

## Accounting and development in Africa

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## Guest Editorial

### Accounting and Development in Africa<sup>1</sup>

#### 1. Abstract

Despite accounting being often seen as a crucial ingredient in economic and social development for African countries with pressing needs to meet development challenges (such as alleviating poverty, improving sanitation and public infrastructures, increasing literacy, and improving health), research on African accounting and development is often neglected and relegated to the periphery, especially in leading accounting journals. This Special Issue features a variety of works – theoretically, methodologically, and empirically spanning a wide range of countries across Africa, seeking to redress this and provide avenues and questions for further reflection and future research. In particular, the articles in this Special Issue document the role of accounting in Africa across the private, public and third sectors, and how the role is constrained and compromised by the political economy at play in the continent. The constraints and compromises relate to: (1) external actors, namely international financial institutions, Western governments, international accounting standard setters, Western accounting associations pursuing global growth, and the ‘Big 4’ accounting firms; and (2) local actors and circumstances, such as domestic governments, weak regulation, low accounting capacity, and webs of corruption. The reported problems with accounting in Africa appear not to reside primarily in accounting per se, but with how it is conceived, implemented and used to achieve particular interests, mostly at the expense of social, economic and institutional development at the domestic level.

#### 2. Introduction

Accounting is an important cog in achieving development aims. For example, it can enhance corporate and political governance by providing information perceived as accurate, transparent, and verifiable to stakeholders, be they shareholders, employees, parliamentarians, or members of civil society. “Robust” financial accounts and auditing are often seen as essential for curbing corruption and the misuse of public resources (Hopper et al., 2012). Further, sound, publicly available financial information, and underlying systems such as participative budgeting can enable civil society to be involved in setting development priorities, how to achieve them, and monitoring their results (Célérier *et al.*, 2015). But why focus on Africa in these regards?

There are multiple answers. Africa is the second largest continent and contains 30% of the earth’s mineral resources, many of which remain untapped (Lassou et al., this issue). Yet poverty alleviation, corruption, poor governance, and weak regulation remain major problems. For example, research indicates that weak government accounting and auditing have facilitated corruption in Benin, thereby impeding its growth and reductions in inequality (Akakpo, 2009; Lassou et al., 2019, 2020a [this issue]).

Historically, accounting and auditing reforms have been a key aspect of the web of prescriptions imposed by donors such as Western governments and international financial

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<sup>1</sup> A version in French of this guest editorial is provided as online supplementary material.

institutions' (IFIs). However, the results have often been disappointing and, at worst, they have engendered consequences antithetical to their aims (Andrews, 2013). An example of this would be the use of audits, taxation or anticorruption institutions to persecute political opponents (Lassou, 2017). Further, the tendency of powerful external institutions, especially the World Bank (WB) and the International Monetary Fund (IMF), to recommend prescriptions deemed state-of-the-art in the West (often bought from and implemented by Western consultants), has often neglected local involvement and adapting systems to the local context, resulting in forms of accounting technologies which are ill suited to local needs. Arguably, these issues have contributed to the disappointing pace of economic and accounting reforms in Africa. Such policy failures call for greater reflection by all parties involved, including researchers based in richer countries, as to why this is so and how to formulate better remedies. Nevertheless, despite its pressing needs, accounting research on African countries is scant, though improving in recent years. For instance, accounting journals in the (2016) Australian Business Deans Council ranking categorized as A\*, A and B published 13,805 articles from 2009 to 2018, but only 190 (1.38%) were on African countries, despite Africa containing 17% of the world's population, which is growing faster than in any other continent (Ashraf *et al.*, 2019).

Our call for papers produced a high volume of submissions. When journals grant space to neglected areas, academics tend to respond.<sup>2</sup> Overall, we received 39 submissions, their geographical focus relating to fourteen African countries, the Sub-Saharan area, or Africa generally. As anticipated, Anglophone countries represented the largest proportion with eight countries [Ghana (3)<sup>3</sup>, Ethiopia (2), Kenya (1), Nigeria (5), South Africa (2), Tanzania (2), Uganda (1) and Zimbabwe (1)]. Nevertheless, unlike previous special issues targeting Africa, this Special Issue received submissions from other African regions, particularly the Francophone region, with three countries [Benin (1), Cameroun<sup>4</sup> (3) and Tunisia (1)]<sup>5</sup>; the Lusophone region with one country [Cape Verde (1)]; and the Arabic region with two countries in addition to Tunisia [Egypt (5) and Libya (1)]. Additionally, ten (10) submissions focused on Sub-Saharan Africa or Africa generally either as review papers (3) or empirical papers (7). Seven submissions were rejected through initial scrutiny for lack of paradigmatic fit with the Special Issue and the journal. Hence, 32 submissions entered the initial review process. These were gradually reduced based on the guest editors' and the reviewers' assessment of the quality of the submissions/resubmissions. Ultimately, nine papers were accepted covering important issues facing the continent in many sectors of social life and economic development. The geographical coverage is as follows: East and Southern Africa, namely Tanzania and Zimbabwe (Goddard), and Kenya (Kimani *et al.*); North Africa, namely Egypt (Ghattas *et al.*); West Africa, namely Benin (Lassou *et al.*), Ghana (Alawattage and Azure; and Rozenfeld and Scapens), and Nigeria (Abdul-Baki *et al.*); a literature review of research papers on accounting in Africa (Seny Kan *et al.*); and a public sector financial reporting article covering ten Sub-Saharan African countries (Botswana, Ghana, Kenya, Mauritius, Nigeria, Rwanda, South

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<sup>2</sup> We extend our gratitude for the support from the African Accounting and Finance Association (AAFA) and the CESAG Business School – *Centre Africain d'Études Supérieures en Gestion* – for providing paper development sessions for this Special Issue at the 8<sup>th</sup> AAFA Conference in Dakar (Senegal) in September 2018.

<sup>3</sup> The numbers in brackets represent the number of submissions from that country in that region.

<sup>4</sup> About 70% of Cameroun is Francophone and 30% is Anglophone.

<sup>5</sup> Efforts were made to alleviate the language problem of a number of contributors from Francophone countries submitting to an English-speaking journal. Submissions could be made in French and were sent to French-speaking referees. Upon final acceptance, the onus then laid on the authors making an acceptable translation into English.

Africa, Tanzania, Uganda, and Zambia, with a more extended focus on Nigeria and Tanzania) (Jayasinghe et al.).

We were delighted to receive eighteen submissions from African researchers based in African universities. Eleven were chosen to enter the refereeing process and two were subsequently accepted. African-based researchers often face major funding problems, time constraints, and have limited access to vital resources such as relevant and high-profile journals and books. State-of-the-art training in research methods and writing articles to standards required by leading journals are further impediments (Ashraf *et al.*, 2019). These conditions often translate into researchers based in developing countries (DCs) lacking voice in intellectual and social debate (Seny Kan et al., 2021 [this issue]). To remedy this, partnerships with academic colleagues in better endowed institutions abroad may be established. Such remedy does not come down only to issues of financial resources in the proposed ‘partnerships’ or ‘collaborations’, but also to less tangible resources such as access to networks – specifically the ‘gerontocracy’ in the field – physical/transactional access to conferences, seminars, and ‘friendly’ reviewers to name but a few. This would further facilitate the perception of African and DC’s researchers as part of the international research community and not as *outsiders*. Note that wherever possible, we had at least one referee who was an academic based in Africa. Whatever their outcome, we are grateful for all these submissions from researchers employed by African institutions, and we hope that learning from this exercise will aid and stimulate further research and submissions from researchers affiliated with African universities. We are delighted to have some of their work in this Special Issue.

The articles in this Special Issue bring to the fore important and diverse issues confronting policymakers, practitioners, and academics interested in Africa. The topics examined cover the following: a comparative analysis of accountability in UK, Tanzanian, and Zimbabwean non-governmental organisations (NGOs) (Goddard); the evolution of inter-organisational controls in pension funds in a Sub-Saharan country (Rozenfeld and Scapens); the role of the WB in government accounting reforms in Ghana (Alawattage and Azure); how accountants allegedly facilitated corruption in the Oil Subsidy Corruption Scandal in Nigeria (Abdul-Baki et al.); an evaluation of corporate governance reforms in Kenya (Kimani et al.); the development of Egypt’s accounting profession (Ghattas et al.); how state audit institutions in Benin evolved and the underlying ramifications on corruption and governance (Lassou et al.); an assessment of government financial reporting practices and the role of accountants, their professional associations and accountancy firms therein (Jayasinghe et al.); and finally, a literature review of African accounting studies to date (Seny Kan et al.).

### **3. Social theorisation, qualitative methods, interdisciplinarity and holism**

Too often research on African accounting is governed by available databases to mimic quantitative research in leading Western accounting journals. A current review of journal articles on accounting in DCs by one of the editors of this Special Issue found that most papers, including those on Africa, are statistical, market-based studies of financial reporting and auditing. We question the over-concentration of such research in African accounting studies, not least because it involves capital markets that are often small, have low transaction volumes, and are weakly regulated (Yartey & Adjasi, 2007). But perhaps more importantly, this diverts attention from important topics such as sustainability, NGO involvement, public sector

accounting, and the role of the state, which often dominates economic policy and is the major source of capital in many African countries (Hopper et al., 2012). While economic growth and organized markets are important, they are not the only aims of development, especially if they only benefit political and economic elites (Seny Kan et al.). Thus, rather than using economic criteria to judge effectiveness, papers in our collection evaluate accounting against broader development goals, e.g. human well-being, good governance, and sustainability. Economic and quantitative analyses of African accounting can make significant contributions to knowledge development, but our plea is for more research paying attention to local context and issues derived bottom-up from grounded research, and employing theories that resonate meaningfully with the African setting. Otherwise, the research may unwittingly imbue a Western neo-liberal hegemony engendering inappropriate or politically infeasible reforms that fail to meet their objectives and/or engender indigenous resistance.

The papers employ a variety of social theories denoting a theoretical pluralism, namely Bourdieu and grounded theory (Goddard); institutional theory of various hues (Abdul-Baki et al.; Rozenfeld and Scapens; Jayasinghe et al.; Seny Kan et al.); discourse analysis based on Foucault's theory of governmentality plus agonistic democracy (Alawattage and Azure); Weber's theorisation of professionalisation and closure; Hopper et al.'s (2009) historical regimes of accounting in DCs (Ghattas et al.); neo-patrimonialism (Kimani et al.) and Ekeh's two publics theory (Lassou et al.). Interestingly, several of these theorisations stem from research on Africa and DCs, rather than theories developed elsewhere. Bourdieu's work began with ethnographic studies in Algeria; Ekeh's work lies in African studies; neopatrimonialism is prominent in development studies; and Hopper et al.'s framework was derived from accounting research on DCs. The papers illustrate the potential of adopting social theories and interdisciplinary studies, especially from fields engaged in Africa and DCs.

Aside from Seny Kan et al.'s literature review, all the papers employ qualitative research methods and draw their data primarily from interviews and documents (Abdul-Baki et al.; Alawattage and Azure; Ghattas et al.; Goddard; Jayasinghe et al., Kimani et al.; Lassou et al.; Rozenfeld and Scapens). This approach is welcome. Often data on pressing problems in Africa are not readily available. Rather, the researcher must dig them out or produce them during intensive case/field studies. In our experience, many accounting academics based in Africa tend to lack exposure to social theories or training in qualitative methods; as a result, they are often sceptical of those theories and methods. Hopefully, the research presented here will encourage researchers based in Africa to recognise the relevance and worth of such work and pursue research of this nature in the future.

A distinguishing feature of the articles in the Special Issue is their commitment toward interdisciplinarity and their regard for complex interactions between African history, culture, economies, politics, and governance (Seny Kan et al.). They recognise that legal-rational logics and competitive markets may not prevail or prove effective in countries where traditional logics emphasise social relations, and where rudimentary markets and state-led development are dominant. There is a need to recognise how local meanings and identity derived from the local socio-political context, shape accounting on the ground (Goddard). For example, in Benin, there were widespread popular beliefs, grounded in the country's historical context, about the appropriateness of using public resources for private ends (Lassou et al.). This favoured some 'tolerance' regarding the illicit use of internal accounting controls (e.g. internal audit) and the stifling of external oversight (e.g. by supreme audit institutions) by political leaders, leading to

the formal accounting systems becoming decoupled from actual accounting practices. Elsewhere, an African pension fund combined private sector logics, imparted by external sources to promote more efficient portfolio investment and joint venture management decisions, with local logics that held that the fund's investments should advance the government's development policy. The fund's managers subverted, albeit selectively, private sector practices, such as competitive tendering, due diligence, and investment appraisal. Additionally, they also included elements of public sector logics such as reducing the national housing deficit. This enabled them to reconcile the competing institutional pressures they faced and to "balance the various beliefs, expectations and rationales arising from the institutional complexity in [the] SSAC [Sub-Saharan African Country]" (Rozenfeld and Scapens).

Prescriptions that fail to recognise prevailing informal logics, the complex African institutional and political environment (Harris, 1975; Harrison, 2004, 2005), and local embedded agency and resistance, may have disappointing and/or unanticipated consequences. For example, principles-based accounting and corporate governance codes based on Western practices induced by the WB, the IMF and other Western agencies, proved inappropriate in Kenya, partly because most firms have concentrated family ownership and boards staffed by kinship members and political cronies, which tend to be impervious to calls for greater transparency and board oversight (Kimani et al.). Similarly, local actors in Africa perceived the introduction of Western-based accrual accounting and IPSAS (International Public Sector Accounting Standards) as an overseas imposition that disregarded existing 'good' practices in government financial reporting (Jayasinghe et al.). Externally induced accounting reforms, especially if seen locally as ineffective or unwanted, can become resented, and perceived as neo-colonialism and an imposition of Western hegemony. Additionally, pre-conditions for effective accounting reforms (e.g. well trained and skilled civil servants, independent from political influence, and an effective regulatory architecture) may be lacking (Lassou et al., 2019). Hence, when considering accounting practices and reforms, there must be careful considerations of their socio-political feasibility and societal effects. Given the preponderance of critical studies denoting the failure of accounting reforms in Africa, more studies are needed on "effective" reforms, their context, and the surrounding conditions of possibility. Some apparent progress has been made in Africa, despite the challenges local reformers have faced (e.g. Lassou et al., 2018; 2020b).

Another feature of the papers in this special issue is their holism, especially in terms of how the activities of actors at different levels with varying interests, responsibilities and capabilities overlap and interact. Seny Kan et al. label this as polycentricity, which combines the study of the activities of institutions and people at different levels of analysis thus connecting the global to the local. For example, Goddard found that local NGOs' dependence on Western NGOs and funders varied according to how power was distributed between the parties. Similarly, the development of the Egyptian accounting profession involved complex linkages between accountants, capital flows, the economy, society, and the state (Ghattas et al.). Jayasinghe *et al.* examined how an accounting community, consisting primarily of professional accountants, their professional associations and firms, and global accounting standard setters, primarily the International Public Sector Accounting Standards Board, have influenced government accounting throughout much of Africa. They used their relatively high power derived from their professional knowledge, expertise and elite connections (e.g. with Western donors and IFIs) to induce local political and administrative officials, professional bodies, and standard

setters to selectively override existing and ‘good’ local government accounting practices. In so doing, they implemented IPSAS and accrual accounting to enhance their status and commercial interests. However, as reported by these authors, the ‘newly’ implemented accounting systems do not appear to make *progress* in terms of accounting practices’ achievement of higher levels of government financial reporting qualitative characteristics.

#### **4. The impact of external agencies: colonialism and international financial institutions**

For some papers, the ramifications of colonial governance remain profoundly important for understanding African accounting and governance after independence. Several manuscripts suggest that the neoliberal policies of IFIs reproduce a historical trajectory of economic colonising (Alawattage and Azure; Lassou et al.; Ghattas et al.) and neglect the importance of local histories and ethnicity (Rozenfeld and Scapens). Imperialism spreads beliefs in the superiority of Western identities, advice, goods, and services and fosters a penchant for adopting the latter, rather than Africans developing their own, bespoke in-house accounting systems, more attuned to local needs and circumstances.

Some papers attribute the roots of corruption and weak accounting and auditing to the collaboration of indigenous political elites with former colonial powers, resulting in the continuation of colonial practices and ideologies post-independence. Such collaboration seems to have resulted in public resources being used for private benefit (Lassou and Hopper, 2016). Verschave (1998) has argued that ‘loopholes’ in government accounting across France’s former African colonies were a deliberate tactic to enable political leaders to exploit the state, which contributed to political unrest and instability, ensuing state fiscal crises, and often culminating in military coups (Abdul-Baki et al.; Lassou et al.; Verschave & Beccaria, 2001). In any case, accounting throughout Africa remains strongly influenced by the systems and practices of former colonial powers. For example, Kenyan legal and regulatory systems remain based on those of the UK; France still influences accounting in Benin, partly through the placement of French advisors, whose role remains controversial, within government (Lassou et al., 2019). Sometimes benefits from accounting reforms do not materialise if the external providers of technical assistance collaborate with local politicians, acting as the ‘third men’<sup>6</sup> to benefit their private interests and those of private companies, be they multinationals, large accounting firms or professional associations located in the West (Lassou and Hopper, 2016).

Nevertheless, external technical assistance is often difficult to avoid in African countries lacking sufficient local accounting capacity to instigate and implement needed accounting reforms. If the latter are conditions of external aid, donors and IFIs can prevent some local actors from thwarting or misusing the reforms. However, as is often the case, if there is a lack of meaningful local involvement, the development of local accounting capacity can be stymied and frustrated; and local actors can become discouraged from acting in a more reflexive, proactive and responsible manner.

Like many other studies, the papers in this Special Issue found that supranational actors, especially the IMF, the WB, international standard setters, and donors were often the major drivers of accounting reforms in Africa (Jayasinghe et al.). Their power to influence has been

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<sup>6</sup> A generic term used by Agbohohou (2012) to designate local leaders (men or women) situated between the former colonial powers and the African citizens in the process of neocolonial exploitation.

sustained through loan conditions within structural adjustment programmes following fiscal crises of the state (Rozenfeld and Scapens; Kimani et al.; Seny Kan et al.). For example, when a state-controlled pension fund in a Sub-Saharan African country was drained to provide government revenue, it contributed to a financial crisis. The government subsequently had to adopt the WB's recommendation to introduce private sector methods, e.g. portfolio analysis, investment appraisal, competition from private sector providers, to gain external legitimacy and aid (Rozenfeld and Scapens).

The WB's discourse and policies over the past four decades have encouraged neoliberal accounting reforms, supplemented since the 1990s with 'good governance' practices to increase social accountability and enhance citizens' engagement in public policy. Several papers are sceptical of this agenda. Alawattage and Azure argue that adopting an integrated financial management information system for government accounting in Ghana was neither empowering nor emancipatory. Instead, it increased self-surveillance, and its disciplinary gaze denied discursive space for those wishing to challenge or refine the discourse underpinning the system. The reform's emphasis upon fiscal discipline rather than a democratic social order made indigenous governments accountable to international development agencies rather than local citizens. Further, it neglected public checks and balances in the judiciary, legislatures, audit systems, ombudsmen, and public information access. Ultimately, the reform created markets that previously did not exist, promoted a private sector ethos within public servants, and did not tackle powerful corrupt persons and state apathy. Abdul-Baki et al. detail how the WB forced the Nigerian government to abandon government controlled domestic oil subsidies in favour of private sector and market solutions. However, allegedly, the WB neglected the power of pervasive corruption, hence unknown amounts of the 'temporary' subsidy (it lasted more than twenty-five years) to ease the transition went illicitly to several state officials and politicians. In Kenya, IMF pressure following bank collapses brought a raft of neoliberal reforms, including a stock exchange, International Accounting Standards (IASs), and corporate governance regulations that proved largely ineffective (Kimani et al.). In the 1970s, when Egypt reverted from socialist to more market-based policies, the WB pressured it to adopt IASs and to undertake reforms of the accounting profession. This adoption resulted in an accounting elite, mainly the then 'Big Eight' firms, which gained greater access to Egypt's auditing market, with exclusive access to multinational corporations and large indigenous firms (Ghattas et al.). In sum, IFIs' have promoted accounting reforms introducing private sector practices into public sector management, IASs, and reforms of accounting professions that serve large, often foreign, corporations and accounting associations.

Several papers note how African governments may formally adopt WB and IMF proposals for accounting reforms to gain external legitimacy and thence secure funding, but then the reforms are not enacted or are only complied with symbolically or have unanticipated and detrimental consequences. For example, IFIs have driven, with limited success, government accounting and auditing reforms in Benin since its fiscal crises in the late 1980s to control corrupt and ineffective governments (Lassou et al.). Their persistence with similar approaches, despite local leaders often frustrating their aims, could imply naivety from the WB, IMF and other IFIs, but IFIs' officials tend to be aware of the situation on the ground, as Lassou et al. note. However, the lack of action or pressure by IFIs to redress this remains poorly understood and cannot be definitively ascertained. The following questions, drawn from prior work on Africa, may help in the search for possible answers. Is it because the IFIs' field officers are too few



and often have a fleeting presence? Is it because of a ‘tick box’ approach to evaluating the effectiveness of accounting reforms which equates apparent implementation with success? Is it because many IFI officials lack accounting expertise and believe that accounting reforms are relatively unproblematic and essentially a technical matter? Is it because they realise the reforms may not attain their intended aims but getting better accounting systems implemented marks some incremental progress? Or is the monitoring of implementations deliberately lax to protect the commercial interests of Western actors, including consultants, purveyors of software and hardware, and multinational companies (see Lassou and Hopper, 2016; Lassou et al., 2019; Schiavo-Campo, 2009)?

Some papers have explored the effects of neoliberalism and free market ideologies that have underpinned Western interventions across Africa (Alawattage and Azure; Ghattas et al.; Kimani et al.; Lassou et al.). However, the analysis by these authors remains limited to the specific issues of focus, namely accounting information systems (Alawattage and Azure); accounting professionalization (Ghattas et al.); corporate governance (Kimani et al.); and government audit institutions (Lassou et al.). There is scant research on the ramifications of the adopted policies for the wider economy; and less on the implications for the most deprived people (Annisette, 2004; Chang, 2007). There is a need for critical research on how neoliberalism spreads across Africa despite its negative consequences (e.g. Harvey, 2005), to what extent accounting is implicated in this, and why such projects persist in the face of rising inequality and poverty (e.g. Lassou et al.). Despite the centrality of the WB and the IMF in propagating neoliberalism in Africa and other DCs (Annisette, 2004), little is known about how attendant policies impede, perhaps annihilate, local production, agriculture, small farmers and particularly the vital informal sector. The latter, i.e. the informal sector, contributes 55% of domestic gross product and 72% of non-agricultural employment in Sub-Saharan Africa (Ashraf et al., 2019). Future research should examine the role of accounting in facilitating or mitigating the spread of neoliberalism in African jurisdictions.

As such, qualitative research analysing the beliefs, actions, and policies of IFI officials (associated with accounting reforms in Africa and DCs generally) at the field and headquarters levels constitutes a promising avenue of enquiry. Field investigations could fruitfully examine how the structures and processes of the governance of these institutions frame and sustain dominant ways of thinking about accounting reforms and policies. We lack authoritative research on how and why, at both the local and headquarters levels, officials of IFIs formulate accounting prescriptions for DCs and individual African countries. Research-to-date strongly suggests that IFIs’ officials often rely on consultants (often from ‘Big Four’ firms) and Western accounting institutions (Jayasinghe et al.), which unsurprisingly recommend adopting IASs (often formulated to suit Western conditions rather than those in DCs), and off-the-shelf systems deemed to represent “best practice” in the West (Wynne and Lawrence, 2012). This tends to produce one-size-fits-all prescriptions that lack local influence and involvement, and consequently tend to fail, disappoint, or be used in a manner antithetical to local empowerment aims (Lassou and Hopper, 2016). Thus, the cycle of failures continues. To return to the point made by several contributors to this Special Issue, we need more holistic analyses that connect findings from the recently growing number of field studies of accounting reforms in Africa to the prescriptions advocated by global institutions that reproduce and diffuse particular forms of accounting knowledge.

## **5. Indigenous factors: leaders, civil society, accounting profession**

Research indicates that African states tend to become weaker when adopting neoliberal, allegedly one-size-fits-all, policies of the WB and the IMF. These institutions impose perceived Western best accounting practices upon African countries (Alawattage and Azure). Nevertheless, the interventions by the WB and the IMF can have merit, for instance, by making African leaders adopt accounting systems that keep traces of evidence and thus provide an audit trail for oversight and future investigations if warranted. However, these policies and practices need tailoring to local conditions and to be practically and politically feasible, otherwise they are likely to fail. States in DCs are sovereign but also interdependent with IFIs. Nonetheless, African governments, despite the asymmetries of power between them and international financial and aid agencies, retain some influence on whether to accept and how to implement these recommendations.

This was evident in Ghattas et al.'s study of Egypt's accounting profession reforms. The socialist government after independence pursued nationalistic policies to create an indigenous accounting association and introduced a standardised uniform accounting system, which reduced accountants to technicians and rule-followers. Easy entry into the profession flooded the market with less skilled accountants and discouraged high-quality work. However, when Egypt abandoned socialism for more market-based policies, under WB and IMF pressure, entry to the profession and the right to audit large firms became more restricted. This situation better served foreign accounting firms and multinational corporations (Ghattas et al.). The scope for strategic responses by indigenous institutions to external demands for accountability and accounting reforms may vary according to their dependence upon foreign funders. For example, Tanzanian NGOs bargained with external funders (an exception was an Islamic NGO not wishing to violate ethical beliefs), whereas Zimbabwean NGOs complied with whatever Western accountability and accounting practices their donors (e.g. Western NGOs, the UK Department for International Development, and the Organization for Economic Co-operation and Development) requested – given their impoverished state, survival was their dominant concern (Goddard).

A common theme in several papers is that problems do not reside with accounting *per se* but rather with political elites who favour weak state regulation and enforcement, and/or abuse their power for political or private gain (Seny Kan et al.). For example, investments by a pension fund often went to companies with political or kinship connections, though new tendering, investment appraisal and due diligence policies mitigated this somewhat (Rozenfeld and Scapens). In Nigeria, indications abound about corruption becoming institutionalised and that it filters down from the top. Despite the creation of financial and auditing institutions aiming to prevent this, such aim never materialised due to a lack of official support. Consequently, corruption by government officials continued (Abdul-Baki et al.). In Benin, nepotism, i.e. tribal, parochial, and ethnic favouritism, permeated government appointments, but the most illicit raiding of public funds went to amoral political elites and cronies, who used audit institutions to persecute political opponents and civil society actors (e.g. unions) seeking greater public accountability (Lassou et al.). In Kenya, corporate governance reforms did not enhance accountability as external agencies intended, rather the

regulatory bodies created became collaborative with management, decorative or even disruptive (Kimani et al.).

Thus, a concern in many papers is corruption and its unanticipated consequences. However, it is important to guard against promoting or reinforcing detrimental stereotypes of Africans. While it has been claimed that corruption in Africa is lower than in Europe when it was at a similar stage of development (Chang, 2012; Moreno, 2002), it is difficult, and often involves arbitrariness, to compare corruption levels between societies of different cultures, traditions, and histories (Lassou et al., 2020b). Africa is vast, and there are people who inhabit the tribal, social, economic, and political structures of the African society who are both honest and dishonest. For instance, in the public sector which is commonly portrayed as corrupt (Chang, 2007), public servants often strive to institute and maintain some degree of effective accounting reforms (Hopper, 2017; Lassou et al., 2018). Moreover, financial flows from pillaging public funds are routed through Western institutions, especially in the City of London, to tax havens. We contend (like other scholars and commentators, e.g. Harris, 1975; Verschave, 1998; Yates, 2006) that the problem does not lie with African societies and economies but rather African political elites entangled in, and exploiting, historical and structural power imbalances within global economic and financial systems. Some African elites (but not all) are not representative of their society and the values it embodies (Verschave, 2000; Verschave and Beccaria, 2001). This is captured in Ekeh's (1975) distinction between the primordial public (represented by honest African citizens) and the amoral public (represented by political elites lacking ethics in their dealings).

The growth of civil society institutions, increased urbanisation and education within African society, and growing citizen awareness of corruption due to its exposure during election campaigns and by critical private media organisations, may be stimulating demands for accounting reforms. For example, indigenous NGOs (often supported and protected by foreign NGOs and Western governments' aid departments), the media, and civil society protests were the main disclosers of corruption scandals in Benin (Lassou et al.). Indigenous independent NGOs giving voice to civil society have grown in Tanzania, though their independence was lower in Zimbabwe, where they depended on foreign funding for survival (Goddard). However, civil society organisations face difficult obstacles: often governments control much of the media, and can repress opposition, e.g., business organisations that complain about corrupt tendering may be debarred from future tendering or penalised by excessive tax demands (Lassou et al., 2019). Moreover, civil society organisations often have insufficient accounting skills to formulate accounting reforms addressing their concerns. For example, in Kenya, appointments to boards marked by cronyism, tribal politics, and social elites go largely unchallenged because the structures of corporate governance established at the behest of IFIs inhibit shareholders from being able to effectively voice their grievances (Kimani et al.).

Local professions have the potential to lobby for and develop accounting and auditing systems and standards more aligned to national needs. This can be better achieved if they find 'space' to collaborate within Pan-African and/or global professional alliances. However, this has not invariably materialised, leaving a vacuum for Western accounting firms and associations pursuing global expansion to fill. Unfortunately, some African professional accountants' ethics and expertise are low. For example, in Nigeria some (but not all) local accounting firms have collaborated in corrupt activities rather than pursuing the public interest (Abdul-Baki et al.; Bakre, 2006; Bakre & Lauwo, 2017). Allegedly, a lack of auditor independence and many

accountants' willingness to undertake illicit activities for clients are linked to poor training and education of auditors, reinforced by weak disciplinary enforcement (Abdul-Baki et al.). Developing autonomous and effective indigenous accounting and auditing institutions can be politically and practically difficult. In Egypt, from 1946 the government sought to supplant an Anglo-American model of an accounting profession with a local association. For nationalistic reasons and a desire to thwart British domination, the Egyptian government and accounting association left membership open to indigenous non-qualified practising accountants and limited the audit market to local actors. However, the change to membership requirements only exacerbated the indigenous profession's weak expertise, and the profession appeared unwilling to incorporate transparency, and unable to gain independence from the state. These issues coupled with the state's subsequent adoption of more market-based development policies, after mediation between the state and IFIs, led the Egyptian accounting profession to adopt a 'hybrid model'. This preserved a market for local accountants but enabled large foreign firms to serve multinational corporations and large indigenous firms (Ghattas et al.).

Taken together, there is a pressing need to ask difficult probing research questions and adopt new and innovative methodologies in order to provide richer insights into accounting in Africa that does not simply mimic the work undertaken in the Western tradition. More bottom-up, ethnographic research on how accounting is enacted, embodied, or realized by African accountants in their 'everyday life' in African settings is needed to understand the working 'realities' and the challenges they face, how they respond, and how systems in place function. Such work would document which change initiatives are feasible and '*effective*'. Alongside this, more investigations of accounting professionalization in Africa are needed. Do Western accounting associations bring valuable training, education and advice or do they merely recruit members in Africa for commercial reasons? What models of collaboration and partnership between Western and African accounting associations have been effective or not? What can 'provide a voice' (Gendron, 2018, p. 7) for local actors seeking beneficial changes but who lack the power to achieve them either locally or globally? To what extent has membership of Pan-African or global alliances of professional associations helped in this regard? In addressing such questions, critical researchers should examine current and prospective practices not merely from the perspective of professional accountants and accounting associations but also from that of the public interest, especially development issues such as poverty alleviation, citizen involvement, and sustainability.

## **6. Final reflections**

Progress is unlikely to come from dichotomous thinking that separates the global from the local. Nor will it emerge if we continue to make local actors and institutions solely responsible for the accounting reforms enacted within Africa. Note that, as discussed above, 'local' means different things locally, and the studies selected in the Special Issues illustrate the diversity within local contexts across many African regions. Given the reluctance of some local political elites to change the status quo, weak indigenous accounting capacity and regulatory institutions, webs of corruption, and local accountants with insufficient power to undertake needed initiatives, it can be difficult (but not impossible) to yield substantive changes. Thus, the involvement of actors beyond the national realm, be it at the regional, continental, and international levels, may be warranted but as enshrined in the United Nation's Sustainable

Development Goals, there is a need for well-developed substantive partnerships that support the agency of local people. Too often, the lack of meaningful partnerships has fostered a lack of indigenous ownership of and commitment to accounting reforms, and insufficient attention to what is feasible, desirable, and suited to local conditions. Further, the current structural arrangements and ideologies that underpin neoliberal, market-based accounting reforms within current partnership or collaboration initiatives arguably privilege Western interests and can downplay the worth of locally created accounting systems.

Local experience and capacity may increase after learning from experimentation and negotiations between funders and recipients, so involving multiple actors across scattered locations may yield longer-term progress (Seny Kan et al.) when addressing the issues and problems reported in this Special Issue. Local considerations, often on what may seem minor issues from Western perspectives are needed to gain institutional embeddedness, e.g., reporting solely in English rather than Swahili in Kenya poses a significant ‘understandability’ problem, weakens shareholder control, and can become perceived as cultural imperialism (Kimani et al.).

This less tangible and indeterminate approach is often difficult to sell to funders when they receive ‘easy’ alternatives from Western experts containing tangible systems and implementation processes. Such systems are allegedly successful in Western contexts but untested in African contexts (Chang, 2007; Lassou and Hopper, 2019). These may appear less risky and easier to justify than interventions that rely on collaborative processes to identify problems and solutions that are sensitive to local conditions and cultural attributes (e.g. local languages). However, previous results suggest the benefits of detailed, prescriptive, and predetermined projects may be illusory (Andrews et al. 2017). The same is true for market-based studies, which start with clear hypotheses and use established statistical methods to test these. A qualitative approach may appear daunting to prospective researchers for there is uncertainty over how the research methods will progress and what findings will emerge. However, hopefully the papers in this Special Issue illustrate how such research can be operationalised and can identify and explore important but relatively neglected accounting issues in Africa.

Undoubtedly, the WB, IMF and other IFIs have been the engines of many accounting reforms in Africa, but research-to-date suggests that often they appear to be satisfied once their recommendations are formally adopted. Often their evaluations follow a ‘tick box’ approach by officials with a fleeting presence in the country (Lassou et al. 2019). As Stiglitz and Chang (2001) argue, donors’ technical assistance has its own political economy. Finding faults and problems (either in design or implementation) when evaluating reforms that they recommended may compromise their credibility and threaten their continuing existence. In addition, they lack sufficient time to invest in fully tailored solutions (Hedger & de Renzio, 2010). A two to three week visit to the country is likely to be insufficient to evaluate properly whether complex systems (such as public financial management systems) are an appropriate ‘fit’ with their operational environment, and represent workable and sustainable solutions. There is a desperate need for funders and advisors to be more closely involved with accounting changes on the ground and to monitor progress post-implementation over time. The issue of partnership also applies to Western professional accounting associations. Too often they are competitors rather than collaborators, which can stymie the development of indigenous accounting associations that can grant African reformers greater voice.

Lastly, we turn to the responsibilities of accounting academics, especially those located in richer developed countries, interested in critical perspectives and studies that endeavour to make a difference in Africa. The merit of pursuing research on DCs generally, and Africa specifically, especially but not exclusively by the diaspora of African academics and PhD students based in Western universities, must be better appreciated, promoted, and rewarded in Western academia. For example, course outlines in doctoral programs should incorporate accounting issues associated with global development. Otherwise, how can we claim that our research has both local and international relevance? As critical researchers, ‘we have a responsibility to act in the public interest’, particularly towards underserved constituencies (Dillard and Vinnari, 2017). How do we ‘profess’ our subject given increasingly structurally imbalanced North-South relations whereby Africa, which provides the world with vital minerals and raw materials (including agricultural produce), remains the poorest continent<sup>7</sup>? When over 1.2 billion of the world’s population is entangled in a quiet and ‘artificial’ poverty (Bakre, 2007), the collective community of critical researchers must give voice to the voiceless, weak, and marginalized, in order to begin to redress inequalities. If we cannot muster a sustained engagement with African socio-economic issues, and the role of accounting therein, our choices will reproduce the status quo. We hope that this Special Issue will stimulate the interests of accounting researchers in Africa and beyond because there is much work still to be done.

#### **Appendix A. Supplementary material**

The French version of this guest editorial can be found online at <https://doi-org/xxxxxxx>

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<sup>7</sup> See: <https://www.worldbank.org/en/news/immersive-story/2018/10/17/going-above-and-beyond-to-end-poverty-new-ways-of-measuring-poverty-shednew-light-on-the-challenges-ahead> [Assessed 10/05/2019]

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