photo 1. Eye Idols From the Late Chalcolithic Period

Source: (Batıhan, 2018: 22)

Based on Foucault's theory of surveillance and power, the literature frequently identifies accounting as a tool of control over employees. However, in contemporary systems, this overt disciplinary relationship has been replaced by the invisible hand of the market, which now functions as a surveillance mechanism akin to Hau—where market value takes on a sanctified and normative role.

Taburoğlu (2007: 34) argues that individuals subjected to this form of sanctification—through mechanisms such as market value—are secularized into compliant subjects who internalize their duties and responsibilities. In this sense, the collective body is transformed into a controlled mass, whose vitality and productivity are regulated. This dynamic aligns with Foucault's concept of biopolitics, in which management governs the biological and productive lives of individuals through systems of surveillance and normalization.

According to Foucault (2006b: 252), just as classical prophets once interpreted divine will, modern traders and market actors function similarly within the economy of signs and symbols. These actors assign value to commodities or stocks based on market demand, and their success often depends on privileged access to information. Foucault suggests that objects no longer possess intrinsic value, but rather acquire sign value as determined by systems of governance and control.

Value, then, is no longer inherent or “pure,” but contingent on human-centered metrics such as utility, pleasure, or scarcity. While Foucault does not endorse the idea of a truly “fair value” that can objectively quantify worth, he nevertheless acknowledges the central importance of value and money in structuring modern economic systems.

Accounting as Dispositif

Accounting systems often shift attention from human behavior to economic outcomes. In Foucault's framework, disciplinary mechanisms operate within discourse, meaning the disciplinary effect of accounting does not rely on physical enforcement. His concept of genealogy, unlike traditional history, explores how discourse and practice are shaped by mutually reinforcing power and knowledge.

Viewed as a panopticon, accounting functions by recording, monitoring, and evaluating employee behavior, aligning it with institutional norms (Armstrong, 1994: 30).

Miller and O’Leary (1987: 239) use Foucault’s genealogy to show how control evolved: early 19th-century supervision gave way to 20th-century discipline through standards and calculation norms. Techniques like standard costing and budgeting enabled predictive models and performance evaluation based on past profits, reinforcing economic rationality. This marked the rise of scientific management and, with Taylorism, performance-based incentives and penalties shaped employee behavior. Managers, too, were governed through profit plans and budget targets. As ownership and control separated, investors used financial reports to monitor managers—defining the modern period of accounting.

The adoption of market-based standards raises the question of whether we are now in a postmodern accounting era. Standards create norms and expose deviations for correction. Hopwood (1987: 208) critiques the tendency to treat accounting changes as mere technical improvements, rather than discursive transformations shaped by assumptions of economic rationality and functionalist thought.

Earlier, accounting was seen as responsive to organizational needs. More recently, it is viewed as an active force within social struggles—producing visibility and control, not merely processing data. For instance, while early industrial accounting had little managerial use, financial crises led to a focus on cost accounting and internal efficiency.

In summary, Foucault sees the market as a governance tool replacing law, with homo economicus as its ideal subject. In contrast, Baudrillard argues that in the postmodern condition, the hyperreal replaces the real, and the fair value becomes a simulation—divorced from intrinsic worth. In this simulated environment, control becomes more elusive, shaped by speculation and signs rather than substance.

Accounting as Simulacra

Baudrillard (2016a: 13) defines the simulation, or the hyperreality, as a reality created by models that lack any original reference. Unlike falsification, which hides what exists, the simulation treats what does not exist as if it does. It is more than pretending—it is the full substitution of reality. For instance, Baudrillard (2016a: 16) compares simulation to showing symptoms of a disease that one does not have.

Modern financial markets, especially electronic ones, are prime examples. Transactions involving currencies, loans, or securities reproduce themselves endlessly, driven by speculation rather than actual economic needs. In this simulated world, Baudrillard’s theory helps explain how control functions without tangible anchors.

In *Forgetting Foucault*, Baudrillard (2013) argues that power has not evolved—it has vanished into the simulation, leaving only signs of its past existence. He critiques Foucault for describing a structure that has become mythic, rather than empirical. In contrast, primitive societies, through gift economies or totemic rituals, operated on symbolic and reversible power relations (Baudrillard, 2014). Today, this symbolic exchange is replaced by abstract systems like GDP, which present value through sanitized and transparent data (Baudrillard, 2013: 30).

Power, now hyperreal, operates by concealing itself—hidden behind virtue or morality (Baudrillard, 2013: 53). While Foucault (Foucault, 2015: 106) sees competi-

tion as a modern replacement for law, Baudrillard sees power surviving only through belief in signs ((Baudrillard, 2013: 74).

According to Baudrillard (2016b: 58), capital has eliminated the use value, replacing it with abstract sign systems. Finance capital, detached from production, represents the purest form of this abstraction. Hilferding (1995: 65) observed that money once grounded in the use value of gold had already become symbolic. Today, value survives through consensus, not through material backing. Baudrillard (2012: 9) takes this further—arguing that the world has no equivalent and thus cannot be measured, verified, or truly exchanged.

This detachment causes economic models to deviate from reality, pushing them into radical uncertainty, where the sign value circulates independently of any referent. In this system, debt and credit—no longer grounded in physical reality—are kept alive through endless symbolic exchange.

Thus, accounting's transformation cannot be fully explained through linear or rational progress. As Hoskin and Macve (1986: 112) show, power operates in systems like exams and accounting records. Notably, while large banks in 19th-century Europe still used single-entry systems, local actors had adopted double-entry, challenging economic rationalism as a sole explanation.

Macintosh et al. (2000) argue that modern accounting indicators no longer reflect real physical or social processes. Since ancient Sumer, accounting had mirrored real events. But in today's world of codes, models, and simulations, it now constructs rather than reflects.

They outline four stages in accounting history:

Feudalism: Records tracked goods and obligations, serving social hierarchy.

Imitation: With the Enlightenment, double-entry systems emerged.

Production: Capital and income became measurable with long-term firms.

Simulation: Rights and obligations become tradable—even before they exist ((Macintosh et al., 2000: 19-28).

Political Economy of Sign Value

Abstract labor creates commodities for abstract needs, producing the exchange value, conceptually represented by money. Contracts institutionalize this process, turning mutual recognition into formalized agreements. As individuals break free from nature through labor, they simultaneously engage in this structured social acceptance (Habermas, 2013: 27). Although political economy focuses on labor and the shaping of nature, the treatment of value as a sign predates this framework.

In early civilizations, clay tokens used for accounting marked both quantity and significance of goods. Once grouped on tablets, they indicated assets individually and capital collectively. Though primitive, this system introduced subjective interpretation and uncertainty, laying the foundation for today's valuation dilemmas (Mattessich, 1987: 79).

In classical thought, value was defined through exchange. Goods had to be desirable, own inherent worth, and be tradable. Over time, the value created during exchange eclipsed any preexisting value. Consumption, not production, became central to value creation. As Foucault (2006b: 275) notes, the exchange renders the useless useful—and vice versa.

In Nietzschean philosophy, individuals are not passive economic agents but creators of value. The value, therefore, stems from interpretive hierarchies—not from supply and demand. It is the philosopher, not the market, who defines what value is.

Lazzarato (2015: 71) builds on this, challenging Polanyi's notion that economy and society have split. He argues that economic structures now control society directly via financial markets and state mechanisms, where value is not discovered but designed as part of a system of control.

According to Baudrillard (2009: 147), there are four different value logics, which he calls the ideological formation process of needs, in the context of stages as in the table below:

Table 1. Theorization of the Value Logic Comparatively

	Value in Use	Exchange Value	Sign/Exchange Value	Symbolic Exchange
Value in Use		Productive consumption phase (1)	Unproductive consumption-differentiation phase (2)	Waste phase (3)
Exchange Value	The consumption phase, which is brought into exchange value and use value (4)		The vanity value/economy phase (5)	The stage of overcoming stages (2) and (5) is (6)
Sign/Exchange Value	The stage where the Sign Value gains Value in Use (7)	The cultural dominance phase established with phase (5) (8)		The phase of imposing the Symbolic value by changing the Sign value (9)
Symbolic Exchange	The opposite of phase (3)	The opposite of phase (6)	The opposite of phase (9)	

Source: (Taburoğlu, 2007).

The use value is typically considered a feature of a good, but it does not define the essence of that good and varies with subjective perceptions. For instance, beyond its practical utility—such as warmth or protection—a coat's material and design shape the use value through individual preferences. Thus, the use value fluctuates based on time, context, and personal taste. As Bremond and Geledan (1981: 96) argue, it represents a subjective estimation of the satisfaction a product provides.

Hançerlioğlu (1999: 53) classifies value into objective and subjective categories. Following Aristotle, he states that the exchange value is objective while the use value is subjective, and only goods with both can be truly valuable. This duality implies that value cannot exist apart from usefulness. Table 1 illustrates this relationship.

Over time, theories of value evolved. The Physiocrats emphasized land as the source of value. Later, Cantillon and Locke introduced labor, and Adam Smith added capital goods. Smith distinguished between the natural value (based on production cost) and the market value (shaped by supply and demand).

To explain value's complexity, (Baudrillard, 2009: 60) proposes four interrelated logics:

- The functional logic (the use value),
- The economic logic (the exchange value),
- The symbolic logic (reciprocity),
- The sign logic (difference/status).

These correspond to utility, market, gift, and prestige logics. In today's consumer society, the sign logic prevails; goods serve as status symbols rather than tools. As Baudrillard (2016a: 18) notes, simulation replaces reality with signs that no longer reflect value but become value.

The simulation discards equivalence and creates systems where signs reference only other signs. Discounted cash flow models, where values reflect expectations, illustrate this mechanism. Baudrillard outlines four phases of imagery:

- Reflecting reality,
- Masking it,
- Hiding its absence,
- Existing solely as simulation.

McGoun (1997: 107) applies these stages to money: initially a symbol of wealth, then a medium for exchange, then a manipulated value, and finally a sign divorced from reference. In the simulation phase, prices exist independently of any real asset.

Thus, the sign value lacks a physical referent. The signifier and the signified collapse, and market-driven norms—like fashion—regulate behavior. These norms function as codes rather than reflections of intrinsic worth.

The “pure gift,” as described in gift economies, carries symbolic rather than transactional value. In modern society, this symbolic exchange includes networks of firms, rating agencies, auditors, and governments—illustrating the logic of actor-network theory.

Because concepts like the sign value, the symbolic value, and the symbolic exchange are used interchangeably, confusion often arises. Financial instruments may act as symbolic stand-ins for other assets, while also reflecting cultural meanings such as prestige. As Baudrillard emphasizes, the exchange value may emerge not only from the use value but also from the signification (McGoun, 1997: 103).



Figure 1. Hyperreality in Accounting of Financial Instruments

Source: (Macintosh et al., 2000: 13-50)

Figure 1 illustrates how accounting income, already an indicator, is influenced by the prices of financial products—also indicators—which in turn are affected by the accounting figures themselves. This recursive relationship exemplifies the hyperreality theorized by Baudrillard, now reflected in accounting and finance. Indicators no longer represent reality; instead, they feed into each other and gain the status of independent subjects.

Market participants use historical accounting data—such as the accounting income—to value assets via pricing models. These values then inform the pricing of derivative instruments under arbitrage-free assumptions. Finally, as previously discussed, these asset prices are recorded back into accounting through the fair value method, influencing future income. This cycle forms a closed simulation loop, where signs generate new signs, detached from original referents.

A key feature of this loop, from the simulation theory perspective, is the collapse of temporal boundaries—especially through discounted cash flow models that reduce future expectations into present values. Time itself becomes compressed, reinforcing the hyperreal.

In his work on primitive societies, Mauss (2005: 205) begins his discussion on gift exchange with a poem from medieval Iceland, which captures the tension between generosity and equivalence. Though gifts seem voluntary, they carry social obligations rooted in prestige and symbolic meaning. These exchanges reflect a pre-market regime based on relational value rather than measurable equivalence.

Baudrillard (2016b: 36) emphasizes that symbolic social relations generate a surplus that resists capitalist logic. The gift, performed in public and within a communal framework, fosters both competition and cohesion. What matters is not the use value or the exchange value of the object, but the sign value it carries in social context.

Derrida (1994) adds that the temporal delay in gift-giving acts as a safeguard, reflecting how symbolic exchange challenges the calculability of market logic. For Derrida, expressing a price or asserting equivalence destroys the symbolic act. Therefore, symbolic exchange is non-computable and resists commodification.

Yet, in modern economic systems, the price functions as both a symbol of agreement and a tool for planning—central to the accounting process. While this provides structure and control, it erases things that cannot be priced—the symbolic, the intangible. What remains is a consensual silence about the nature of exchange.

This erasure forces economists and theorists to question not just the value itself, but the foundations of shared meaning in economics—what is often referred to as common knowledge.

METHODOLOGY

Paradigm of the Study

In defining the field and scope of this study, it is noted that mainstream literature in accounting largely follows a positivist-empirical approach rooted in the natural sciences. While this model has been widely applied, its suitability for social sciences—and especially human sciences—is debated. Human sciences tend to rely on critical and interpretive methods, emphasizing meaning-making over empirical regularity. This tension is evident in accounting, where definitions often invoke concepts from arithmetic, philosophy (Avery, 1953), art, communication, history, and culture

(Sterling, 1975). As such, academic journals have increasingly incorporated alternative paradigms, such as interpretive and critical approaches, alongside the traditional positivist-functionalist paradigm.

Searle (2005) argues that the hidden structures of social reality—our unexamined perceptions of the world—cannot be fully understood through purely subjective or objective lenses. Positivist paradigms, particularly those aligned with functionalist or behaviourist thinking, aim to identify universal laws via inductive reasoning. In contrast, post-positivist approaches maintain that reality, knowledge, and truth are socially constructed. Meaning, in this view, emerges through active human interpretation (Yıldırım & Şimşek, 2013: 30). This also applies to International Financial Reporting Standards, where the meanings within texts are socially negotiated.

Accordingly, this study adopts a hermeneutic (interpretive) approach. This paradigm overlaps with aspects of critical theory, normative inquiry, and dialogism. Neuman (2007) defines hermeneutics as the process by which the subject uncovers deep meaning in texts—whether composed of conversations, written words, or images—by examining both the whole and its parts. Unlike positivism, which seeks numerical precision, hermeneutics explores how individuals construct social worlds and interact within them. In accounting, where textual communication among stakeholders is central, such an approach is particularly appropriate.

The interpretive paradigm encompasses various strands: hermeneutics, constructivism, ethnomethodology, cognitive theory, idealism, phenomenology, subjectivism, and qualitative sociology. For instance, Sart (2015) draws from Husserl to argue that reality consists of objects and events as perceived by individuals. This emphasis on experience and understanding contrasts with the objectivity of positivist knowledge.

Importantly, the emergence of interpretive approaches in social sciences does not imply a complete break from positivism or realism. The assumption that realists are necessarily positivists and constructivists are relativists stems from misconceptions about epistemology. Sargut (2007: 16), referencing Burrell and Morgan (1979: 3), emphasizes that such paradigmatic shifts should be seen as part of an evolutionary process, rather than a strict functionalist opposition.



Figure 2. A scheme for analysing assumptions about the nature of social science

Source: (Burrell & Morgan, 1979)

In contrast to the functional positivist approach to social sciences, it is seen that the interpretive approach is dominant in German idealism, which approaches subjectively and in summary exhibits nominalist, voluntarist, symbolist and anti-positivist features. Based on Figure 2, the fact that this study deals with businesses or accounting standards as a social reality, and therefore these phenomena are not independent of thought, causes the subject to be characterized as nominalist from an ontological perspective. In terms of epistemology, the study is anti-positivist in that it looks at the subject from an anti-objective relativist perspective. However, in this epistemological approach, it is not possible to clearly separate the boundaries from each other as in postmodern techniques. Another feature of the subjective approach, volitionism, opposes the relativity of human will to the determinability (knowability) of the future. Methodologically, in the subjective approach, instead of standard measurements and laws as in natural sciences, the subject should be addressed qualitatively closely, from a contextual, cultural and historical perspective (Sargut, 2007: 17-18).

Therefore, it is possible for researchers who adopt different approaches to benefit from other paradigms and methods. When this situation is considered in the form of methods and methodologies, especially in the postmodern context, it is seen that different approaches are intertwined. Although the fact that the boundaries cannot be drawn clearly causes the formation of hybrid research titles, it is possible to show the main theme between them as language theories that are an alternative to the rationalism of the enlightenment, which started with Saussure in the 20th century and reached its peak with Derrida (Somekh and Lewin, 2006: 283). In fact, this situation also reveals an understanding that supports Feyerabend's (1999) "Against the Method" thesis. The concept of dialogism addresses meaning not through the monology in the world of objects, but through mutual dialogues. Therefore, especially in the context of the texts considered, truths cannot be characterized independently (impartially) from the person; on the contrary, meaning is created by constant repetition in the communication sent by the parties through codes. With this feature, dialogue is an open-ended process that requires at least two people and is different from dialectics, which can exist on a single consciousness or object plane (without needing a specific consciousness). Written sources (secondary discourse types), which are a more advanced dimension of verbal communication, undergo a certain structure due to the subjective evaluation of their author. Therefore, these structures should be evaluated with the criteria and conceptual tools of the people who created that dialogue, whether in the past or today (Ilim, 2015: 6-44).

In postmodern discourse, unlike modernism, systems have their own lives independent of human control. Therefore, systems that only express themselves can only be understood by analyzing their self-referential working situations. For postmodern thinkers, the system has no meaning or purpose. Because this idea is essentially based on the assumption that man is at the center of the world and controls it. For this reason, postmodernism takes man from the center where he elevates himself with narcissistic rationality and brings to the fore his side of the society that observes and establishes the interpretation of the world. However, unlike modernism, these interpretations do not contain certainty and universality (Cooper & Burrell, 1988: 94).

Strategic Approach of the Study and Deconstruction

Derrida (2014: 100), influenced by Saussure, states that language is a tool of social acceptance in constructing social reality and must be evaluated within its social context. He introduces the concept of “différance”, highlighting the non-essential and shifting relationship between the signifier and the signified. As Akdeniz (2012:37) puts it, this reflects the lack of direct contact between the sign and reality—a gap Derrida describes as the space between the two sides of a page (Derrida, 2014: 21).

The core of postmodernism lies in the notion of difference and the indecision it generates in discourse. This concept underpins Nietzsche’s genealogy and later Foucault’s development of that method. Derrida further argues that meaning is not inherent but constructed, thus necessitating deconstruction. The goal is to reveal how rationality conceals the contradictions within human existence (Cooper & Burrell, 1988: 100). Drawing on Nietzsche, Derrida asserts that writing is not subservient to speech or reality, and must be deconstructed due to its historicity (Derrida, 2014: 32).

Within this framework, there are no absolute truths or solutions—only interpretations of interpretations. Unlike hermeneutics, which seeks to uncover hidden meaning, deconstruction aims to expose hierarchies between conflicting truths or binaries (Yanık, 2016: 92). Rather than resolving crises, postmodernism opens space for disagreement and marginalized voices.

Deconstruction differs from analyzing network contradictions in psychology or sociology; it focuses on how internal tensions and emotional ambiguities are encoded within texts. It challenges logocentrism, the assumption of unity between speaker and word, by identifying censored focal points within texts that falsely create stability. Deconstruction dismantles binary structures—such as good/evil, male/female, or rational/irrational—and restructures the text. This is seen in how many words contain opposing meanings within their etymological roots (Cooper, 1989: 483).

In Plato’s *Pharmacy*, Derrida (2016) uses the term “pharmakon”, which means both poison and remedy, to explore the ambiguity of writing. Unlike speech, writing lacks a “father” to defend it and becomes a repetitive narrative rather than a truth-bearing act (Derrida, 2016: 38). It is built on binary oppositions, eliminating the authority of the original subject and opening the text to multiple interpretations. Kırmacı (2019: 7-8) emphasizes that Derrida critiques teleology, where the speaker claims authorship and authority over meaning. However, writing, once created, escapes control and becomes a fixed structure that guides societies.

Derrida suggests that this applies to texts like standards, which must also be deconstructed. The binary of subjectivity and objectivity embedded in rationalism—such as market logic vs. intuition—must be leveled, just as *pharmakon* is both cure and poison. Unless standards are approached this way, as Derrida (Derrida, 2016: 87) notes in reference to the myth of Theuth, only the simulacrum of reality is conveyed—not reality itself. Those who rely solely on written texts may believe themselves knowledgeable, yet remain untrained in understanding.

In this light, the TFRS 13 Fair Value Standard is examined in the next section through Derrida’s lens of deconstruction as a mode of constructing social reality. Following Dunbar and Laing (2017: 15), the analysis proceeds in three stages:

Identifying the core components of the standard.

- Revealing the hierarchical contrasts and embedded theoretical tensions.

- Reversing and re-evaluating the structure, especially the fair value hierarchy, to expose its ideological underpinnings.

IFRS-13 Deconstruction

An examination of the Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) definitions reveals that the history of fair value is relatively recent. Initially defined by the Accounting Principles Board (APB) in the USA in 1973, fair value emphasized current market value, or exit price (Bromwich, 2011: 51). Over time, definitions have evolved to include terms such as price, exchange, and the presence of informed and willing market participants. Consequently, the concept of market value has gained prominence in the definition of fair value.

According to the relevant standard, fair value is defined as: “The price that would be obtained from the sale of an asset or paid to transfer a liability in an ordinary transaction between market participants on the measurement date.”

As outlined in the definition, IFRS No. 13 aligns the valuation of assets or liabilities—whether individually or in groups—with prices set by market participants. If markets for the relevant liabilities or asset groups are absent, the “most advantageous” market assumption applies. If market prices cannot be determined, the valuation is conducted based on subjective criteria from the parties’ perspectives.

Therefore, IFRS 13 emphasizes a rational market perspective, but in the absence of this, the market participant’s perspective takes precedence. This economic actor, defined in the subsequent section, is portrayed as one who seeks to maximize benefit. Consequently, the purpose and value of assets and liabilities are left to market participants’ criteria, with the claim that these assets are used “at the best and highest level.” This approach contrasts sharply with gift economies in primitive societies, where social functions take precedence over pure economic rationalism, as detailed earlier.

Regarding financial reporting, IFRS 13 defines fair value as the estimated price of a transaction between market participants under market conditions, regardless of whether the items are traded on a specific market. While assets, liabilities, and equity are evaluated based on external, market-based criteria, subjective participant criteria should be used due to market risk. However, the intention of companies to hold or dispose of assets should not factor into the measurement. The standard prioritizes observable market data, assuming these as objective valuation criteria. Moreover, experts may vary in their assessment of asset and liability characteristics (Article 12), and the standard evaluates the main market based on the company’s perspective (Article 19).

Bougen and Young (2012) demonstrate how fair value, influenced by political forces, departs from internal and external value systems in US Financial Reporting Standards (SFAS), transforming the concept into a simulacrum, particularly through derivatives. The fair value hierarchy in SFAS is also found in IAS and TAS, as convergence studies progressed. The third-level valuation methods used for derivatives—whose market volume or observable value is insufficient—are based on internal company criteria, obscuring the financial crisis of 2008 in accounting records.

Particularly, non-financial assets—without an active market—are addressed separately in IFRS 13 (Articles 31-33). These articles state that non-financial assets are evaluated based on their “best and highest use,” irrespective of a company’s usage in-

tentions. This explanation aligns with Article 22, emphasizing that market participants aim to maximize benefits. The fair value hierarchy prioritizes input characteristics over valuation methods, with data derived from the present value method falling under Levels 2 and 3.

This structure shows how institutions like IASB and FASB strengthen their authority over peripheral countries and lower-level actors in the sector's network. Unlike central countries, peripheral nations serve as starting points for developing market-based standards. As noted, Anglo-Saxon practitioners claim that their profession cannot be learned from books or standard texts; rather, it must be experienced and internalized (Mennicken, 2008: 402).

This definition of power is more aligned with Searle's theory of social reality construction than Foucault's concept of authority. Collective intentionality, status functionality (such as debt and receivables), and social acceptance are essential for institutional reality's establishment. Here, the rights and responsibilities in money, promissory note, and security relations are defined as external power relations. These ontologically subjective realities accept market data as objective in an epistemological sense. The third-level fair value determination contradicts this rule: with no market participation and no observable prices, institutional reality cannot be formed. Practically, this leads practitioners to transfer valuation issues to other channels (Barker & Schulte, 2017: 61).

CONCLUSION

This study explores the structures that Baudrillard conceptualizes—drawing on Mauss's anthropological insights on primitive societies—as defining characteristics of today's post-production or consumer society, within the framework of simulation theory and postmodernism. Although each period leaves unique traces, it is impossible to draw strict boundaries between them. For example, postmodern societies may still reflect aspects of primitive exchange (such as ritual consumption), while also retaining characteristics of the disciplinary society theorized by Foucault during industrialization.

In the current era of financialization, where codes and models dominate, the prioritization of the fair value standard in accounting signals a grand narrative shaped by the market value. In the post-Fordist and post-industrial condition, consumption assumes the role once held by production, and the structural dominance of the sign value within the exchange value increasingly supersedes the use value.

As Baker (1996: 24) notes, the aim is no longer to produce meta-narratives about the laws of value. This reflects Derrida's approach, which refrains from offering alternative paradigms and instead deconstructs the internal contradictions of the text. Consistent with Lacan's notion that truth may be spoken but reality is never fully representable, this study considers the position of fair value as an epistemological construction within accounting.

In peripheral economies such as Turkey, the implementation of TFRS—adapted from IFRS—raises unique challenges. These standards, enforced by the Public Oversight Authority, emphasize the fair value as determined by the market, even in cases where market participation, volume, or diversity is low. Particularly problematic is the application of the fair value to non-financial instruments, where observable market data is scarce and subjective valuation becomes highly variable.

Though intended to inform investors using market-based data, these standards begin to reflect a system that creates its own reality rather than indicating it. The legitimacy of the fair value, especially questioned during financial crises, raises concerns about its role as a surveillance mechanism in line with Foucault's theories of micro power.

When TFRS 13 is deconstructed, it becomes evident that the assumption of objective superiority for observable data and the presumption of an always-active, efficient market result in constructing the market itself as a social reality. In this logic, production- and operation-focused enterprises are increasingly replaced by speculative, finance-driven entities, once again incorporating the symbolic into the system of objects.

However, this ontological reduction of value to a single market variable leads to epistemological complications at multiple levels:

- the incomparability of unique assets,
- the complexity of valuation models,
- the scarcity of reliable market data, and
- the divergence in legislative expectations.

While these challenges often reassign valuation authority to experts, this does not necessarily equate to objective valuation as envisioned in the standards.

The study further examines whether the signifier maintains a relationship with the signified, particularly regarding the use value of financial instruments or derivatives. A complete break from reality (a pure simulation) is not claimed; nor is there an absolute panoptic surveillance system. As with Sumerian clay tablet records, many accounting indicators still retain links to real objects. This liminal state between the seer and the seen, or the signifier and the signified, aligns closely with postmodern sensibilities.

The study's deliberate avoidance of empirical data collection and statistical methods, common in mainstream accounting, is a methodological choice, not a rejection of empirical insight.

Ultimately, in discussing right, wrong, and reality through the lens of value, the argument is made that the market value has been institutionalized as an objective measure through socially constructed frameworks. For this reason, the discourse surrounding value and reality should be approached through linguistic, semiotic, anthropological, and sociological methodologies.

LITERATURE

- Akdeniz, E. (2012). Derrida'da kökensiz düşüncenin kökeni olarak difference. *Düşünme Dergisi*, 1(1), 33–49.
- Armstrong, P. (1994). The influence of Michel Foucault on accounting research. *Critical Perspectives on Accounting*, 5(1), 25–55. <https://doi.org/10.1006/cpac.1994.1003>.
- Avery, H. G. (1953). Accounting as a language. *The Accounting Review*, 28(1), 83–87.
- Baker, U. (1996). Marx'ın bir çift sözü var. *Birikim*, (84), 20–31.
- Barker, S., R. ., & Schulte. (2017). Representing the market perspective: Fair value measurement for non-financial assets. *Accounting, Organizations and Society*, 56, 55–67. <https://doi.org/10.1016/j.aos.2014.12.004>
- Bathian, Ö. Ö. (2018). Göz idolleri ve iktidar. *Aktüel Arkeoloji*, (62).

- Baudrillard, J. (2009). *For a Critique of the Political Economy of the Sign* (O. Adanır & A. Bilgin, Trans., 2nd ed.). İstanbul: Boğaziçi Publications. (Original work published 1972).
- Baudrillard, J. (2012). *The Impossible Exchange* (A. Sönmezay, Trans., 2nd ed.). İstanbul: Ayrıntı. (Original work published 1999).
- Baudrillard, J. (2013). *Forget Foucault* (O. Adanır, Trans.). Ankara: Doğu Batı Yayınları. (Original work published 1977).
- Baudrillard, J. (2014). *Seduction* (O. Adanır, Trans.). İstanbul: Ayrıntı. (Original work published 1979).
- Baudrillard, J. (2016a). *Simulacra and Simulation* (O. Adanır, Trans., 10th ed.). Ankara: Doğu Batı Yayınları. (Original work published 1981).
- Baudrillard, J. (2016b). *Symbolic Exchange and Death* (O. Adanır, Trans.). İstanbul: Boğaziçi Publications. (Original work published 1976).
- Boje, D. (1995). Stories of storytelling organization: A postmodern analysis of Disney as “Tamaraland”. *Academy of Management Journal*, 38(4), 997–1035.
- Bremond, A., J. ., & Geledan. (1981). *İktisadi ve toplumsal kavramlar sözlüğü* (E. Özkök, Trans.). İstanbul: Remzi Kitabevi.
- Bromwich, M. (2011). Fair values: Imaginary prices and mystical markets. In P. Walton (Ed.), *The Routledge Companion to Fair Value and Financial Reporting* (pp. 51–67). Abingdon: Routledge. <https://doi.org/10.4324/9780203815151.ch5>.
- Burrell, G., G. ., & Morgan. (1979). *Sociological Paradigms and Organisational Analysis: Elements of the Sociology of Corporate Life*. London: Routledge.
- Cooper, G., R. ., & Burrell. (1988). Modernism, postmodernism and organizational analysis: An introduction. *Organization Studies*, 9(1), 91–112. <https://doi.org/10.117084068800900112>.
- Cooper, R. (1989). Modernism, postmodernism and organizational analysis 3: The contribution of Jacques Derrida. *Organization Studies*, 10(4), 479–502. <https://doi.org/10.1177/017084068901000402>.
- Derrida, J. (1994). *Given Time: I. Counterfeit Money* (P. Kamuf, Trans.). University of Chicago Press. (Original work published 1991)
- Derrida, J. (2014). *Of Grammatology* (İ. Birkan, Transl.) (2.). Ankara: Bilge Su Yayınları. (Original work published 1967)
- Derrida, J. (2016). Plato’s pharmacy. In *Dissemination* (Z. Direk, Transl). İstanbul: Alfa. (Original work published 1972)
- Dunbar, K. & Laing, G. (2017). Deconstructing the Accounting Standard AASB 13 Fair Value: Exit vs Entry Price for Assets. *Journal of New Business Ideas and Trends*, 15(2), 12–19.
- Feyerabend, P. K. (1999). *Against Method* (E. Başer, Trans.). İstanbul: Ayrıntı Yayınları. (Original work published 1975).
- Foucault, M. (2003). *Discipline and Punish* (I. Ergüden, Trans.). İstanbul: Ayrıntı Yayınları. (Original work published 1975)
- Foucault, M. (2005). *Subject and Power* (I. Ergüden & O. Akınhay, Trans.). İstanbul: Ayrıntı Yayınları. (Original work published 1982).
- Foucault, M. (2006a). *The Birth of the Prison* (M. A. Kılıçbay, Trans.). Ankara: İmge. (Original work published 1975)
- Foucault, M. (2006b). *The Order of Things: An Archaeology of the Human Sciences* (M. A. Kılıçbay, Trans.). Ankara: İmge Kitabevi. (Original work published 1966).
- Foucault, M. (2012). *Lectures on the Will to Know: Lectures at the Collège de France 1970–1971* (K. Eksen, Trans.). İstanbul: İstanbul Bilgi Üniversitesi. (Original work published

- 2011).
- Foucault, M. (2015). *The Birth of Biopolitics: Lectures at the Collège de France, 1978–1979* (A. Tayla, Trans.). İstanbul: İstanbul Bilgi Üniversitesi Yayınları. (Original work published 2004).
- Habermas, J. (2013). *Technology and Science as Ideology* (T. Mustafa, Trans.). İstanbul: Yapı Kredi Yayınları. (Original work published 1968).
- Hançerlioğlu, O. (1999). *Ekonomi sözlüğü: Ekonomi terimleri ve ekonomi ile ilgili ticaret ve hukuk terimleri; Türkçe, Osmanlıca, Fransızca, Almanca, İngilizce* (8th ed.). İstanbul: Remzi Kitabevi.
- Hilferding, R. (1995). *Finance Capital* (Y. Öner, Trans.). İstanbul: Belge Yayınları. (Original work published 1910).
- Hopwood, A. (19 The archaeology of accounting systems. *Accounting, Organizations and Society*, 12(3), 207–234. [https://doi.org/10.1016/0361-3682\(87\)90038-9](https://doi.org/10.1016/0361-3682(87)90038-9).
- Hoskin, R. H., K. W. ., & Macve. (1986). Accounting and the examination: A genealogy of disciplinary power. *Accounting, Organizations and Society*, 11(2), 105–136. [https://doi.org/10.1016/0361-3682\(86\)90027-9](https://doi.org/10.1016/0361-3682(86)90027-9)ower.
- Ilım, F. (2015). *Mikhail Bakhtin’de diyaloji kuramı ve karşı-kültür olarak karnaval* (Unpublished master’s thesis). Ege Üniversitesi, İzmir).
- Kırmacı, Ö. F. (2019). Derrida’nın yumurtası: Söz mü öncedir yoksa yazı mı? *Düşünbil*, 13(1), 6–8.
- Lazzarato, M. (2015). *Governing by Debt* (Ş. Çiltaş, Trans.). İstanbul: Otonom. (Original work published 2013).
- Macintosh, M., N. B. ., Shearer, T. ., Thornton, D. B. ., & Welker. (2000). Accounting as simulacrum and hyperreality: Perspectives on income and capital. *Accounting, Organizations and Society*, 25(1), 13–50. [https://doi.org/10.1016/S0361-3682\(99\)00010-0](https://doi.org/10.1016/S0361-3682(99)00010-0).
- Mattessich, R. (1987). Prehistoric accounting and the problem of representation: On recent archeological evidence of the Middle-East from 8000 B.C. to 3000 B.C. *The Accounting Historians Journal*, 14(2), 71–91.
- Mauss, M. (2005). *Sociology and Anthropology* (Ö. Doğan, Trans.). Ankara: Doğu Batı Yayınları. (Original work published 1950).
- McGoun, E. G. (1997). Hyperreal finance. *Critical Perspectives on Accounting*, 8(1), 97–122. <https://doi.org/10.1006/cpac.1996.0090>
- Mennicken, A. (2008). Connecting worlds: The translation of international auditing standards into post-Soviet audit practice. *Accounting, Organizations and Society*, 33(4–5), 384–414. <https://doi.org/10.1016/j.aos.2007.06.001>.
- Miller, C., P. ., & Napier. (1993). Genealogies of calculation. *Accounting, Organizations and Society*, 18(7–8), 631–647. [https://doi.org/10.1016/0361-3682\(93\)90047-A](https://doi.org/10.1016/0361-3682(93)90047-A).
- Miller, P. (1998). The margins of accounting. *The Sociological Review*, 46(1), 174–193. <https://doi.org/10.1111/j.1467-954X.1998.tb03474.x>.
- Miller, T., P. ., & O’Leary. (1987). Accounting and the construction of the governable person. *Accounting, Organizations and Society*, 12(3), 235–265. [https://doi.org/10.1016/0361-3682\(87\)90039-0](https://doi.org/10.1016/0361-3682(87)90039-0).
- Neuman, W. L. (2007). *Social Research Methods: Qualitative and Quantitative Approaches* (S. Özge, Trans.). İstanbul: Yayın Odası. (Original work published 1991)
- Ökse, T. A. (2018).). Eski Önasya’da bayram ve büyü ritüelleri. *Aktüel Arkeoloji*, (62), 14..
- Sargut, S. (2007). Kültür çalışmalarının toplumsal bilimler bağlamındaki epistemolojik konumu. In R. Erdem & Ç. Ş. Çukur (Eds.), *Kültürel bağlamda yönetsel-örgütsel davranış* (pp. 15–31). Ankara: Türk Psikologlar Derneği.

- Sart, G. (2015). Nitel araştırma yöntem, teknik, analiz ve yaklaşımları. In F. N. Seggie & Y. Bayyurt (Eds.), *Nitel araştırma yöntemleri* (pp. 23–42). Ankara: Anı Yayıncılık.
- Searle, J. R. (2007). *The Construction of Social Reality* (2nd ed.). İstanbul: Litera Yayıncılık. (Original work published 1995)
- Somekh, C., B. ., & Lewin. (2006). *Research Methods in the Social Sciences* (Reprinted). London: SAGE Publications.
- Sterling, R. R. (1975). Toward a science of accounting. *Financial Analysts Journal*, 31(5), 28–36. <https://doi.org/10.2469/faj.v31.n5.28>.
- Taburoğlu, Ö. (2007). *Dünyevi ve kutsal: Modernlerin maneviyat arayışları*. İstanbul: Metis.
- Yanık, H. (2016). Yapısöküm üzerine birkaç not. *Abant Kültürel Araştırmalar Dergisi*, 1(2). Retrieved from <http://ilefdergi.ibu.edu.tr/index.php/akad/article/view/38>
- Yıldırım, H., A. ., & Şimşek. (2013). *Sosyal bilimlerde nitel araştırma yöntemleri*. Ankara: Seçkin Yayınları.

