Editorial

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Biographical notes: Charles Elad is a Reader in Accounting and Finance at the University of Westminster, London, and previously taught at the University of Aberdeen. He received his Masters in International Accounting and Finance, and PhD in Accountancy, from the University of Glasgow. He has served as a Consultant to a number of international organisations and has also held competitive research grants from the UK Economic and Social Research Council (ESRC), the French Centre National de la Recherche Scientifique (CNRS), the Chartered Institute of Management Accountants, and the Institute of Chartered Accountants of Scotland.

In 1991, the United Nations Centre on Transnational Corporations carried out a comprehensive study on accounting needs in Africa and arrived at the conclusion that the regulatory framework of accounting in most English-speaking countries on the continent was based on outdated British Companies Acts inherited from the colonial era (United Nations, 1991). Similarly, the Francophone and Lusophone African countries were using antiquated national charts of accounts or *plans comptables général* (PCG) which had not been revised since independence. Furthermore, public sector accounting was not well-developed in all African countries and there was a general shortage of government accountants and auditors. Much of the early literature of the 1970s and 1980s questioned the wholesale adoption of Western accounting models and international accounting standards in Africa, particularly in view of the extreme socioeconomic disparities between industrialised and developing countries (e.g., Briston, 1978; Samuels and Oliga, 1982; Hove, 1986). It is noteworthy that the *International Journal of Accounting Education and Research* published many papers on accounting in Africa over the past 40-years and was the main outlet for research in this field. Other leading journals at the time were generally reluctant to publish the work of African accounting scholars.

But the emergence of critical accounting during the 1980s and 1990s opened up a new research agenda for African accounting scholars involving a variety of interpretive methods and perspectives. However, since the pioneering study by Tinker (1980) on the role of accounting in social conflict in the context of a multinational company in Sierra Leone, the second generation of African accounting research has taken a largely interdisciplinary approach (Sy and Tinker, 2006). While work in this area continues to grow, there is still a dearth of critical accounting studies on Africa, particularly the Francophone and Lusophone countries.

Also, few studies have analysed the impact of global financial and economic crisis on the evolution of accounting in Africa. For example, many African countries began to experience severe economic crises during the 1980s and were compelled to implement structural adjustment programmes as required by the World Bank and the International

Monetary Fund (IMF). These developments have two major implications for accounting in Africa.

First, the World Bank threw its weight behind the International Accounting Standards Board's agenda when it recognised International Financial Reporting Standards (IFRS) as one of the international standards and codes that promote good governance, transparency and public accountability within its market-oriented reform programme involving privatisation, public sector downsizing, deregulation and trade liberalisation (IMF, 2003). Accordingly, all large corporations, privatised public utilities and parastatals in countries that receive structural adjustment assistance from the World Bank and the IMF were expected to prepare their financial statements in conformity with IFRS (see e.g., IMF, 1999, 2000). This unprecedented strategic alliance between the IASB and the World Bank not only confers legitimacy on international financial reporting standards, but also plays a vital ideological role in bolstering the sectional interests of private capitalist investors as opposed to the public interests.

Second, another consequence of the World Bank's market-oriented reforms was the need to patch up and revamp the antiquated variants of French, Spanish, and Portuguese *plans comptables* in some African countries in the context of global strategies for the convergence of domestic accounting principles with IFRS. Such external pressures led to a very ambitious accounting modernisation initiative in Africa's CFA franc zone (*Communauté Financière Africaine*) that ushered in two-new systems, namely: *Système Comptable Ouest Africain* (SYSCOA) PCG for the West African franc zone countries, and *l'Organisation pour l'Harmonisation en Afrique du Droit des Affaires* (OHADA) PCG for the franc zone countries in Central Africa (see, e.g., Ollier, 1999; Gouadain, 2000; Elad, 2004). These two-broadly identical PCGs were subsequently streamlined and repackaged as a major component of the OHADA Treaty. Currently, the signatories to this treaty include 14-Francophone African states, one Spanish-speaking country (Equatorial Guinea), one Portuguese-speaking country (Guinea Bissau), and one bilingual country (Cameroon) which uses both French and English as official languages. These countries have a civil law tradition, except for the Anglophone provinces of Cameroon, which have the common law legal system.

Although the OHADA PCG model offers a valuable tool for bookkeeping and the organisation of accounting records, culminating into a robust template for filling in tax returns, it is not only incompatible with IFRS but also highly deficient in accounting standards relating to many income measurement and asset valuation issues that are dealt with in detail by Anglo-American accounting pronouncements. IFRS follow the Anglo-American approach to accounting which lays emphasis on measurement and disclosure issues that are intended to protect stock market investors. By contrast, the design of the PCG model is driven by the needs of a wider range of stakeholders, particularly government (for national income accounting and macroeconomic analysis), tax authorities, creditors, and national statisticians. Some writers (e.g., Enthoven, 1977; Parker, 1990; Nobes, 1998) have argued that, for African countries with less developed capital markets, the Anglo-American accounting models and IFRS might be inferior to the *plan comptable*.

The foregoing review of developments in African accounting indicates that there are many unresolved issues and more critical research is needed on: Francophone and Lusophone countries; multinational companies operating in sectors such as oil and gas exploration and production, plantation agriculture, forestry, and mineral resource extraction; taxation; management accounting; auditing; public sector accounting; corruption, public accountability and good governance.

The articles in this special issue seek to address some of these challenges. For example, the papers by Bakre and Otunsanya examine different aspects of corruption and governance in Nigeria and the complicity of ruling elites and multinational oil companies. Another paper by Ndiweni analyses the way in which corruption impedes good governance in Zimbabwe and suggests that a revival of Afro-centric values and ethics, based upon the African philosophy of *ubuntu /hunhu*, might alleviate this problem.

From a pan-African perspective, Owolabi carried out an empirical study on the relationship between corruption, on the one hand, and the environment of accounting and auditing, on the other, using Transparency International's corruption perception indices. He found that there is a positive relationship between the strength of the accounting and auditing environment of a country and its level of corruption.

The paper by Wynne looks at the capacity for public sector financial managers in Sub-Saharan Africa to enhance the quality of governance and public financial management in the face of World Bank/IMF reforms.

Iyoha examines the role of religious education in shaping the ethical orientation of accounting and business undergraduate students in a Nigerian university. He found that the type of religious education offered at the university where the study was carried out plays a vital role in shaping the ethical values of students.

The paper by Negash analyses the transformation of a South African university from a historically 'whites only' institution that produced Nobel laureates and some of the country's leading scientists and company executives, to the new challenges of the post-Apartheid era, particularly the need to widen access and to meet new performance metrics and accreditation benchmarks. The paper uses a case study on the university's School of Accountancy to examine tensions between vocational and academic requirements of degree programmes and their impact on the new performance metrics and benchmarks within a balance scorecard; staff turnover, recruitment and retention, and issues pertaining to resource allocation and devolved budgeting.

Finally, Ismail explores the extent to which companies in Egypt voluntarily provide disclosures on intellectual capital. Thus far, only a few studies have been conducted on this topic in an African setting. He found a low level of voluntary intellectual capital disclosure. This is in line with other studies which have reported that the levels of voluntary intellectual capital disclosure are low worldwide.

I hope that this special issue will stimulate further analysis, discussion, and research in the burgeoning field of African critical accounting studies.

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